CreditAccess

CreditAccess India B.V.

Annual Report FY 2023/2024

For the year ended 31 March 2024

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Directors' Report

CreditAccess India B.V. based in Amsterdam, the Netherlands, is the long-term promotor company of the largest microfinance company of India, CreditAccess Grameen Ltd.

CreditAccess India B.V. (the Promotor or CreditAccess India) currently holds 66.6% of the shares in CreditAccess Grameen. The remainder of the shares are listed on the national stock exchanges NSE and BSE since August 2018. 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.

CreditAccess Grameen Ltd (CreditAccess Grameen) provides loans to underbanked households primarily in rural areas of India through the so-called group lending model. CreditAccess Grameen also provides working capital loans to small business owners and individual loans to clients. CreditAccess Grameen is based in Bangalore, Karnataka in India and at the end of FY23/24 serves 4.918 million clients with 19,395 employees operating out of 1,967 branches in India. The clients are mainly women running retail shops, small-scale traders, and family farmers.

The financial year 2023/2024 was the first full operating year of the Promotors' life insurance initiative through CreditAccess Life Insurance (CALI) based in Bangalore, India. 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. CALI has the ambition to become the largest Life insurance company for the lower income segment in India through a range of products and offerings that meets the needs of this segment of the population. It is estimated that the potential market will be 200+mln households under the Insurance for All 2040 initiative launched by the Indian government.

Vision

Our vision is to be the preferred financial partner of Indian households lacking access to formal credit. Our people-centric culture is the biggest strength. It is our mission to provide affordable credit and other financial services in a responsible, sustainable, reliable way to our customers matching their evolving needs. We are 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 25 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 received regulatory approval for underwriting life insurance policies since the beginning of FY23/24.

CreditAccess Grameen Limited 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”.

We deploy our assets in a country of more than 1.4 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 to provide partial liquidity

The holding company has created three classes of shares, namely the Ordinary shares, CALI shares and non-voting Tracking shares, tracking two different businesses and offering the shareholders the possibility of partial liquidity.
The promotor has provided patient capital for more than 15 years to CreditAccess Grameen. Certain investors in the Promotor company have requested a partial liquidity option and to meet this request the Promotor sold 5.76% of the shares in CreditAccess Grameen on 30 June 2023 in the open market and has subsequently cancelled non-voting tracking shares and returned capital to its shareholders.

Risk management

Our subsidiary CreditAccess Grameen Limited is one of the leading microfinance institutions in India focused on providing financial support to women from low-income households. Together with Credit Access Life Insurance Limited, the major risks for the group are credit, operational, market, business environment, political, regulatory, concentration, expansion and liquidity risks. As a matter of policy, these risks are assessed and appropriate measures are taken to mitigate these risks. The Company's policy is that risk management processes throughout the Company are audited by the Internal Audit function.

Legislation & regulation

Credit Access India and subsidiaries have a rigorous process and an agreed understanding with multiple large advisory firms to keep track of relevant regulations and legislation in India, The Netherlands and in Italy since a lot of investors in CreditAccess India are based in Italy. The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercises to be conducted at regular intervals. On a quarterly basis, our Group senior corporate secretary is reviewing latest developments which are shared with The Board for further processing and adequate actions when applicable.

Financial instruments

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately. The Company's Hedging Policy to mitigate these risks is mainly related to foreign currencies. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company does not hold derivative financial instruments for speculative purpose. Hedges of foreign exchange risk on firm commitments is accounted as cash flow hedges.

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 a dedicated life insurance company, through which the Group will undertake life insurance underwriting. CreditAccess Life Insurance limited (CALI) started to issue life 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.
CALI is supported by the Group, providing an initial capital injection to start their operations. In their first year of operations, the company achieved a net profit after taxes under IFRS17 standards of 0.2 million euro. The Life insurance company is showing a strong balance sheet position as per 31 March 2024 having EUR 18.5 mln equity and EUR 27.9 mln total assets.

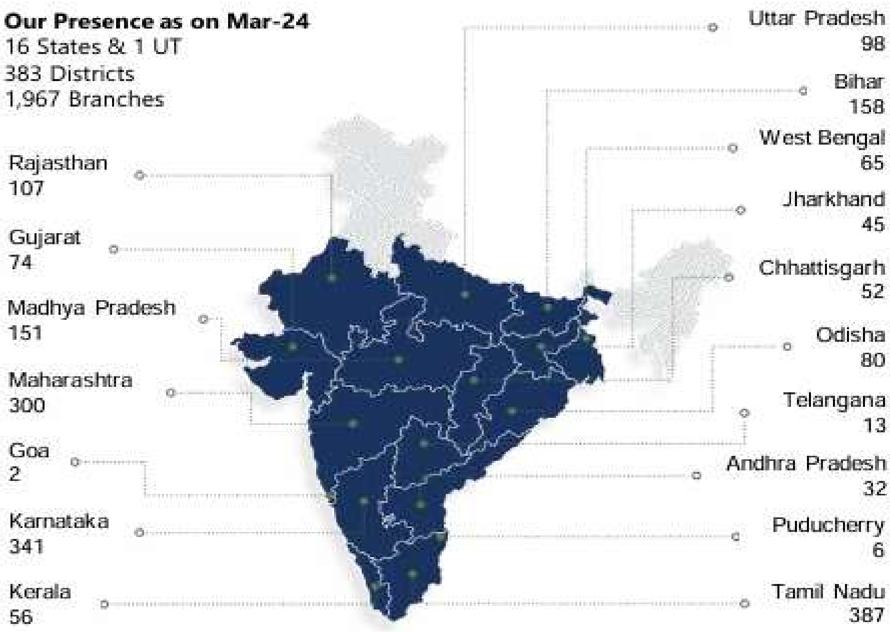
Research & Development

Being a leading Indian microfinance institution headquartered in Bengaluru, focused on providing micro-loans to women customers predominantly in rural areas across India, the Group is exploring new opportunities in multiple districts in India for further development. There is a strict selection of areas where Credit Access can support the reduction of poverty and add value to the economy. This mission continues to be guided by the philosophy of balancing economic growth with social responsibility.
Many of our loans provided are in cash. However, as the rural areas of India are under development of technology, Grameen started a few years ago to invest in new software to offer digital lending products to the needs of customers who are digitally savvy. These products will be offered in a simple, convenient, and transparent model through a proprietary app.

Geographical areas

CreditAccess India is the holding company of the Group and its head office is located in Amsterdam, the Netherlands. CreditAccess Grameen and CreditAccess Life Insurance are the core operating companies located in Bangalore, India.

CreditAccess Grameen has an outreach of 1,967 (+10.1% YoY) branches, in 383 Districts and 16 States & 1 UT of India. Key states by portfolio size are Karnataka 31.8%, Maharashtra 20.6%, Tamil Nadu 20.1%, Madhya Pradesh 6.3% and the remaining states contribute 21.2%.



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". Our strategy primarily focusses on four elements, which are:

1. Enhancing the customer household value
2. Improving the employee formative journey through various development, growth, and upskilling initiatives.
3. Investing in process transformation, automation, and digitalization of workflows for simplifying the user experience
4. Building strong organisational culture aligned with the Company's strategic growth objectives.

The Company opened 194 new branches in FY23/24. The branch expansion was in line with the company's contiguous district-based expansion strategy, primarily focusing on new geographies.

Highlights

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

1- CreditAccess Grameen is the largest NBFC-MFI in India, on account of organic growth of 27.0% YoY in Gross Loan Portfolio including off balance sheet portfolio.

2- The Group achieved a consolidated Net Profit After Taxes of EUR 154 mln (FY22/23; EUR 78 mln), with a solid capital position and strong balance sheet: EUR 759 mln equity (FY22/23: EUR 596 mln), EUR 3,241 mln total assets (FY22/23: EUR 2,472 mln).

Performance indicators regarding environment and personnel

CreditAccess Grameen was honoured with renowned accolades such as Best Core Banking Technology Implementation 2024 by The Asian Banker. We are confident that our strong corporate governance standards supported by splendid management will help chart a better future for our customers. The 25 years of successful completion wouldn't have been possible without the support of our customers, employees, lenders, regulator, and government bodies.

The CreditAccess Group is an equal opportunity employer, CreditAccess 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.

CreditAccess 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

CreditAccess Grameen has made continuous investment in technology, including the upgradation of their core banking system, introduction of business rule engine and process automation, aimed at future-proofing our institution. These technological advancements not only streamline the processes but also enable CreditAccess Grameen to offer personalised services that meet the evolving needs of our customers. The company has several strategic projects that span across various functions and this forms the backbone of our growth engine. Our goal is not just to stay ahead of the curve but to define it, ensuring that we remain relevant with changing times.

CreditAccess Grameen is committed to building upon this foundation and continuing to set new benchmarks of excellence in the industry. The journey serves as a testament to what can be achieved through perseverance, collaboration, and a steadfast commitment to making a positive impact on the world around us.

Achieving a well-diversified base of lenders and investors across the world, incorporating ESG into the financial decision making, is a key element of our strategy. Sustainable value creation is indispensable for the Company to flourish, given the mandate to advance the financial inclusion agenda across rural India. Our strong corporate governance framework has entailed financial stability and better resilience to external shocks.

We have chosen a conscious path to grow at a consistent pace of 20-25% CAGR over the next 4-5 years keeping the quality aspect in mind. Rural India presents enormous credit-advancing opportunities that must be dealt with dutifully. Being a lender to low-income households, our strength of our liability franchise is paramount to fulfil the growing customer aspirations at affordable terms and be efficient in our operations to generate the right returns.

In this continuous process, we strive to become a solid high-quality execution organisation. Our calibrated business expansion approach involves balancing growth and maintaining a quality portfolio to maintain our leadership position in the industry.

Key financial information

Figures in EUR million	CA Grameen			CA India BV (Company)			CA India BV (Group)		
	FY 21/22	FY 22/23	FY 23/24	FY 21/22	FY 22/23	FY 23/24	FY 21/22	FY 22/23	FY 23/24
Interest income and fees	**296.5**	**397.7**	**545.8**	**0.2**	**0.01**	**0.6**	**296.7**	**398.0**	**546.4**
YoY growth %	*12.1%*	*34.1%*	*37.2%*	*-90.9%*	*-95.0%*	*6104.9%*	*11.4%*	*34.1%*	*37.3%*
Interest expenses and fees	-113.8	-145.4	-193.4	-1.4	-0.1	-0.1	-115.2	-145.5	-193.5
Net Interest Margin	**182.7**	**252.3**	**352.4**	**-1.3**	**-0.09**	**0.5**	**181.4**	**252.5**	**352.9**
YoY growth %	*16.4%*	*38.1%*	*39.7%*	*40.6%*	*-93.1%*	*-700.3%*	*16.2%*	*39.2%*	*39.8%*
Other income	12.5	19.8	25.0	0.0	0.0	0.02	12.5	19.8	25.0
Credit loss expenses	-60.4	-41.0	-45.0	0.0	0.0	0.0	-60.4	-41.0	-45.0
Insurance, gross result	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.04
Gross result	**134.8**	**231.1**	**332.4**	**-1.3**	**-0.1**	**0.6**	**133.6**	**231.3**	**332.9**
Operating expenses	-79.4	-99.0	-116.4	-7.0	-3.4	-0.0	-86.4	-102.7	-119.5
Operating profit	**55.4**	**132.1**	**216.0**	**-8.3**	**-3.5**	**-2.7**	**47.2**	**128.6**	**213.4**
Result from foreign currency denominations	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1	0.0	-0.0
Share in results of subsidiaries & associates	0.0	0.0	0.0	31.3	71.6	109.7	0.0	-0.1	0.0
Taxation on result	-14.3	-33.4	-54.9	0.0	0.0	0.0	-14.3	-33.4	-54.9
Net Profit After Taxes	**41.1**	**98.7**	**161.0**	**23.0**	**68.1**	**107.0**	**32.9**	**95.1**	**158.5**
YoY growth %	*173.1%*	*140.1%*	*63.2%*	*202.2%*	*196.1%*	*57.1%*	*228.8%*	*189.1%*	*66.7%*
Fixed Assets	75.1	67.4	68.1	8.5	7.9	7.7	83.6	75.5	76.2
Gross loan portfolio outstanding *	1,818.4	2,169.0	2,841.1	0.0	0.0	0.0	1,818.4	2,169.0	2,841.1
Impairment allowance	-63.5	-38.9	-55.8	0.0	0.0	0.0	-63.5	-38.9	-55.8
Net loan portfolio outstanding	1,754.9	2,130.1	2,785.2	0.0	0.0	0.0	1,754.9	2,130.1	2,785.2
YoY growth %	*28.5%*	*21.4%*	*30.8%*	*n.a.*	*n.a.*	*n.a.*	*28.5%*	*21.4%*	*30.8%*
Cash and cash equivalents	187.9	150.0	122.8	26.1	0.9	5.6	213.9	151.6	128.6
All other assets	60.4	97.3	224.1	349.5	427.9	499.1	60.7	115.4	251.4
Total assets	**2,078.3**	**2,444.9**	**3,200.3**	**384.0**	**436.7**	**512.4**	**2,113.1**	**2,472.7**	**3,241.4**
Shareholders' equity	495.3	571.2	728.9	374.3	434.4	511.5	520.4	596.7	759.9
YoY growth %	*9.5%*	*15.3%*	*27.6%*	*6.5%*	*16.1%*	*17.8%*	*7.2%*	*14.7%*	*27.4%*
Finance debt	1,545.8	1,833.4	2,434.9	8.5	1.7	0.01	1,554.3	1,835.1	2,435.0
All other liabilities	37.2	40.2	36.5	1.2	0.5	0.8	38.4	40.9	46.5
Total equity and liabilities	**2,078.3**	**2,444.9**	**3,200.3**	**384.0**	**436.7**	**512.4**	**2,113.1**	**2,472.7**	**3,241.4**

* This is excluding off-balance sheet portfolio of loans to customers.
The off-balance sheet portfolio amounts to EUR 108,348,974 at 31 March 2024 (31 March 2023: EUR 171,592,847).

Business Growth

CA Grameen accelerated branch openings during the whole year FY23/24. In the last quarter, 86 branches were openend and 181 in whole FY23/24. As of 31 March 2024 CA Grameen has 1,967 branches across 383 districts in 16 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/24	Mar/23	%
	A	B	(A-B)/B
Branches	1,967	1,786	10.1%
Borrowers ('000)	4,918	4,264	15.3%
Gross loan portfolio* (EUR in mln)	2,841	2,169	31.0%
Employees	19,395	16,759	15.7%

* Include on and off balance sheet portfolio

Profitability

We continue to play a leading role in bringing inclusive finance into the development mainstream. Our remarkable journey has unfolded a new chapter, shaping rural India's growth narrative. This year holds a special significance in our 25 years of journey, marked by a continued display of the highest standards of excellence.

With a net profit growth of 66,8%, the Group demonstrates the resilience and validity of its business model. With an industry leading Return on Assets of 4,8% and Return on Equity of 20,4%, it is important to note that it comes in the background of being the lowest-cost lender in the microfinance industry.

Total interest income of the Group increased 37,3% from EUR 398,0 mln to EUR 546,4 mln in FY23/24. Total interest expenses of the Group increased only 33,0% from EUR 145,5 mln to EUR 193,5 mln in FY23/24. Net Interest Income grew by 39,8%. Other income of the Group increased from EUR 19,8 mln to EUR 25,0 mln in FY23/24. Total credit loss of the Group increased from EUR 41,0 mln to EUR 45,0 mln in FY23/24. The total operating expenditure increased from EUR 102,7 mln to EUR 119,5 mln in FY23/24. The Group recorded Profit after Tax of EUR 154,8 mln for FY23/24 compared to EUR 78,7 mln in FY22/23.

Important ratio’s improved significantly for CA Grameen:	CreditAccess Grameen	
	Mar/24	Mar/23
Return on Assets	5.7%	4.2%
Return on Equity	24.9%	18.0%
Debt to Equity	3.3	3.2

Quality of Portfolio

Being a lender to low-income households, our strength of liability franchise is paramount to fulfill the growing customer aspirations at affordable terms and be efficient in our operations to generate the right returns.
In this continuous process, we have strived to become a self-sustaining engine. Our calibrated business expansion approach involves balancing growth and quality portfolio to maintain the leadership position in the industry.
The overall asset quality enhanced significantly in FY23/24. The Group has gradually improved credit collections which resulted in a stabilization of the impairment on loans to customers (ECL rate) from 1.78% in FY22/23 to 1.95% in FY23/24.

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 2,435 mln at 31 March 2024 (EUR 1,835 mln at 31 March 2023).

The Group has a diversified liability portfolio with more than 65 lenders across local and international banks (44), financial institutions (3), Non-Bank Financial Institutions (6) and foreign investors (15). Further, CA Grameen performed securitization and several direct assignments in the local market during FY23/24.

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.

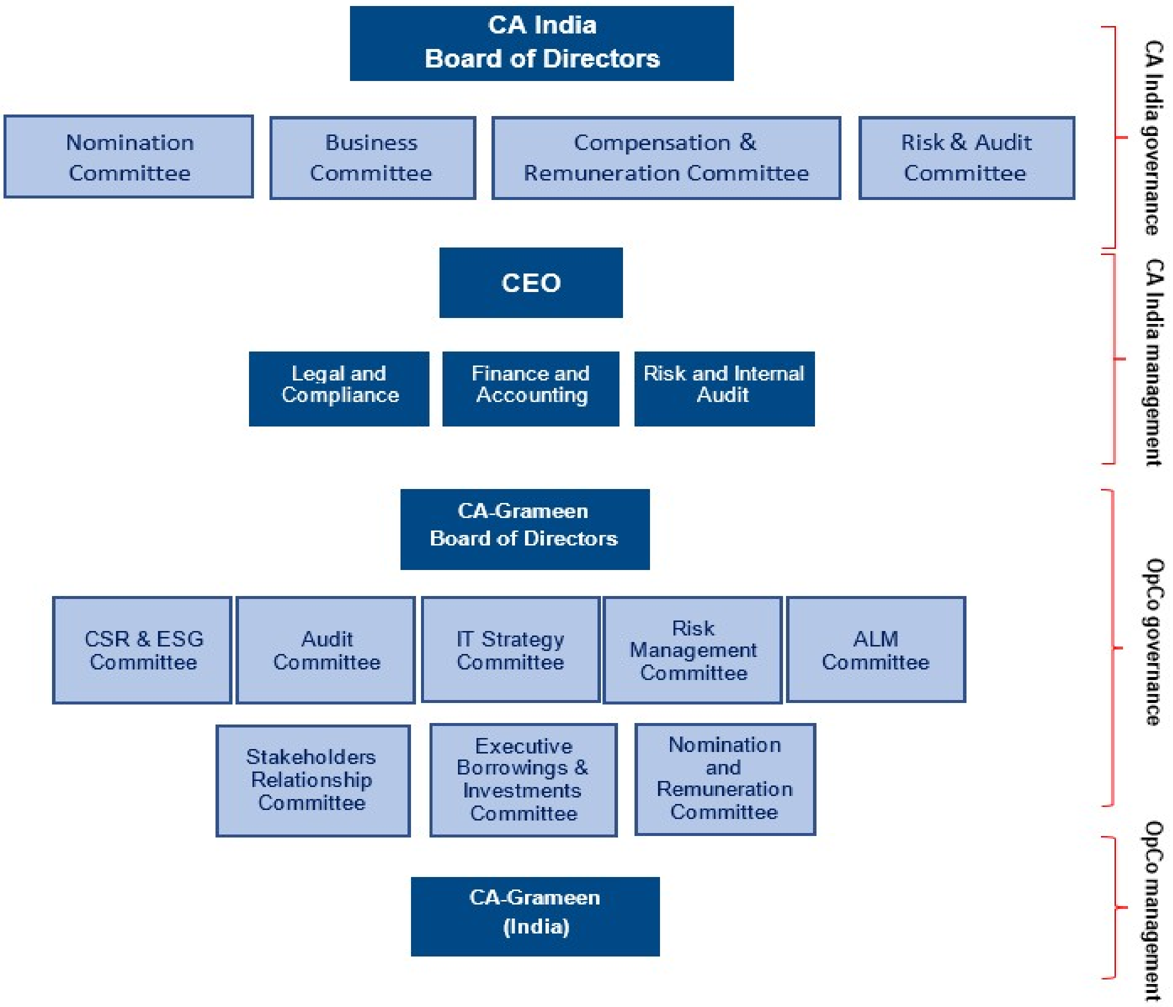
Liquidity and solvency

The Group has maintained a very strong capital and cash position with consolidated closing Debt to Equity of 3.03:1 (FY22/23 2.82:1) and Capital to Risk (Risk Weighted) Assets Ratio (CRAR) of the operating company CA Grameen at 24.9% (31 March 2023; 23.6%).

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.



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, for a term of three years:

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 (Executive Director)	18-Nov-22

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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 FY23/24.

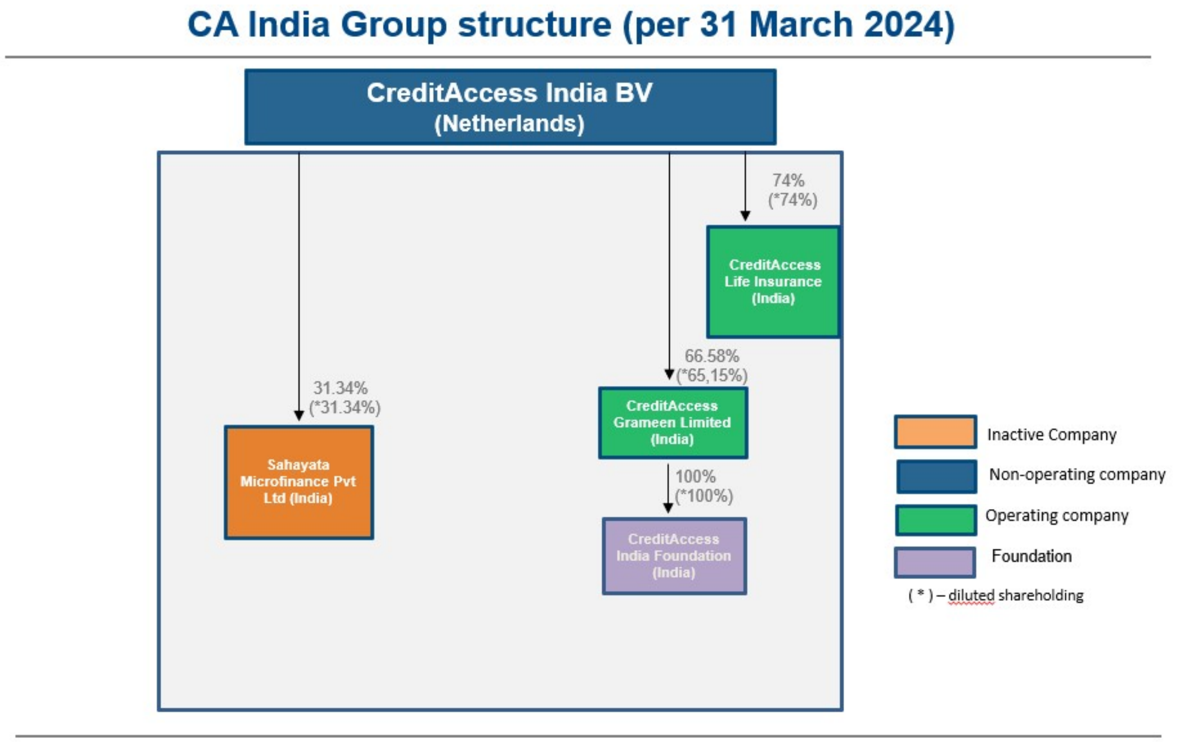
Compensation of Directors

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 34. 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 FY23/24.

Ultimate Beneficial Owner (UBO)

No single natural person who is a shareholder of the Company has the right to ownership of more than 15% of the total number of shares of the Company. Therefore, the Company has no Ultimate Beneficial owner and the Executive Director and the Non-Executive Directors have been registered as pseudo-UBO.

Legal structure as at 31 March 2024



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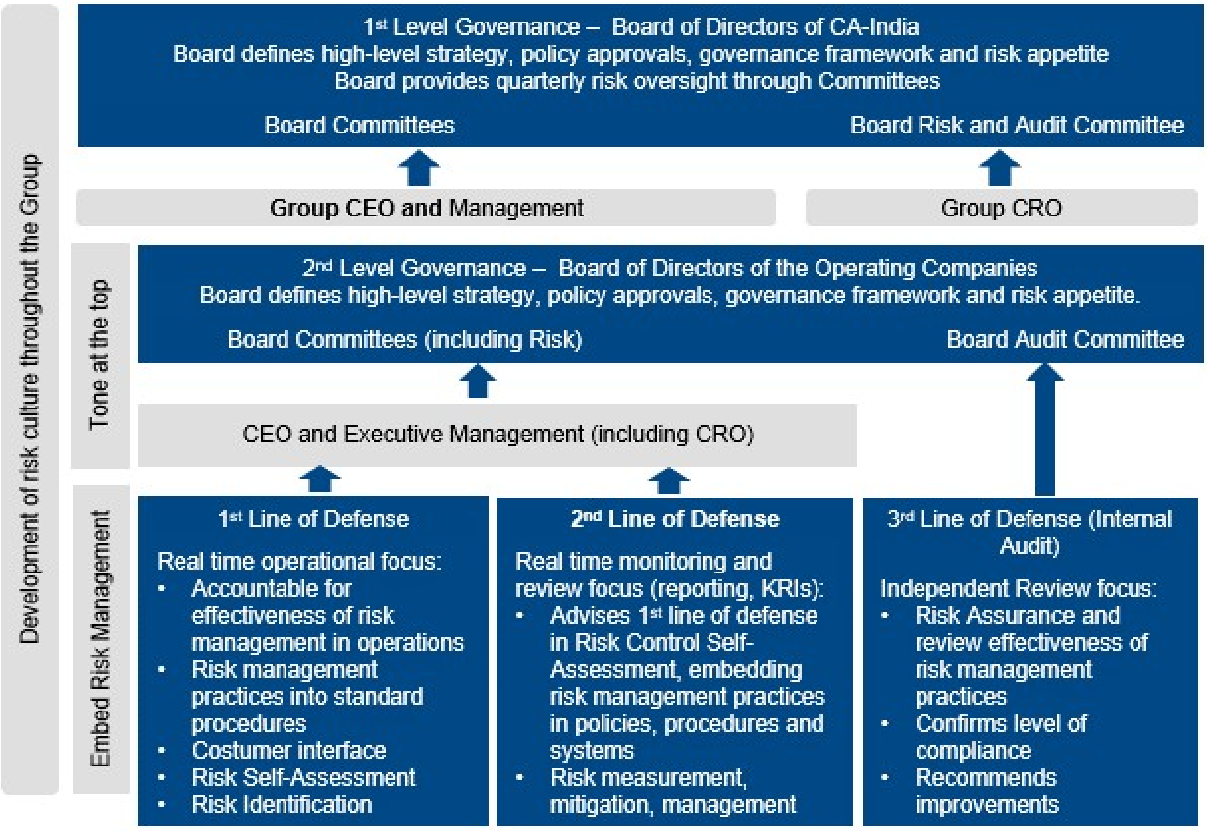
Risk management framework

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. 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

CreditAccess Grameen, in compliance with Section 135 of the Companies Act, 2013, is incorporating in its structure, Corporate Social Responsibility projects through this Corporate Social responsibility (CSR) Policy and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action plan. This Policy covers all the internal dimensions of the CSR structure and further captures and sets out the process of implementation of the CSR related activities.

CSR activities are a fundamental part of our mission for driving a positive change executed through the CreditAccess India Foundation. The guiding principles of inclusivity and community engagement underpin our initiatives, which are managed strategically by CA Grameen’s board-level committee. In pursuit of this vision, the CA India foundation strategically partners with diverse stakeholders, including its own branches situated at the last mile, non-governmental organizations (NGOs), and local development authorities.

In FY23/24, our commitment to uplifting the communities we serve was evident through a range of impactful activities. We allocated USD 1.45 million to our CSR initiatives, reaching 241,134 beneficiaries and significantly enhancing their quality of life through various domains.

An overview of the main CSR Projects approved by the Board of CA Grameen for FY23/24

Education and Scholarships programs

We reached over 130,000 beneficiaries spanning from foundational support in rural schools - providing essential amenities such as furniture and sports kits - to advanced initiatives like the Sushikshana training program that fosters life skills, and the Grameen Vidya Pratibha scholarships for girls, which support over 940 students. Additionally, we established self-learning centers that have enrolled 475 children, integrating technology for a comprehensive learning experience.

The 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.

Humanitarian aid:

Our healthcare initiatives, included mobile health clinics that offer diagnostic and treatment services for various diseases and cancer detection. We improved rural health infrastructure by equipping 46 centers with essential materials and sponsored animal healthcare camps benefiting over 1,000 farmers.

Rural Public Infrastructure Development:

We enhanced rural public infrastructure, supporting 917 institutions and benefitting 37,469 individuals.

Livelihood:

We focused on empowering individuals through skill-based training. In collaboration with the ICICI Academy for Skills and Swades Foundation, we provided vocational training and job placements for over 672 youth, ranging from technical skills to general duty assistance. Our partnership with the Coorg Foundation supported specially-abled individuals with tailored training and rehabilitation services.

Disaster Relief & Humanitarian Aid:

Our disaster relief efforts, provided essential supplies to over 59,000 beneficiaries affected by natural disasters. We also established a state-of-the-art kitchen facility in Kozhikode to support the homeless population.

These initiatives reflect our unwavering commitment to social responsibility and the holistic development of the communities we serve.

Authorisation of the consolidated financial statements

The financial statements were approved for issue by the Board of Directors on 19 December 2024.

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

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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	2023/2024 EUR	2022/2023 EUR
Interest and similar income	6	546,395,213	397,983,494
Interest and similar expenses	7	- 193,485,072	- 145,508,913
Net interest income		**352,910,141**	**252,474,581**
Other income	8	25,041,353	19,790,160
Gross insurance result	9	- 42,925	-
Total income		**377,908,569**	**272,264,741**
Credit loss expenses	10	- 45,005,949	- 40,989,458
Gross result		**332,902,620**	**231,275,283**
Personnel expenses	11	- 75,585,211	- 63,545,069
Depreciation and amortization	12	- 5,771,993	- 6,047,375
Other operating expenses	12	- 38,132,489	- 33,110,731
Total operating expenses		**- 119,489,693**	**- 102,703,175**
Operating result before value adjustments		**213,412,927**	**128,572,108**
Results from foreign currency denominated transactions		- 1,413	- 5,882
Share in result of associates	45	-	- 112,388
Result before taxation		**213,411,514**	**128,453,838**
Taxation on result	13	- 54,883,174	- 33,391,536
Net result for the period		**158,528,340**	**95,062,302**
Net result for the year attributable to:			
Owners of the parent		107,009,601	68,102,122
Non-controlling interest		51,518,739	26,960,180
		158,528,340	**95,062,302**

Statement of other comprehensive income/(loss)	Note	2023/2024 EUR	2022/2023 EUR
Items that will or may be reclassified to profit or loss:			
Foreign exchange gains/(losses) arising on translation of foreign operations	30	- 3,717,763	- 16,315,916
Cash-flow hedges - Effective portion of changes in fair-value		- 2,067,384	1,414,881
Remeasurement of defined benefit pension schemes		- 122,934	- 71,305
Change in fair-value of financial investments		69,548	-
Income tax relating to components of other comprehensive income		540,257	- 338,178
Other comprehensive income/(loss) for the year, net of tax		**- 5,298,276**	**- 15,310,518**
Total comprehensive income/(loss) for the year		**153,230,064**	**79,751,784**
Total comprehensive income/(loss) for the year attributable to:			
Owners of the parent		102,173,785	52,423,565
Non-controlling interest		51,056,279	27,328,219
		153,230,064	**79,751,784**

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Consolidated statement of financial position

(before appropriation of result)	Note	31 March 2024 EUR	31 March 2023 EUR
Assets			
Cash and cash equivalents	36	128,631,732	151,587,219
Derivative financial instruments	20	4,054,896	3,537,941
Other financial assets	21	183,271,097	68,386,413
Deferred tax assets	27	15,235,061	9,052,699
Loans to customers – Gross		*2,841,053,603*	*2,169,037,186*
Impairment allowance		*- 55,849,319*	*- 38,909,224*
Loans to customers - Net	19	2,785,204,284	2,130,127,962
Tangible fixed assets	15	13,750,026	11,118,688
Intangible fixed assets	14	62,436,442	64,397,820
Other assets	22	48,837,893	34,445,315
Total assets		**3,241,421,431**	**2,472,654,057**
Liabilities			
Finance debt	26	2,435,024,916	1,835,130,588
Post-employment benefit obligations	32	1,679,639	1,181,962
Insurance contract liabilities	25	8,735,739	-
Other liabilities	24	36,038,044	39,691,100
Total liabilities		**2,481,478,338**	**1,876,003,650**
Assets minus liabilities		**759,943,093**	**596,650,407**
Capital and reserves attributable to owners of the Company			
Share capital	28	123,020,963	174,282,823
Share premium	29	-	-
Treasury shares	29	- 320,433	- 320,433
Revaluation reserve	29	- 8,642,609	- 7,524,556
Translation reserve	29	- 58,657,944	- 56,058,234
Merger reserve	29	798,915	798,915
Other reserves	29	157,401,122	132,321,515
Retained earnings	29	297,948,478	190,938,875
Controlling interest		**511,548,492**	**434,438,905**
Non-controlling interest	18	**248,394,601**	**162,211,502**
Total equity		**759,943,093**	**596,650,407**
Total equity and liabilities		**3,241,421,431**	**2,472,654,057**

For current vs non-current refer to note 5.4.

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Consolidated statement of cash flows

	Note	2023/2024 EUR	2022/2023 EUR
Cash flows from operating activities			
Interest received from loans to customers		557,479,738	413,892,058
Cash paid for interest on borrowings		- 191,486,929	- 145,268,155
Payments to suppliers and employees		- 123,702,984	- 89,099,352
Income tax paid		- 62,513,075	- 28,697,737
Principal disbursed to customers		- 2,573,823,451	- 2,215,201,297
Principal repaid by customers		1,851,130,586	1,663,519,017
Underwriting activities		10,454,176	-
Net cash flow from operating activities		**-532,461,939**	**-400,855,466**
Cash flow from investing activities			
Purchases of tangibles and intangibles		- 2,392,053	- 2,274,854
Proceeds from sale of tangibles and intangibles		2,473	6,059
Net proceeds from sale of shares in subsidiary, while still maintaining control		114,896,496	-
Net proceeds from transfers of financial assets		14,663,118	6,631,793
Net proceeds / (placements) or margin money deposits and other liquid investments		- 122,393,827	- 60,013,305
Net proceeds from sale of subsidiaries		492	-
Acquisition of subsidiary, net of cash acquired		-	- 1,295,328
Net cash flow from investing activities		**4,776,699**	**-56,945,635**
Cash flow from financing activities			
Proceeds from issuance of shares		-	-
Net repayments to shareholders, at share-cancellations		- 107,105,970	-
Net proceeds from issue of shares by subsidiaries to non-controlling interest holders		1,676,961	5,961,095
Proceeds from borrowings		1,601,756,745	1,387,166,499
Repayments of borrowings		- 990,465,962	- 989,854,622
Net cash flow from financing activities		**505,861,774**	**403,272,972**
Net increase/(decrease) in cash and cash equivalents		**-21,823,466**	**-54,528,129**
Cash and cash equivalents at the start of the period		**151,587,219**	**213,928,227**
Cash and cash equivalents acquired from business combinations		-	1,459,670
Cash and cash equivalents from sold subsidiaries		- 2,914	-
Net foreign exchange (losses)/gains on cash and cash equivalents		-1,129,107	- 9,272,549
Cash and cash equivalents at end of the period	36	**128,631,732**	**151,587,219**

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Consolidated statement of changes in equity

	Share capital	Share premium	Treasury shares	Revaluation reserve	Translation reserve	Merger reserve	Other reserves	Retained earnings	Total equity attributable to owners of the company	Non-controlling Interest	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1 April 2023	**174,282,823**	**-**	**-320,433**	**-7,524,556**	**-56,058,234**	**798,915**	**132,321,515**	**190,938,877**	**434,438,907**	**162,211,502**	**596,650,409**
Cancellation of shares (note 28)	-51,261,860	-	-	-	-	-	-55,444,699	-	-106,706,559	-	-106,706,559
Total contributions by owners	**-51,261,860**	**-**	**-**	**-**	**-**	**-**	**- 55,444,699**	**-**	**-106,706,559**	**-**	**-106,706,559**
Net result for the year	-	-	-	-	-	-	-	107,009,601	107,009,601	51,518,739	158,528,340
Other comprehensive Income/(loss) for the year (note 30)	-	-	-	-1,118,053	-2,599,710	-	-	-	-3,717,763	-	-3,717,763
Total comprehensive income for the year	**-**	**-**	**-**	**-1,118,053**	**-2,599,710**	**-**	**-**	**107,009,601**	**103,291,838**	**51,518,739**	**154,810,577**
Share-based payments (note 33)	-	-	-	-	-	-	246,007	-	246,007	-	246,007
Increase from sale of shares in CA-Grameen	-	-	-	-	-	-	80,278,299	-	80,278,299	-	80,278,299
Total other movements	**-**	**-**	**-**	**-**	**-**	**-**	**80,524,306**	**-**	**80,524,306**	**-**	**80,524,306**
Other movements in NCI (note 18)	-	-	-	-	-	-	-	-	-	34,664,360	34,664,360
31 March 2024	**123,020,963**	**-**	**-320,433**	**-8,642,609**	**-58,657,944**	**798,915**	**157,401,122**	**297,948,478**	**511,548,492**	**248,394,601**	**759,943,093**

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Consolidated statement of changes in equity (continued)

	Share capital	Share premium	Treasury shares	Revaluation reserve	Translation reserve	Merger reserve	Other reserves	Retained earnings	Total equity attributable to owners of the company	Non-controlling Interest	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
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 28)	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 30)	-	-	-	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 33)	-	-	-	-	-	-	374,331	-	374,331	-	374,331
Total other movements	**-**	**-**	**-**	**-**	**-**	**-**	**374,331**	**-**	**374,331**	**-**	**374,331**
Other movements in NCI (note 18)	-	-	-	-	-	-	-	-	-	-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.

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 7-10, 1077 XX Amsterdam.

The Company holds, steers, controls and finances the businesses of CreditAccess India B.V. Group (the "Group") (see 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 2023/2024, running from 1 April 2023 to 31 March 2024.

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

a) New standards, interpretations and amendments effective from 1 Jan 2024

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 2024.

The new and revised pronouncements issued before 31 March 2024 and effective for financial year 2023/2024 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)*
- *Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (ED 1Jan2023 - First Application FY2024)*
- *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)*
- *Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (ED 1Jan2023 - First Application FY2024)*
- *AIP IAS 41 Agriculture – Taxation in fair value measurements (ED 1Jan2022 - First Application FY2023)*
- *Definition of Accounting Estimates - Amendments to IAS 8 (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)*
- *IFRS 17 Insurance Contracts (ED 1Jan2023 - First Application FY2024)*

b) New standards, interpretations and amendments not yet effective

As of 31 March 2024, 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.

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (ED postponed)*
- *IFRS S1 –General Requirements for Disclosure of Sustainability-related Financial Information (effective for annual periods beginning on or after 1 January 2024)*
- *IFRS S2 –Climate-related Disclosures (effective for annual periods beginning on or after 1 January 2024)*
- *Non-current Liabilities with Covenants (Amendments to IAS 1)*
- *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)*
- *Lack of Exchangeability (Amendments to IAS 21)*

c) New standards, interpretations and amendments adopted by the Group

IFRS 17 - Insurance contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 has replaced IFRS 4 Insurance Contracts that was issued in 2005.

The standard requires entities to measure insurance contracts using current estimates of fulfillment cash flows, which include all future cash flows associated with insurance contracts, under one of three measurement models, of which the company principally uses the General Model as discussed in note 3.4.27

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IFRS 17 applies to all types of insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions apply.

IFRS 17 was effective for accounting periods beginning on or after 1 January 2023. The group adopted IFRS 17 for reporting the insurance activities of its subsidiary CALI for FY23/24. However the relative impact of CALI to the Group as a whole is not material.

3. Summary of material 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. 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-24	31-Mar-23	Average 1-Apr-23/ 31-Mar-24	Average 1-Apr-22/ 31-Mar-23
INR (India)	90.137	89.400	89.784	83.663

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 20).
- Loans to customers based on business model test (note 19).

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 table below shows the consolidation perimeter of CreditAccess India Group:

			Shareholding as at	
Consolidated entities:	**Abbreviation**	**Place, country**	**31-Mar-24**	**31-Mar-23**
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 CAGR	Bangalore, India	66.58%	72.44%
CA-SEC B.V.	CASEC	Amsterdam, NL	0.00%	100.00%
CreditAccess Life Insurance Ltd.	CALI	Bangalore, India	74.00%	74.00%

The Group initially held minority investment in CreditAccess Life Insurance (CALI) and during FY22/23 increased its investments and obtained control of the entity. Therefore the Group is consolidating the financial information from the moment of obtaining control over CALI. The operational activities of the entity commenced in FY23/24.

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, 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

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. Material 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 2024.

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 19.

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, 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 12 months ECLs. 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, 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 60 DPD (SICR).

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

For Individual Loans, for monthly repayment model, 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.

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.

CA Grameen has entered into two types of transactions for transfer of own originated financial assets, namely securitization and direct assignment, 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 23. 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:

during FY23/24 CA-GR has not entered into securitization transaction	2023/2024 EUR	2022/2023 EUR
No. of SPVs sponsored by CA-GR for securitization transactions.	-	1
Number of loans	-	31,904
Coupon rate	8.95%	8.95%
Cash collateral	8.95%	8.95%
Outstanding amount of securitized loans to customers as at end of the year	3,100,123	11,583,933
Number of Loans in securitization deals in default as at end of year	555	-
Amount of Loans in securitization deals in default as at end of year	117,024	-

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:

	2023/2024 EUR	2022/2023 EUR
Number of assignment deals	3	9
Number of derecognized loans	400,993	559,186
Aggregate consideration received	122,128,021	205,772,850
Outstanding amount of assigned loans to customers as at end of the year. (off balance sheet)	108,348,974	171,592,847
Income recognized in statement of profit or loss	10,239,768	14,231,144
Coupon rate range	9.20%- 9.55%	8.55% - 10.25%
Minimum Retention Requirement	15,109,302	23,529,293
Number of loans in assignment deals in default as at end of year	16,092	9,004
Amount of Loans in assignment deals in default as at end of year	3,150,725	1,155,845

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.

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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.

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. The 'Client base and trademark', originating from the purchase price allocation on acquiring the controlling interest in MMFL, is amortized over ten years.

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. Refer to note 17.

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

Leases - Where the Group is the lessee

In accordance with IFRS16 a 'Right of use asset' ("ROU") is recognized for all leases, unless the lease term is 12 months or less or the underlying asset is of low value. The Group has elected to account for short-term leases and leases of low-value assets using the practical expedient. The payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

At inception of a contract it is assessed whether a contract contains a lease. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration. At the commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability in its statement of financial position.
The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs. It is subsequently measured at cost less accumulated depreciation and impairment losses, if impairment indicators are identified. Right-of-use assets are depreciated form the commencement date on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease term is determined as the non-cancellable period of the lease, taking into account any option to extend or terminate the lease if the lessee is reasonably certain to exercise such option. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate that would have to be paid to borrow over a similar term.
Subsequently the liability will be reduced by the actual lease payments.

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 and other liabilities.

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. Refer to note 24 for details.

3.4.20. Hedge accounting

The Group enters into swap contracts and other derivative financial instruments to hedge its exposure to foreign exchange and interest rates. The Group 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 relationship between the hedging instrument and the hedged item is documented, 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, it is documentd 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 & hedge policy

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.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedge item and hedging instrument. The company enters into hedge relationship where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative assessment of effectiveniess is performed.

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.

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.

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.

In respect of interest rate swaps, there is an economic relationship between the hedged item and the hedging instrument as the terms of the interest swap contract match that of the foreign currency borrowing (notional amount, interest repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap are identical to the hedged risk components.

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 main financial instruments valued at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements (see 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 2024 EUR**	**31 March 2023 EUR**
Financial assets	**Level 2**	
Derivative financial instruments	4,054,896	3,537,941
	4,054,896	**3,537,941**

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).

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Below overview is related to the Fair value of the Financial assets and liabilities of CA Grameen only.

Fair value of Financial assets and liabilities measured at amortized cost	31 March 2024				31 March 2023			
	Amortized costs	Fair value			Amortized costs	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Loans to customers	2,785,204,284	-	-	2,791,010,351	2,130,127,962	-	-	2,119,984,340
Investments (government securities)	71,052,953	-	-	70,998,591	50,780,761	-	-	48,230,425
Total assets	**2,856,257,237**			**2,862,008,942**	**2,180,908,723**			**2,168,214,765**
Debt securities	226,557,352	-	-	229,704,783	187,063,758	-	-	189,492,170
Borrowings (other than debt securities)	2,193,732,873	-	-	2,143,448,306	1,628,859,060	-	-	1,635,067,114
Subordinated liabilities	2,800,182	-	-	2,952,173	8,714,765	-	-	9,296,421
Lease liabilities	11,793,159	-	-	11,875,257	8,781,879	-	-	8,861,298
Total liabilities	**2,434,883,566**	-	-	**2,387,980,519**	**1,833,419,463**	-	-	**1,842,717,002**

Note:

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets and payables are considered to be the same as their fair value, due to their short-term nature

There were no transfers between level 3 and level 1/ level 2 during the current financial year.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Loans to customers

Fair value of Loans to customers measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The significant unobservable input is the discount rate, determined using the recent lending rate of the Group.

Financial liabilities measured at amortized cost

The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The Fair value of floating rate borrowing is deemed to equal its carrying value.

3.4.27. Insurance contracts and reinsurance contract assets held

Definition and Classification

Insurance contracts are those contracts that have significant insurance risk at the inception of the contract. Insurance risk arises when the Group agrees to compensate a policyholder if a specified uncertain future event adversely affects the policyholder, with the possibility of paying, including variability in the timing of payments, significantly more in a scenario where the insured event occurs than when it does not occur. Insurance contracts include both direct and assumed (reinsurance) insurance contracts issued by the Group.
Assessment of significance of insurance risk: The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. The type of contracts where this judgement is required are those that transfer financial and insurance risk and result in the latter being the smaller benefit provided. Currently, the products offered by the Group are pure protection products with no transfer of financial risks and offer no savings benefit. Currently, no reinsurance contracts are held by the Group.

Reinsurance contract assets held; Ceded reinsurance contracts do not relieve the Group of its liability associated with underlying insurance contracts. Reinsurance contract assets held are presented separately on the balance sheet to indicate the extent of credit risk and the obligations of the company to its policyholders. Currently, the Group does not hold any reinsurance contracts.

Unit of account and recognition; Insurance contracts are required to be aggregated into portfolios of insurance contracts, based on underlying risk and the management of those risks, then further aggregated into groups of insurance contracts based on the underlying expected profitability and date of issuance, with groups not containing contracts issued more than one year apart. Assessment of whether an insurance certificate is onerous or not at initial recognition is done at a certificate level. Currently, the Group sells only protection policies which provide death benefit. Hence all insurance contracts issued are aggregated into one portfolio Non-Participating protection. These are then further dis-aggregated into 2 groups - onerous contracts and a group of contracts which are unlikely to become onerous. These groups represent the level of aggregation at which insurance contracts are initially recognized and measured. Only contracts that meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

Insurance contracts issued are recognized from the earliest of: the beginning of the insurance contract's coverage period; when payment from the policyholder becomes due or, if there is no contractual due date, when premium is received; and when a contract is onerous but not before its issue date.
An insurance contract is derecognized when it is:
- extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria are met.

Insurance Acquisition cashflows includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are:
a. costs directly attributable to individual contracts and groups of contracts; and
b. costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.
Before a group of insurance contracts is recognized, the Group could pay directly attributable acquisition costs to originate them. When such prepaid costs, they are recorded as a prepaid insurance acquisition cash flows asset within other assets and allocated to the carrying amount of a group of insurance contracts when the insurance contracts are subsequently recognized.
The Group has not recognized such pre-recognition costs for this financial year.
IFRS 17 requires an entity to include in the measurement of groups of insurance contracts all fulfilment cash flows (FCF), including directly attributable acquisition cash flows, unless the entity elects to expense these acquisition costs when incurred for insurance contracts measured under the PAA. Therefore, a separate asset associated with the acquisition of insurance contracts is not recognised.

Contract boundary; The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance coverage or other services. This assessment is reviewed every reporting period. Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognized when those contracts meet the recognition criteria. the Group has assessed contract boundary for each insurance contracts based on assessment of rights of policyholders and its obligations and set the contract boundary accordingly.

Separation of insurance contracts; The lowest unit of account in IFRS 17 is the contract and there is a presumption that a contract with the legal form of a single contract would generally be considered a single contract in substance. However, there might be certain facts and circumstances where legal form does not reflect the substance and separation is required. It is a judgement requiring careful consideration of all relevant facts and circumstances. The Group issues group policies where the policyholder is a bank, MFI, NBFC etc. Members of the group who are insured are issued an insurance certificate containing the details of the coverage. For the purpose of measurement and recognition, each of the insurance certificates issued to members is assessed as an individual contract. The Group has also analyzed whether the contracts contains components that should be separated and accounted for separately;
- Embedded derivative which need to be separated and accounted for separately
- relating to distinct investment components
- promises to transfer distinct goods or distinct non-insurance services.

The Group does not have any contracts that require further separation of insurance contracts.

Risk adjustment for non-financial risk; The risk adjustment for non-financial risk is an addition to the present value of the estimated future cash flows and reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

Contractual Service Margin; The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognize as it provides coverage in the future. At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from: a. the initial recognition of the Fulfillment Cashflows; b. the derecognition at the date of initial recognition of any asset or liability recognized for insurance acquisition cash flows; and c. cash flows arising from the contracts in the group at that date. A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognized in profit or loss immediately with no CSM recognized on the balance sheet on initial recognition.

Coverage Unit; The amount of the CSM recognised in profit or loss for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.
For contracts issued, the Group determines the coverage period for the CSM recognition as follows:
a. for term life life insurance contracts, the coverage period corresponds to the policy coverage for mortality risk.

Fulfilment cash flows within contract boundary; The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the
timing and the uncertainty of those amounts. The estimates of future cash flows:
a. are based on a probability weighted mean of the full range of possible outcomes;
b. are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and
c. reflect conditions existing at the measurement date.
The products sold by the Group are non-participating protection products where benefits are defined upfront. The benefits are not linked to any underlying items. Hence estimates of future cash flows are based on best estimate assumptions of all non-financial parameters.

Measurement

The Group has in its portfolio group credit linked protection and group one year renewable term insurance policies. The policy holder could be a bank, NBFC, MFI etc. Each member of the group policy is issued an insurance certificate containing the details of his coverage. In respect of credit linked insurance coverages which have terms varying from 1 month to 20 years, each certificate is measured using the General Measurement approach both at initial recognition and subsequent measurement. The group one year contracts which have coverage period of less than 1 year are valued using the Premium Allocation Approach.

General Measurement Model requires the determination of Fulfilment cash flows within contract boundary. The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the company expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. The estimates of future cash flows: a. are based on a probability weighted mean of the full range of possible outcomes; b. are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and c. reflect conditions existing at the measurement date. An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

At initial measurement in case of profitable group of insurance contracts, CSM is set up such that no profit or loss is recognized at initial recognition. In case a group of insurance contracts which are onerous, at initial recognition the loss is recognized immediately.

Subsequent measurement; The carrying amount at the end of each reporting period of a group of insurance contracts issued at the is the sum of:
a. the LRC, comprising:
i. the FCF related to future service allocated to the group at that date; and
ii. the CSM of the group at that date; and
b. the LIC, related to past service allocated to the group at the reporting date

Fulfillment cash flows;

The Group issued group credit linked/non-credit linked insurance policies with terms varying from 1 month to 20 years. All protection policies, except the One year renewable term assurance plans, has been measured using the General measurement approach. The insurance contract liability comprises the Fulfillment cash flows and the Contractual Service Margin (where it is positive). Fulfillment cash flows comprise best estimates of future cash flows, adjusted to reflect the time value of money and risk adjustment to reflect uncertainty as regards future experience relating to non-financial risks. The estimates of future cash flows reflect the company's view of current conditions at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events that might affect those cash flows.

Discount rates;

In determination of FCF, cash flows are discounted using risk-free yield curves, adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts and reinsurance contract assets held. The company determines the yield curves using available market observable rates and illiquidity premiums. The tables below set out the primary yield curves that were used to discount the cash flows of insurance contracts and reinsurance contract assets held.

March 2024;

Duration	Yield curve
0-1 years	7.12%
1-2 years	7.08%
2-3 years	7.08%
3-4 years	7.08%
4-5 years	7.07%
5-6 years	7.09%
6-7 years	7.05%
7-8 years	7.08%
8-9 years	7.05%
9-10 years and later years	7.05%

Risk adjustment for non-financial risk;

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing uncertainty with respect to both the amount and the timing of cash flows that arise from the non-financial risk of the company's insurance contracts issued and reinsurance contract assets held. For reinsurance contract assets held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the company to the reinsurer. The resulting amount of the calculated risk adjustment corresponds to a confidence level at 31 March 2024 of 78%. (31 March 2024; n/a). The risk adjustment is determined by determining the Margin on Current estimate (MoCE). The margins shall be the Margin over Current estimates MoCE as determined based on the Indian RBC QIS 1, issued by the Insurance Regulatory and Development Authority of India. The MoCE covers the inherent uncertainty in the cash-flows related to insurance liabilities. As such, MoCE considers all uncertainties attached to these obligations. Under the Indian RBC QIS 1 study, the MoCE is determined such that when added to the BEL their sum should provide for a 78% probability of adequacy to reflect the inherent uncertainty related to all relevant future cash-flows that arise in fulfilling insurance obligations. The QIS 1 also provides correlation matrices for determining diversification benefits between the non-financial risks which is applied to the RA determined method as prescribed under the Indian RBC QIS 1 method.

Contract boundaries;

The assessment of the contract boundary, which defines which cash flows are included in the measurement of a contract, requires judgment and consideration of the company's substantive rights and obligations under the contract. Generally the company allocates acquisition costs based on written new business premiums and maintenance and administration costs based on Sum Assured and number of insurance certificates issued in case of group policies. Other costs are recognized in the statement of income as they are incurred.

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 to note 3.4.20 and note 20.

Business model assessment

This refers to the classification of financial instruments, mainly loans to customers. Refer to note 3.4.6.1 and note 19.

4.2. Assumptions and estimation uncertainties

Fair value of financial instruments

This refers to the fair valuation of loans to customers classified as FVTOCI. Refer to note 3.4.6.1 and 19.

Impairment of intangible fixed assets

Refer to note 17

Impairment of loans to customers

Estimate of expected credit loss (refer to note 19)

Share based payments

Estimate of fair value of share based payments (refer to note 33).

Recognition of deferred income tax assets

Availability of future taxable income against which tax losses carried forward can be used (refer to note 27).

Measurement of defined benefit obligations

Key actuarial assumptions (refer to note 32).

Residual value and useful life of intangible and tangible assets

Refer to note 14,15 and 16

Effective interest rate (EIR): Refer to note 3.4.1

Provisions: Refer to note 3.4.25

Provision for tax expenses: Refer to note 13.

Contingent liabilities: Refer to note 31.

Insurance contracts: Refer to note 25.

The most significant judgments within the estimates of fulfillment cash flows are the best estimate non-financial assumptions (future mortality, maintenance expense/claims expense assumption and surrender, claim delay pattern etc.). The judgments used to determine the future cash flows from policy claims, expenses and claim settlement pattern are based on an assessment of facts and circumstances known, a review of historical claims experience, pricing assumptions and market information where relevant. The insurance contract liabilities are estimated using generally accepted actuarial standards, which are designed to ensure establishing an appropriate reserve on the balance sheet to cover Liability for remaining coverage and Liability for Incurred claims. The assumptions underlying the estimation of insurance contract liabilities have been updated to reflect recent and emerging trends in experience.

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 the 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 the 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 the 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 the 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.

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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.
	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

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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

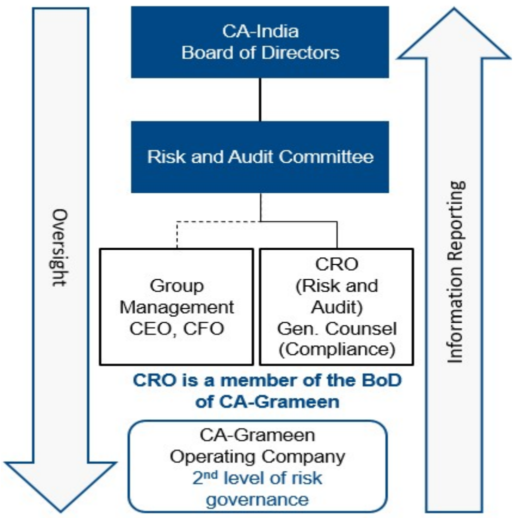
The risk appetite articulates the type and quantum of risk that the Group is willing to accept in pursuit of its strategy. The Group has to accept the risks that are required or necessary to conduct its core business of providing loans to customers. It is therefore needed to have a risk appetite that 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.

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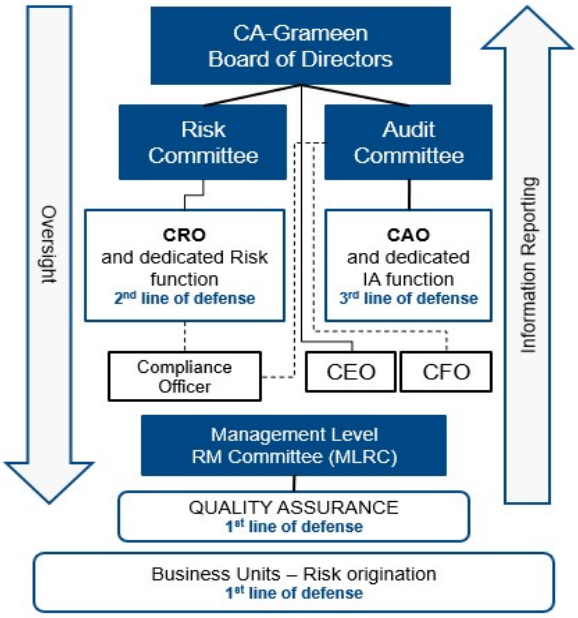
At Subsidiary level – 2nd level of governance



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 (1^{st} 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 26 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as described in note 28 and note 29).

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 2024 the CRAR of CA Grameen standalone is reported well above the statutory requirements at 24.9% (31 March 2023; 23.6%).

When reviewing and approving the business plan of the subsidiaries, 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 2024 the Group has maintained a moderate leverage ratio of 3.03 times (31 March 2023: 2.82 times) and the Group may leverage further and expand the business without needing to fund-raise additional equity capital.

Debt to Equity	**31 March 2024** **EUR**	**31 March 2023** **EUR**
Borrowings	2,435,024,916	1,835,130,588
Less: cash & cash equivalents	-128,631,732	-151,587,219
Net debt	**2,306,393,184**	**1,683,543,369**
Equity	759,943,093	596,650,407
Total equity	**759,943,093**	**596,650,407**
Debt to equity ratio	**3.03**	**2.82**

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 19.

As at reporting date, the impairment allowance is 1.95% (31 March 2023: 1.78%) of the Exposure At Default (EAD). A further 100 basis points increase in the impairment, resulting in 2.95% (31 March 2023: 2.78%) on EAD, would have a negative impact of EUR 28,666,802 (31 March 2023: 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 22.

Below table shows maximum on balance sheet credit risk exposure:

On Balance Sheet Credit Risk Exposure	31 March 2024	31 March 2023
	EUR	EUR
Loans to customers - Net	2,785,204,284	2,130,127,962
Cash and cash equivalents	128,631,732	151,587,219
Other financial assets	183,271,097	88,657,759
Total	**3,097,107,113**	**2,370,372,940**

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

31 March 2024 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	2,822,238,085	0,7% to 2%	63% to 100%	26,025,803	0.92%
Stage 2	10,749,906	50% to 95%	63% to 100%	5,985,884	55.68%
Stage 3	33,692,253	30% to 100%	63% to 100%	23,837,631	70.75%
Total as at 31 March 2024	**2,866,680,244**			**55,849,319**	**1.95%**

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

At 31 March 2024, consolidated ECL allowance as percentage to EAD is equal to 1.95% (31 March 2023: 1.78%). Further details on ECL estimation approach and definitions are given in note 3.4.6.2.

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31 March 2023 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	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%**

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 2024 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 13,148,108 (31 March 2023; EUR 6,611,453) 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 2024 EUR	31 March 2023 EUR
Fixed rate instruments		
Financial assets	3,024,265,213	2,219,817,395
Financial liabilities	825,176,948	601,600,108
Variable rate instruments		
Financial assets	-	-
Financial liabilities	1,597,918,325	1,224,641,777

A 100 basis-point increase/decrease of the variable interest rates borrowings only, would decrease/increase the consolidated pre-tax profit by EUR 15,979,183 (31 March 2023: EUR 12,246,418).

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 77,255 (31 March 2023: EUR 172,540) 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 decrease/increase in pre-tax profit of EUR 7,725 (31 March 2023: EUR 17,254).

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 2024	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	-	-	**-**	-	-	54,726,047	7,710,395	**62,436,442**	**62,436,442**
Tangible fixed assets	-	-	**-**	35,390	-	13,714,636	-	**13,750,026**	**13,750,026**
Loans to customers – Gross	*457,235,511*	*1,253,415,216*	***1,710,650,727***	*908,988,298*	*215,406,159*	*6,008,419*	-	***1,130,402,876***	***2,841,053,603***
Impairment allowance	*- 5,139,273*	*- 13,907,714*	***- 19,046,987***	*- 10,216,151*	*- 26,462,301*	*- 123,880*	-	***- 36,802,332***	***- 55,849,319***
Loans to customers - net	452,096,238	1,239,507,502	**1,691,603,740**	898,772,147	188,943,858	5,884,539	-	**1,093,600,544**	**2,785,204,284**
Other financial assets	150,758,571	32,453,039	**183,211,610**	-	-	59,487	-	**59,487**	**183,271,097**
Derivative financial instruments	1,013,724	3,041,172	**4,054,896**	-	-	-	-	**-**	**4,054,896**
Deferred tax assets	-	-	**-**	-	-	15,235,061	-	**15,235,061**	**15,235,061**
Other assets	22,465,671	6,996,744	**29,462,415**	2,965,755	10,237,745	6,171,978	-	**19,375,478**	**48,837,893**
Cash and cash equivalents	128,631,732	-	**128,631,732**	-	-	-	-	**-**	**128,631,732**
Total assets	**754,965,936**	**1,281,998,457**	**2,036,964,393**	**901,773,292**	**199,181,603**	**95,791,748**	**7,710,395**	**1,204,457,038**	**3,241,421,431**
Liabilities									
Finance debt	317,134,481	948,975,977	**1,266,110,458**	1,361,063,510	94,349,695	24,722,781	-	**1,480,135,986**	**2,746,246,444**
Post-employment benefit obligations	419,686	1,259,953	**1,679,639**	-	-	-	-	**-**	**1,679,639**
Insurance contract liabilities	-	3,949,693	**3,949,693**	3,411,219	1,374,827	-	-	**4,786,046**	**8,735,739**
Other liabilities	25,209,054	8,315,360	**33,524,414**	2,513,630	-	-	-	**2,513,630**	**36,038,044**
Total liabilities	**342,763,221**	**962,500,983**	**1,305,264,204**	**1,366,988,359**	**95,724,522**	**24,722,781**	**-**	**1,487,435,662**	**2,792,699,866**
Gap per bucket	412,202,715	319,497,474	731,700,189	- 465,215,067	103,457,081	71,068,967	7,710,395	- 282,978,624	448,721,565
Cumulative Gap	412,202,715	731,700,189	731,700,189	266,485,122	369,942,203	441,011,170	448,721,565	-	-
Cumulative Gap %-age	120%	56%	56%	10%	13%	16%	30%	-	-

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31 March 2023	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	-	-	**-**	-	-	56,623,861	7,773,959	**64,397,820**	**64,397,820**
Tangible fixed assets	-	-	**-**	121,217	94,102	10,830,663	72,706	**11,118,688**	**11,118,688**
Loans to customers – Gross	*335,287,561*	*908,978,498*	***1,244,266,059***	*767,059,720*	*155,926,077*	*1,785,330*	*-*	***924,771,127***	***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	900,745,046	**1,232,878,409**	760,140,773	135,361,607	1,747,173	-	**897,249,553**	**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**
Derivative financial instruments	884,486	2,653,455	**3,537,941**	-	-	-	-	**-**	**3,537,941**
Deferred tax assets	-	-	**-**	-	-	9,052,699	-	**9,052,699**	**9,052,699**
Other assets	14,392,387	8,232,917	**22,625,304**	2,701,016	4,724,465	4,394,530	-	**11,820,011**	**34,445,315**
Cash and cash equivalents	151,587,219	-	**151,587,219**	-	-	-	-	**-**	**151,587,219**
Total assets	**516,543,681**	**951,951,547**	**1,468,495,228**	**773,423,086**	**140,180,174**	**82,708,904**	**7,846,665**	**1,004,158,829**	**2,472,654,057**
Liabilities									
Finance debt	251,770,235	762,927,591	**1,014,697,826**	918,883,120	115,249,030	1,520,694	-	**1,035,652,844**	**2,050,350,670**
Post-employment benefit obligations	291,851	875,550	**1,167,401**	3,555	11,006	-	-	**14,561**	**1,181,962**
Insurance contract liabilities	-	-	**-**	-	-	-	-	**-**	**-**
Other liabilities	31,501,365	6,181,086	**37,682,451**	522,801	1,485,848	-	-	**2,008,649**	**39,691,100**
Total liabilities	**283,563,451**	**769,984,227**	**1,053,547,678**	**919,409,476**	**116,745,884**	**1,520,694**	**-**	**1,037,676,054**	**2,091,223,732**
Gap per bucket	232,980,230	181,967,320	414,947,550	- 145,986,390	23,434,290	81,188,210	7,846,665	- 33,517,225	381,430,325
Cumulative Gap	232,980,230	414,947,550	414,947,550	268,961,160	292,395,450	373,583,660	381,430,325	-	-
Cumulative Gap %-age	82%	39%	39%	14%	14%	18%	37%	-	-

6. Interest and similar income

			2023/2024 EUR			2022/2023 EUR
	India	Netherlands	Total	India	Netherlands	Total
Interest on loans to customers	536,013,918	-	536,013,918	391,745,884	-	391,745,884
Interest on cash and cash-equivalents	9,760,801	620,494	10,381,295	6,221,714	15,896	6,237,610
Total	**545,774,719**	**620,494**	**546,395,213**	**397,967,598**	**15,896**	**397,983,494**

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

	2023/2024 EUR	2022/2023 EUR
Interest on external borrowing	191,835,026	143,654,999
Interest on bank overdrafts or Negative Interest on credit balance with banks	23,110	49,959
Interest on Right of Use Assets	1,128,833	1,056,837
Other fees and expenses	498,103	747,118
Total	**193,485,072**	**145,508,913**

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

	2023/2024 EUR	2022/2023 EUR
Gain on derecognition of loans to customers	10,239,768	14,230,407
Gain on short term investments	3,842,957	2,551,829
Miscellaneous proceeds	10,958,628	3,007,924
Total	**25,041,353**	**19,790,160**

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. Gross insurance result

		2023/2024 EUR	2022/2023 EUR
Insurance revenue		4,653,699	-
Losses on claims	- 698,821		
Other directly attributable expenses	- 3,791,287		
Losses / reversals and unwind of onerous contracts	- 2,332,910		
Insurance Service Expenses		- 6,823,018	-
Total Insurance service result		- 2,169,319	-
Other insurance and operating expenses		- 52,741	-
Underwriting result		- 2,222,060	-
Net finance benefit / (expense) from insurance and reinsurance contracts		- 25,117	-
Net investment result		2,204,252	-
Total		**- 42,925**	**-**

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10. Credit loss expense	2023/2024 EUR	2022/2023 EUR
Impairment expense on group loans to customers (principal and interest)	49,058,371	47,298,863
Impairment expense on Individual retail finance loans to customers (principal and interest)	1,258,984	633,993
Recoveries of written-off loans to customers (principal and interest)	- 5,311,406	- 6,943,398
Total	**45,005,949**	**40,989,458**

Increase in credit loss expense in current financial year is mainly attributable to the increase in loan-portfolio.

11. Personnel expenses	2023/2024 EUR	2022/2023 EUR
Wages and salaries	66,280,091	55,694,840
Social security costs	53,636	77,718
Share-based payment expenses (note 33)	2,107,325	1,647,151
Pension costs – defined contribution plans	5,102,195	4,536,803
Pension costs – defined benefit plans (note 32)	1,772,615	990,704
Other staff costs	269,349	597,853
Total	**75,585,211**	**63,545,069**

Remuneration of non-executive directors is disclosed under Related Parties (note 34).

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

	2023/2024 FTE	2022/2023 FTE
Field staff	17,432	15,317
Back office staff	1,992	1,451
Total	**19,424**	**16,768**

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

	2023/2024 FTE	2022/2023 FTE
Netherlands	4	5
India	19,419	16,763
Total	**19,424**	**16,768**

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12. Expenses by nature

	2023/2024 EUR	2022/2023 EUR
Depreciation tangible assets (note 15)	1,300,261	1,612,850
Depreciation right of use assets (note 16)	2,005,043	1,707,748
Sub total (depreciation of tangible assets)	3,305,304	3,320,598
Result on disposal of tangibles assets	-11,001	-6,367
Amortisation intangible assets (note 14)	2,477,690	2,733,144
Depreciation and amortization	**5,771,993**	**6,047,375**
Travel and lodging	13,754,621	12,080,299
Legal fees	107,021	414,340
Other professional fees	3,758,870	3,492,323
Rental (for the use of tangible assets, exempted from IFRS16)	3,872,465	3,581,790
Repairs and maintenance	3,274,392	2,507,531
Taxes (other than Corporate Income Tax) and licenses	1,659,184	1,415,717
Communication and IT	1,626,450	1,810,288
Staff training and benefits expenses	1,749,636	1,512,691
Directors fees	946,082	928,580
Office expenses	1,209,851	768,288
Bank charges	669,625	571,518
Donations	1,355,139	1,015,050
Insurances for risks of the Group	952,886	774,637
Utilities	771,535	678,660
Audit and accounting	494,941	418,942
Marketing and advertising	942	2,797
Shared services recharge (to companies demerged in FY19/20)	- 40,964	- 64,263
Other operating expenses	1,969,813	1,201,543
Other operating expenses	**38,132,489**	**33,110,731**

Auditors' fee (Group auditor)

Current financial year Grant Thornton Accountants 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 (FY23/24) relate to all services provided by Grant Thornton Accountants B.V. and their member firms, to CreditAccess India Group worldwide.

Prior financial year the Group auditor was Baran Audit & Assurance Services B.V.
The fee listed below (FY22/23) relates to all services provided by Baran Audit & Assurance Services B.V. and its 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’).

	2023/2024 EUR	2022/2023 EUR
Audit annual accounts	275,000	52,000
Other audit assignments	-	-
Other non-audit services	-	-
Total	**275,000**	**52,000**

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13. Tax expense

	2023/2024 EUR	2022/2023 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	60,586,379	28,523,398
Adjustment for under/(over) provisioning of prior periods	67,540	- 48,546
Total current tax	**60,653,919**	**28,474,852**
Deferred tax expense/(income)		
Origination and reversal of temporary differences (note 27)	-5,770,745	5,361,130
Recognition of previously unrecognized deferred tax assets	-	- 444,446
Total deferred tax	**- 5,770,745**	**4,916,684**
Total	**54,883,174**	**33,391,536**

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:

	2023/2024 EUR	2022/2023 EUR
Result before taxation	**213,411,514**	**128,453,838**
Tax using the Company's domestic tax rate of 25,8% (2022/2023: 25.8%)	55,060,171	33,141,090
Difference in tax rates foreign jurisdictions	- 1,373,844	- 802,854
Remeasurement of deferred tax positions	-	- 492,948
DTA not recognized (because of uncertainty of compensation)	595,653	821,246
Tax impact of conversion from local GAAP (used as basis for tax computation) to IFRS	- 38,102	-
Other expenses not deductible/(income not taxable)	639,296	725,002
Total tax expense	**54,883,174**	**33,391,536**

	2023/2024	2022/2023
Effective tax rate	**25.7%**	**26.0%**

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 36.1 mln (31 March 2023; EUR 36.2 mln). Further details are provided in note 27.

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

	2023/2024			2022/2023		
	Before tax EUR	Tax EUR	After tax EUR	Before tax EUR	Tax EUR	After tax EUR
Exchange gains/(losses) on the translation of foreign operations	- 3,717,763	-	- 3,717,763	- 16,315,916	-	- 16,315,916
Cash-flow hedges - Effective portion of changes in fair-value	- 2,067,384	520,360	- 1,547,024	1,414,881	- 356,126	1,058,755
Remeasurement of defined benefit pension schemes	- 122,934	30,023	- 92,911	- 71,305	17,948	- 53,357
Change in fair-value of financial investments	69,548	- 10,126	59,422	-	-	-
	- 5,838,533	**540,257**	**- 5,298,276**	**- 14,972,340**	**- 338,178**	**- 15,310,518**

14. Intangible fixed assets

	Client base and trademark	Goodwill	Software	Intangible assets under development	Total
	EUR	EUR	EUR	EUR	EUR
(i) Cost					
1 April 2022	23,785,865	52,912,959	4,737,010	365,380	81,801,214
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**	**77,320,892**
Additions;					
externally acquired	-	-	199,195	816,994	1,016,189
internally developed	-	-	-	-	-
Disposals	-	-	-	-	-
Foreign exchange rate movements	- 183,027	- 407,156	27,436	- 4,006	- 566,753
Reclassifications	-	-	731,508	- 731,508	-
31 March 2024	**22,201,760**	**49,389,029**	**5,649,076**	**530,463**	**77,770,328**
(ii) Accumulated amortisation and impairment					
1 April 2022	8,394,031	-	2,698,628	-	11,092,659
Amortisation charge	1,962,137	-	771,007	-	2,733,144
Impairment Losses	-	-	-	-	-
Disposals	-	-	- 79,150	-	- 79,150
Foreign exchange	- 620,354	-	- 203,227	-	- 823,581
31 March 2023	**9,735,814**	**-**	**3,187,258**	**-**	**12,923,072**
Amortisation charge	1,788,621	-	689,069	-	2,477,690
Impairment losses	-	-	-	-	-
Disposals	-	-	-	-	-
Foreign exchange movements	- 86,610	-	19,734	-	- 66,876
31 March 2024	**11,437,825**	**-**	**3,896,061**	**-**	**15,333,886**
(iii) Net book value					
31 March 2023	**12,648,973**	**49,796,185**	**1,503,679**	**448,983**	**64,397,820**
31 March 2024	**10,763,935**	**49,389,029**	**1,753,015**	**530,463**	**62,436,442**

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 17.
Intangible assets under development relates mainly to software enhancements at CA-Grameen.

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15. 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 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**
Additions	944,246	199,940	537,161	363,783	4,053,716	25,781	-	6,124,627
Disposals	- 823,462	-	- 121,190	- 10,891	- 402,611	-	-	- 1,358,154
Reclassifications	-	-	-	-	72,707	-	- 72,707	-
Foreign exchange movements	- 118,774	-45,471	- 61,175	34,829	- 746,138	48,463	-	- 888,266
31 March 2024	**4,283,338**	**1,434,449**	**3,445,200**	**2,572,917**	**15,399,777**	**217,200**	**-**	**27,352,881**
(ii) Accumulated depreciation and impairment								
1 April 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**
Depreciation	661,990	110,552	457,378	222,645	1,836,528	16,211	-	3,305,304
Disposals	- 823,462	-	- 76,905	- 10,159	- 401,738	-	-	-1,312,264
Foreign exchange movements	- 101,347	18,869	- 54,085	25,315	- 684,187	49,264	-	-746,171
31 March 2024	**1,781,338**	**1,085,552**	**2,405,612**	**1,657,870**	**6,557,323**	**115,160**	**-**	**13,602,855**
(iii) Net book value								
31 March 2023	**2,237,171**	**323,849**	**1,011,180**	**765,127**	**6,615,383**	**93,271**	**72,707**	**11,118,688**
31 March 2024	**2,502,000**	**348,897**	**1,039,588**	**915,047**	**8,842,454**	**102,040**	**-**	**13,750,026**

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16. Leases (IFRS 16)

Movement schedule of carrying amounts

	Buildings EUR	Leasehold improvements EUR	Computer equipment EUR	Total EUR
Right of use assets				
31 March 2023	1,566,895	-	5,791,053	7,357,948
Movements during the period				
Additions	944,246	176,102	3,708,345	4,828,693
Disposals	- 1,085	-	- 334	- 1,419
Depreciation	- 660,863	- 44,944	- 1,299,236	- 2,005,043
Foreign exchange movements	- 11,139	- 514	- 101,997	- 113,650
31 March 2024	**1,838,054**	**130,644**	**8,097,831**	**10,066,529**

The balance of 'Right of use assets' is uncluded under 'Tangible fixed assets' on the consolidated statement of financial position

	Buildings EUR	Leasehold improvements EUR	Computer equipment EUR	Total EUR
Lease liability				
31 March 2023	1,871,426	-	7,017,277	8,888,703
Movements during the period				
Additions	944,246	158,706	3,708,345	4,811,297
Accretion of interest	258,669	13,812	856,352	1,128,833
Payments (reducing the lease-liability)	- 872,333	- 37,523	- 1,900,337	- 2,810,193
Foreign exchange movements	- 16,122	- 4,351	- 63,937	- 84,410
31 March 2024	**2,185,886**	**130,644**	**9,617,700**	**11,934,230**
General lease term	1-10 year	4-5 years	1-10 year	
Expenses relating to short-term leases and low value assets				3,872,465
Maturity of lease liabilities is as follows:				
Within 1 year				2,192,201
Between 1 and 2 years				2,236,391
Between 2 and 5 years				2,428,508
Over 5 years				5,077,130
				11,934,230

The balance of 'Lease liability' is uncluded under 'Finance debt' on the consolidated statement of financial position

Movement schedule of carrying amounts

	Buildings EUR	Leasehold improvements 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
Maturity of lease liabilities is as follows:				
Within 1 year				1,400,288
Between 1 and 2 years				1,352,919
Between 2 and 5 years				4,614,802
Over 5 years				1,520,694
				8,888,703

17. Goodwill and impairment

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

	Goodwill carrying amount 2023/2024 EUR	Goodwill carrying amount 2022/2023 EUR
CreditAccess Grameen Limited		
- Opening balance	7,773,959	8,260,536
- Foreign exchange movements	- 63,564	- 486,577
- Impairment	-	-
Sub-total	7,710,395	7,773,959
Madura Microfinance Limited (MMFL)		
- Opening balance	42,022,226	44,652,423
- Foreign exchange movements	- 343,592	- 2,630,197
- Impairment	-	-
Sub-total	41,678,634	42,022,226
Total	**49,389,029**	**49,796,185**

Total	**EUR**	**EUR**
- Opening balance	49,796,185	52,912,959
- Foreign exchange movements	- 407,156	- 3,116,774
- Impairment	-	-
Closing Balance	**49,389,029**	**49,796,185**

CreditAccess India aquired a controlling interest in CA Grameen in FY14/15 by purchasing a majority shareholding. CA Grameen acquired a controlling interest in MMFL effective March 2020 by purchasing a majority shareholding.

Goodwill for these acquisitions was recognized based on the purchase price allocation

Impairment Testing

The Group tests cash-generating units with goodwill annually for impairment, or more frequently if there is an indication that a cash-generating unit to which goodwill has been allocated may be impaired. The recoverable amount of a cash generating unit is the higher of the cash-generating unit’s fair value less cost of disposal (‘FVLCD’) and its value-in-use.

For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises. MMFL and CA Grameen are defined as one cash generating unit which represents the lowest level at which the goodwill is monitored. The business operations and assets of MMFL and CA Grameen are combined and utilised to generate revenues.

Calculation of the value-in-use is determined by covering a detailed five-year forecast approved by the management. The present value of the expected cash flows of each cash generating unit is determined by applying a suitable discount rate reflecting current market assessments of the time value of money.

The pre-tax discount rate applied is 14% and the growth rate assumption is 5%. It is considered that a reasonably possible change in the key assumptions would not cause an impairment. To verify this management have also considered the market approach which also resulted in significant headroom and no impairment.

18. Non-controlling Interests (NCI)

CreditAccess Grameen Limited

As per 31 March 2024 the Company holds 66.58% of CA Grameen or 106,109,028 shares (31 March 2023; 72.44% / 115,109,028 shares).
The decrease in shareholding is mainly due to the sale of 9 million shares in June 2023.

Highlights of financial information of CA Grameen is provided below:

Statement of comprehensive income	2023/2024 EUR	2022/2023 EUR
Interest and similar income	545,766,316	397,682,689
Interest and similar expenses	- 193,391,017	- 145,361,405
Net interest income	**352,375,299**	**252,321,284**
Other income	25,041,353	19,786,538
Credit loss expenses	- 45,005,949	- 40,989,458
Total operating expenses	- 116,430,153	- 98,992,585
Net result after taxation	**161,042,420**	**98,734,244**
Total comprehensive income	**159,406,140**	**99,739,641**
Attributable to:		
Controlling interest	108,409,112	72,408,540
Non-controlling interest	50,997,028	27,331,101
Statement of cash flows		
Cash flows from operating activities	- 518,793,936	- 387,448,401
Cash flows from investing activities	- 119,180,501	-43,352,748
Cash flows from financing activities	611,898,242	402,217,546
Net cash inflows/(outflows)	**- 26,076,195**	**- 28,583,603**

Financial position	31 March 2024 EUR	31 March 2023 EUR
Assets	**3,200,257,895**	**2,444,895,270**
Liabilities	2,471,372,360	1,873,648,396
Equity	728,885,535	571,246,874
Total equity and liabilities	**3,200,257,895**	**2,444,895,270**

The total non-controlling interest at year-end consists of the following:	31 March 2024 EUR	31 March 2023 EUR
CreditAccess Grameen Ltd.	243,593,546	157,435,638
CreditAccess Life Insurance Ltd.	4,801,055	4,775,864
Total	**248,394,601**	**162,211,502**

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

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19. Loans to customers

	31 March 2024 EUR	31 March 2023 EUR
Gross carrying amount		
Group loans	2,763,154,143	2,150,365,539
Individual loans	77,899,460	18,671,647
	2,841,053,603	**2,169,037,186**
Impairment allowance		
Group loans	- 54,184,246	- 37,849,768
Individual loans	- 1,665,073	- 1,059,456
	- 55,849,319	**- 38,909,224**
Loans to customers - Net	**2,785,204,284**	**2,130,127,962**

	31 March 2024 EUR	31 March 2023 EUR
Loans to customers - Gross	2,841,053,603	2,169,037,186
Less: Impairment allowance	- 55,849,319	- 38,909,224
Loans to customers - Net	**2,785,204,284**	**2,130,127,962**

31 March 2024	CreditAccess Grameen		Total
	FVTOCI EUR	Amortized Cost EUR	Total EUR
Loans to customers - Gross	-	2,841,053,603	2,841,053,603
Impairment on loans to customers	-	- 55,849,319	- 55,849,319
Loans to customers - Net	**-**	**2,785,204,284**	**2,785,204,284**

31 March 2023	CreditAccess Grameen		Consolidated
	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**

Discounted cashflow method is 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 2023	**2,137,733,245**	**4,866,550**	**26,437,391**	**2,169,037,186**
New assets originated/acquired	2,560,427,761	-	-	2,560,427,761
Assets repaid or derecognized (excluding write offs)	- 1,831,504,596	- 3,287,256	- 3,740,358	- 1,838,532,210
Transfers to Stage 1 from other stages	1,225,439	- 894,851	- 330,588	-
Transfers to Stage 2 from other stages	- 31,786,443	31,831,700	- 45,257	-
Transfers to Stage 3 from other stages	- 22,619,257	- 21,909,633	44,528,890	-
Accrued interest	3,452,726	139,223	- 33,937	3,558,012
Amounts written off	-	-	- 32,990,272	- 32,990,272
Foreign exchange adjustments	- 20,138,960	- 62,815	- 245,099	- 20,446,874
Gross carrying amount - 31 March 2024	**2,796,789,915**	**10,682,918**	**33,580,770**	**2,841,053,603**
ECL allowance - 1 April 2023	**17,596,268**	**2,350,631**	**18,962,325**	**38,909,224**
New assets originated	23,845,377	-	-	23,845,377
Assets repaid or derecognized (excluding write offs)	- 15,866,220	- 1,684,704	- 2,643,364	- 20,194,288
Transfers to Stage 1 from other stages	733,512	-497,955	- 235,557	-
Transfers to Stage 2 from other stages	- 296,798	328,546	- 31,748	-
Transfers to Stage 3 from other stages	- 215,293	- 11,978,013	12,193,306	-
Impact on ECL of exposures transferred between stages during the year	373,717	17,418,607	28,767,363	46,559,687
Accrued interest	32,823	82,359	- 9,600	105,582
Amounts written off	-	-	- 32,990,272	- 32,990,272
Foreign exchange adjustments	- 177,583	- 33,586	- 174,822	- 385,991
ECL allowance - 31 March 2024	**26,025,803**	**5,985,885**	**23,837,631**	**55,849,319**
Net carrying amount as at 31 March 2024	**2,770,764,112**	**4,697,033**	**9,743,139**	**2,785,204,284**
Gross carrying amount - 1 April 2022	**1,682,822,369**	**35,975,454**	**99,633,500**	**1,818,431,323**
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	- 1,628,875,229
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	- 137,116,366	- 131,180	- 1,251,974	- 138,499,520
Gross carrying amount - 31 March 2023	**2,137,733,245**	**4,866,550**	**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	- 35,948,954
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	- 619,760
Amounts written off	-	-	- 70,158,484	- 70,158,484
Foreign exchange adjustments	- 1,130,344	- 117,965	- 1,062,577	- 2,310,886
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	**2,120,136,977**	**2,515,919**	**7,475,066**	**2,130,127,962**

Total Portfolio (On and Off Balance Sheet)	**31 March 2024**	**31 March 2023**
	EUR	**EUR**
On balance sheet – loans to customers – Net	2,785,204,284	2,130,127,962
Off balance sheet – loans to customers – Net	108,348,974	171,592,847
Total	**2,893,553,258**	**2,301,720,809**

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.

20. Derivative financial instruments

	31 March 2024	**31 March 2023**
	EUR	**EUR**
Derivative financial assets		
Hedging derivative financial instruments	4,054,896	3,537,941
Derivative financial liabilities		
Hedging derivative financial instruments	-	-
Total	**4,054,896**	**3,537,941**

Foreign exchange risk arises when a Group-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 2024	**31 March 2023**
	EUR	**EUR**
USD 442,000,000 / INR 36,128,570,000 notional amount, with a total fair value of	4,054,896	
USD 195,000,000 / INR 15,753,150,000 notional amount, with a total fair value of		3,537,941
Total	**4,054,896**	**3,537,941**

21. Other financial assets

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

	31 March 2024	**31 March 2023**
	EUR	**EUR**
Government securities, including bonds and treasury bills	86,249,308	56,534,969
Other bonds and debentures	7,366,525	4,474,272
Mutual funds	89,595,777	7,317,194
Others	59,487	59,978
Total	**183,271,097**	**68,386,413**

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22. Other assets

	31 March 2024 EUR	31 March 2023 EUR
Collateral against borrowing	22,223,947	8,469,533
Tax and social security	6,612,537	5,310,578
Staff loans and advances	1,534,071	1,617,323
Security deposits (cash collateral for rent of offices and branches)	4,811,603	1,614,479
Advances	922,732	450,318
Net interest receivable (apart from Loans to customers)	1,208,506	2,285,830
Prepayments	2,106,691	1,531,748
Others	9,417,806	13,165,506
Total	**48,837,893**	**34,445,315**

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.

23. 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 2024 EUR	31 March 2023 EUR
Carrying amount of transferred assets measured at amortized cost	3,100,123	11,583,933
Carrying amount of associated liabilities (Debt securities - measured at amortized cost)	2,464,054	11,051,009
Net position	**636,069**	**532,924**

24. Other liabilities

		31 March 2024 EUR		31 March 2023 EUR
Trade payables		2,139,218		1,547,570
Employee liabilities				
Accrual for annual leave	3,619,595		2,939,137	
Other employee payables (salaries, bonus, etc.)	7,492,763	11,112,358	6,226,111	9,165,248
Insurances		2,193,220		3,510,017
Accrued expenses		1,247,465		797,600
Tax and social security		2,857,213		2,176,692
Direct assignment liability		12,657,437		21,880,144
Other liabilities		3,831,133		613,829
Total		**36,038,044**		**39,691,100**

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

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

Direct assignment liability relates to the collection amounts payable to investors in relation to assignment transactions originated by CA Grameen, which is actually paid in subsequent period.

25. Insurance contract liabilities

Movements in carrying amounts, by remaining coverage and incurred claims;

	Liabilities for remaining coverage				
	Excluding loss component	Loss component	Subtotal	Liability for incurred claims	Total
	EUR	EUR	EUR	EUR	EUR
Opening assets	-	-	-	-	-
Opening liabilities	-	-	-	-	-
Net opening balance	-	-	-	-	-
Insurance revenue	**-4,653,699**	**-**	**-4,653,699**	**-**	**-4,653,699**
Incurred claims and other insurance service expenses	3,790,708	-	3,790,708	698,821	4,489,529
Losses and reversals of losses on onerous contracts	-	1,705,925	1,705,925	-	1,705,925
Insurance services expenses	**3,790,708**	**1,705,925**	**5,496,633**	**698,821**	**6,195,454**
Amortisation of insurance acquisition cashflows	-	626,985	626,985	-	626,985
Insurance services result	**-862,991**	**2,332,910**	**1,469,919**	**698,821**	**2,168,740**
Insurance finance expenses from insurance contracts recognised in profit or loss	248,074	-	248,074	-	248,074
Effects of movements in exchange rates	-29,554	-10,931	-40,485	-199	-40,684
	-644,471	**2,321,979**	**1,677,508**	**698,622**	**2,376,130**
Cashflows					
Premiums received including investment component	10,799,297	-	10,799,297	-	10,799,297
Claims and other expenses paid (including investment components)	-571,510	-	-571,510	-647,866	-1,219,376
Insurance acquisition cash flows	-3,220,312	-	-3,220,312	-	-3,220,312
Total cashflows	**7,007,475**	**-**	**7,007,475**	**-647,866**	**6,359,609**
Net closing balance	**6,363,004**	**2,321,979**	**8,684,983**	**50,756**	**8,735,739**

25. Insurance contract liabilities

Movements in carrying amounts, by measurement components;

	Estimates of the present value of future cashflows	Risk adjustment	CSM (Contractual Service margin)	Total
	EUR	EUR	EUR	EUR
Opening assets	**-**	**-**	**-**	**-**
Opening liabilities	**-**	**-**	**-**	**-**
Net opening balance	**-**	**-**	**-**	**-**
Changes relating to current service				
CSM recognized for services provided	-	-	-286,763	-286,763
Risk adjustment recognized for risk expired	-	-92,783	-	-92,783
Experience adjustments	238,210	2,567	-1,926	238,851
Changes relating to future service				
Contracts recognized in the period	1,232,243	639,352	2,041,605	3,913,200
Changes in estimates that adjust the CSM	-1,936,532	-155,034	487,801	-1,603,765
Changes in estimates that do not adjust the CSM	-	-	-	-
Changes relating to past service				
Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service results	**-466,079**	**394,102**	**2,240,717**	**2,168,740**
Insurance finance expenses	**194,348**	**13,375**	**40,352**	**248,075**
Effects of movements in exchange rates	-23,997	-1,714	-8,570	-34,281
Cashflows				
Premiums received including investment component	10,799,297	-	-	10,799,297
Claims and other expenses paid (including investment components)	-1,226,893	-	-	-1,226,893
Insurance acquisition cash flows	-3,219,199	-	-	-3,219,199
Total cashflows	**6,353,205**	**-**	**-**	**6,353,205**
Net closing balance	**6,057,477**	**405,763**	**2,272,499**	**8,735,739**

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26. Finance debt

The Finance debt consists of:	31 March 2024 EUR	31 March 2023 EUR
Interest-bearing loans and borrowings		
Principal amounts	2,420,675,208	1,821,154,838
Effective interest adjustments	- 13,126,142	- 6,083,622
Loans and borrowings	2,407,549,066	1,815,071,216
Interest payable	15,541,620	11,170,669
	2,423,090,686	**1,826,241,885**
Lease liabilities	11,934,230	8,888,703
Total	**2,435,024,916**	**1,835,130,588**

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 2024 EUR	31 March 2023 EUR
EUR	-	1,600,000
INR	2,418,187,039	1,822,460,677
USD	4,903,647	2,181,208
Total	**2,423,090,686**	**1,826,241,885**

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 2024 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 22 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 towards repayment of loan without reference to the borrower.

In case of event of default by way of repayment and/or when there are circumstances indicating Group's inability to meet the repayment obligations, 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 2024	Floating rate EUR	Fixed rate EUR	Total EUR
Expiry within 1 year	5,547,112	-	5,547,112
Expiry within 1 and 2 years	74,691,858	-	74,691,858
Expiry in more than 2 years	98,183,876	-	98,183,876
Total	**178,422,846**	**-**	**178,422,846**

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**	**327,404,921**

27. Deferred tax

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

	Asset 2023/2024 EUR	Liabilities 2023/2024 EUR	Asset 2022/2023 EUR	Liabilities 2022/2023 EUR
Opening balance	**9,052,699**	**-**	**18,469,941**	**-**
Recognized in income statement	1,112,001		- 109,588	
Other reconciling items				
Foreign currency translation	- 98,618	-	- 532,119	-
Impact of difference between tax depreciation and depreciation/amortization charged to profit or loss account	80,216	-	- 27,260	-
Impact of disallowance of leave encashment	338,931	-	99,774	-
Impact of movement of impairment of financial instruments and others	3,186,842	-	- 4,946,650	-
Impact of conversion from Indian GAAP to IFRS	44,831	-	-	-
Tax charge/(credit) relating to components of other comprehensive income	520,361	-	- 356,125	-
Acquisition and merger	-	-	- 3,604,893	-
Others	997,798	-	59,619	-
Closing Balance	**15,235,061**	**-**	**9,052,699**	**-**

Deferred tax is calculated in full on temporary differences under the liability method using the local tax rates

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 2024 EUR	31 March 2023 EUR
Unused tax losses	36,130,890	36,188,990
	36,130,890	**36,188,990**

Netherlands	36,130,890
	36,130,890

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 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 mln, 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 2024	31 March 2024	31 March 2024	2023/2024	2023/2024
	EUR	EUR	EUR	EUR	EUR
Temporary difference on property and equipment	- 504,485	-	- 504,485	79,095	-
Employee retirement benefit liabilities	1,065,202	-	1,065,202	338,931	-
Impact of conversion from Indian GAAP to IFRS	99,582	-	99,582	99,974	-
Deferred tax liability on fair valuations	46,061	-	46,061	- 45,017	-
Impairment of financial instruments	11,548,525	-	11,548,525	3,248,687	-
Impact of 35D expenditure and others (CA-Grameen)	2,980,176	-	2,980,176	2,049,075	-
Tax asset/(liabilities)	15,235,061	-	15,235,061	5,770,745	-
Effects of offsetting	-	-	-	-	-
Net tax assets/(liabilities)	**15,235,061**	**-**	**15,235,061**	**5,770,745**	**-**

	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 valuations	- 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**	**-**

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28. Share capital

Issued and fully paid capital	2023/2024 Number	2023/2024 EUR	2022/2023 Number	2022/2023 EUR
'Ordinary shares' of 1 EUR each	36,120,162	36,120,162	36,120,162	36,120,162
'T shares' of 16 EUR each	5,368,507	85,896,112	8,562,817	137,005,072
'CALI shares' of 1 EUR each	1,004,689	1,004,689	1,157,589	1,157,589
	42,493,358	**123,020,963**	**45,840,568**	**174,282,823**
Opening balance	**45,840,568**	**174,282,823**	**45,840,568**	**45,840,568**
Capital restructuring	-	-	-	128,442,255
	45,840,568	**174,282,823**	**45,840,568**	**174,282,823**
Cancellation of shares	- 3,347,210	- 51,261,860	-	-
Closing balance	**42,493,358**	**123,020,963**	**45,840,568**	**174,282,823**

29. Reserves

The following describes the nature and purpose of the most significant items in each reserve within equity. For detailed amounts, 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 2023: 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. As a result of the Share-cancellations during FY2023/24 the 'premium', amounting to EUR 55 mln, was deducted from Other reserves.
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.

30. Analysis of amounts recognized in other comprehensive income

	Revaluation Reserve EUR	Translation Reserve EUR	Total EUR
Period up to 31 March 2024			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations	- 1,118,053	- 2,599,710	**- 3,717,763**
	- 1,118,053	**- 2,599,710**	**- 3,717,763**
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**
	637,359	**- 16,953,275**	**- 16,315,916**

31. Commitments and contingent liabilities

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

Amounts are due as follows:	31 March 2024 EUR	31 March 2023 EUR
Not later than one year	2,425,000	1,876,000
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	**2,425,000**	**1,876,000**

In addition the group has other contingent liabilites amounting to EUR 471,000.
(31 March 2023; EUR 158,000)

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32. 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	
	2023/2024	**2022/2023**
Retirement age	60 Years	60 years
Mortality rate	IALM (2012-14) Ultimate Age 20- = 0.9%, Age 30+ = 0.10% and 35+ = 0.12%	IALM 2012-14 Ultimate
Disability rate	5% of mortality rate rates	Age 20 = 0.09%, Age 30= 0.09% and Age 35 & above= 0.12%
Average age	27.13 years	28.77 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	
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
	EUR	EUR	EUR	EUR	EUR	EUR
Opening balance	**3,585,561**	**3,163,350**	**2,403,599**	**2,152,124**	**1,181,962**	**1,011,226**
Current service cost	1,524,328	809,111	-	-	1,524,328	809,111
Interest cost/(income)	248,287	181,593	-	-	248,287	181,593
Past service cost and settlements	-	-	-	-	-	-
Included in profit or loss	1,772,615	990,704	-	-	1,772,615	990,704
Return on plan assets	-	-	205,989	163,848	- 205,989	- 163,848
Actuarial changes arising from changes in demographical assumptions	- 149,436	- 40,842	-	-	- 149,436	- 40,842
Actuarial changes arising from changes in financial assumptions	808,799	- 95,470	-	-	808,799	- 95,470
Experience adjustments	- 674,228	68,142	- 134,144	- 139,475	- 540,084	207,617
Included in other comprehensive income	- 14,865	- 68,170	71,845	24,373	- 86,710	- 92,543
Employer contributions	-	-	1,176,569	581,328	- 1,176,569	- 581,328
Benefits paid	- 233,330	- 271,962	- 233,330	- 201,521	-	- 70,441
Other Movements	- 233,330	- 271,962	943,239	379,807	- 1,176,569	- 651,769
Foreign exchange differences	- 35,288	- 228,361	- 23,629	- 152,705	- 11,659	- 75,656
Closing balance	**5,074,693**	**3,585,561**	**3,395,054**	**2,403,599**	**1,679,639**	**1,181,962**

Represented by:	**31 March 2024**	**31 March 2023**
	EUR	**EUR**
- Scheme CA-Grameen	1,679,639	1,181,962
Total	**1,679,639**	**1,181,962**

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(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
	2023/2024	2023/2024	2023/2024
	EUR	EUR	EUR
Opening balance	**3,585,561**	**2,403,599**	**1,181,962**
Current service cost	1,524,328	-	1,524,328
Interest cost/(income)	248,287	-	248,287
Past service cost and settlements	-	-	-
Included in profit or loss	1,772,615	-	1,772,615
Return on plan assets	-	205,989	- 205,989
Actuarial changes arising from changes in demographical assumptions	- 149,436	-	- 149,436
Actuarial changes arising from changes in financial assumptions	808,799	-	808,799
Experience adjustments	- 674,228	- 134,144	- 540,084
Included in other comprehensive income	- 14,865	71,845	- 86,710
Employer contributions	-	1,176,569	- 1,176,569
Benefits paid	- 233,330	- 233,330	0
Other Movements	- 233,330	943,239	- 1,176,569
Foreign exchange differences	- 35,288	- 23,629	- 11,659
Closing balance	**5,074,693**	**3,395,054**	**1,679,639**

	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
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 2024**	**31 March 2023**
	EUR	**EUR**
1% increase in discount rate	- 349,568	- 223,329
1% decrease in discount rate	405,027	257,049
1% increase in the salary increase rate assumption	368,394	217,327
1% decrease in the salary increase rate assumption	- 323,285	- 194,428

(v) Others

The expected contributions to the plan for the next financial year amounts to EUR 2,150,288. (31 March 2023; EUR 897,087)

The fair values of each major class of plan assets are as follows:	**31 March 2024**	**31 March 2023**
	EUR	**EUR**
Cash and cash equivalents	-	-
Investments quoted in active markets	-	-
Unquoted investments	-	-
Others; Assets under insurance schemes	3,395,054	2,403,599
Total	**3,395,054**	**2,403,599**

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33. 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 16,594 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 FY23/24 the Company has not forfeited any options across the five grants (FY22/23: 0).

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 2024 was EUR 9,21 (2023: 9,21) and their weigted average remaining contractual life was 6.3 years (2023: 6.3 since the expected liquidity event moved with 1 year). Of the total number of options outstanding at 31 March 2024, none had vested and none were exercisable. At 31 March 2024 there were still 397,119 options available for grant (2023: 397,119).

Options	Weighted average exercise price 2023/2024 (EUR)	2023/2024 Number	Weighted average exercise price 2022/2023 (EUR)	2022/2023 Number
Outstanding at beginning of period	9.21	802,881	9.21	802,881
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
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	9yrs	4.79	2.26
Grant 2	195,922	07/Sept/17	31/Mar/17	8yrs	7.46	1.38
Grant 3	318,931	01/Dec/18	31/Mar/18	7yrs	8.75	1.47
Grant 4	216,994	20/Nov/19	31/Mar/19	6yrs	15.00	2.02
Grant 5	16,594	04/Dec/20	31/Mar/20	5yrs	16.80	2.63
Grant-5 (addition)	500	31/Mar/22	31/Mar/20	5yrs	16.80	2.63

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

	2023/2024 EUR	2022/2023 EUR
Fifth Grant	10,411	14,139
Fourth Grant	81,953	147,107
Third Grant	74,272	119,871
Second Grant	35,827	42,933
First Grant	43,544	50,281
	246,007	**374,331**
Re-allocation prior period	-	-
Remeasurement due to lapsed options	-	-
Remeasurement due to forfeited options	-	-
	246,007	**374,331**

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

Details are as follows:

Options	Weighted average exercise price 2023/2024 (EUR)	2023/2024 Number	Weighted average exercise price 2022/2023 (EUR)	2022/2023 Number
Outstanding at beginning of period	7.17 (INR 640.99)	2,424,244	5.37 (INR 452.01)	2,092,186
Granted during the period	18.77 (INR 1,685.30)	759,800	10.79 (INR 902.60)	768,600
Forfeited during the period	-	-	-	-
Exercised during the period	3.56 (INR 319.99)	-470,524	1.55 (INR 129.59)	-364,746
Lapsed/expired during the period	8.50 (INR 763.48)	-39,166	6.95 (INR 596.48)	-71,796
Outstanding at end of period	**11.01 (INR 992.37)**	**2,674,354**	**7.17 (INR 640.99)**	**2,424,244**

The exercise price of options outstanding at 31 March 2024 ranged between EUR 0.71 (INR 63.90) and EUR 18.77 (INR 1,685.30) with weighted average exercise price of EUR 11.05 (INR 992.37) and a weighted average remaining contractual life of 3.93 years. As at 31 March 2024, 790,254 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 11) comprises:

	2023/2024 EUR	2022/2023 EUR
Equity-settled schemes	2,107,325	1,647,151
Total	**2,107,325**	**1,647,151**

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.

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34. Related party transactions

Related parties are the consolidated subsidiaries (refer to 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 44.

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., except for the share-cancellations.

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 33 on shared-based payments.

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

Non-executive directors	Remuneration 2023/2024 EUR	Remuneration 2022/2023 EUR
F.G.M. Moccagatta (Presiding Director)	210,000	210,000
S. Petruccioli	80,000	80,000
B. Corazza	75,000	75,000
L. Cremonesi (from 18 November 2022)	75,000	26,586
F. Carini	65,000	65,000
D. Mintz	65,000	65,000
P. Brichetti	65,000	65,000
M. Atzwanger	65,000	65,000
K.J.M. Slobbe (until 18 November 2022)	-	47,363
	700,000	**698,949**
Executive directors		
K.J.M. Slobbe (Executive director from 18 November 2022, CEO from 1 January 2023)	211,189	69,305
B.R. Diwakar (CEO until 31 December 2022)	-	264,704
P. Brichetti (severance payment in FY 2022/2023)	-	194,000
	211,189	**528,009**
Total (Non-executive + Executive)	**911,189**	**1,226,958**

35. Subsequent events

In November 2024 CA Grameen raised EUR 44 mln additional funding through financing facilities in the normal course of business.

36. Notes supporting statement of cash flows

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

	2023/2024 EUR	2022/2023 EUR
Cash at bank and in hand available on demand	37,097,627	25,959,629
Short-term deposits	91,534,105	125,627,590
Total	**128,631,732**	**151,587,219**

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Company Financial Statements
CreditAccess India B.V.

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Company Financial Statements

Company statement of profit or loss

	Note	2023/2024	2022/2023
		EUR	EUR
Interest and similar income	38	620,494	15,896
Interest and similar expenses	39	- 80,243	- 147,383
Net interest income		**540,251**	**- 131,487**
Other income		24,512	21,735
Gross result		**564,763**	**- 109,752**
Personnel expenses	40	- 1,025,007	- 1,781,096
Depreciation and amortisation		- 85,828	- 88,207
Other operating expenses	41	- 2,139,557	- 1,569,894
Operating expenses		**- 3,250,392**	**- 3,439,197**
Operating result before value adjustments		**- 2,685,629**	**- 3,548,949**
Result from foreign currency denominated transactions		- 528	3,363
Share in results of subsidiaries	44	109,695,758	71,760,096
Share in results of associates	45	-	- 112,388
		109,695,230	**71,651,071**
Result before taxation		**107,009,601**	**68,102,122**
Taxation on result		-	-
Result for the period		**107,009,601**	**68,102,122**

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Company balance sheet

(before appropriation of result)	Note	31 March 2024	31 March 2023
		EUR	EUR
Assets			
Non-current assets			
Intangible fixed assets	42	7,710,395	7,773,959
Tangible fixed assets	43	35,389	121,216
Investments in subsidiaries	44	498,956,530	427,404,619
Total Non-current assets		***506,702,314***	***435,299,794***
Current assets			
Group companies	46	-	167,246
Other assets	47	112,585	324,602
Cash and cash equivalents	48	5,552,581	889,924
Total current assets		***5,665,166***	***1,381,772***
Total assets		**512,367,480**	**436,681,566**
Liabilities			
Short term liabilities			
Finance debt	50	-	1,604,587
Lease liabilities	43	6,465	106,434
Other liabilities	49	812,523	531,640
Total short term liabilities		***818,988***	***2,242,661***
Current assets minus short term liabilities		***4,846,178***	***-860,889***
Assets minus short term liabilities		***511,548,492***	***434,438,905***
Long term liabilities		-	-
Total long term liabilities		***-***	***-***
Total liabilities		**818,988**	**2,242,661**
Assets minus liabilities		**511,548,492**	**434,438,905**
Capital and reserves attributable to owners of the company	51		
Share capital		123,020,963	174,282,823
Share premium		-	-
Treasury shares		-320,433	-320,433
Merger reserve		798,915	798,915
Translation reserve		-58,657,944	-56,058,236
Revaluation reserve		-8,642,609	-7,524,556
Other reserves		157,866,099	132,786,492
Retained earnings		297,483,501	190,473,900
Total equity		**511,548,492**	**434,438,905**
Total equity and liabilities		**512,367,480**	**436,681,566**

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Notes to the Company financial statements

37. 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.

38. Interest and similar income

	2023/2024	2022/2023
	EUR	EUR
Interest on cash and cash-equivalents	620,494	15,896
Total	**620,494**	**15,896**

39. Interest and similar expenses

	2023/2024	2022/2023
	EUR	EUR
Interest on other external borrowing and similar expenses	77,036	91,016
Negative interest on bank-accounts	7	49,959
Interest on Right of Use Assets	3,200	6,408
Total	**80,243**	**147,383**

40. Personnel expenses

	2023/2024	2022/2023
	EUR	EUR
Wages and salaries	725,364	1,332,411
Share-based payments	246,007	374,331
Social security costs	53,636	74,354
Total	**1,025,007**	**1,781,096**

In FY 2023/2024, the average number of employees (Full Time Equivalent, rounded) was 4 (2022/2023: 5).

See note 33 for more information on the share-based payments.

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41. Other operating expenses

	2023/2024 EUR	2022/2023 EUR
Legal fees	107,021	389,077
Directors' fees	700,000	698,949
Other professional fees	250,399	209,251
Audit and accounting	292,122	90,889
Insurance	51,609	64,853
Staff training and benefits	9,486	1,960
Rental and office expenses (exempted from IFRS16)	57,546	58,526
Taxes (other than corporate income tax) and licences	423,652	20,579
Travel and lodging	79,466	71,523
Communication and IT	15,345	8,565
Business advisory	7,294	8,434
Bank charges	10,740	2,372
Other operating expenses	174,899	6,382
Marketing and advertising	942	2,797
Shared services recharge	- 40,964	- 64,263
Total	**2,139,557**	**1,569,894**

Taxes (other than corporate income tax) have increased due to non-recoverable withholding tax.
Other operating expenses have increased due to a reversal of an earlier expense-recharge.

42. Intangible fixed assets

Intangible fixed assets include Goodwill amounting to EUR 7,710,395 (31 March 2023: EUR 7,773,959).

The movements during the period are as follows:

			2023/2024 EUR			2022/2023 EUR
	Goodwill			Goodwill		
	Cost	Accumulated amortisation and impairment	Net book value	Cost	Accumulated amortisation and impairment	Net book value
Opening balance	**7,773,959**	**-**	**7,773,959**	**8,260,536**	**-**	**8,260,536**
Amortisation and impairment	-	-	-	-	-	-
Foreign exchange rate movements	- 63,564	-	- 63,564	- 486,577	-	- 486,577
Closing balance	**7,710,395**	**-**	**7,710,395**	**7,773,959**	**-**	**7,773,959**

Refer to note 17 for Goodwill.

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43. Tangible fixed assets

	31 March 2024	31 March 2023
	EUR	EUR
Lease assets (IFRS16)	31,525	115,597
Others	3,864	5,619
Total tangible fixed assets	**35,389**	**121,216**

Movement schedule of carrying amounts of Lease assets (IFRS16)	**Buildings**	**Total**
	EUR	EUR
Right of use assets		
31 March 2023	115,597	115,597
Movements during the period		
Additions	-	-
Disposals	-	-
Depreciation	- 84,072	- 84,072
31 March 2024	**31,525**	**31,525**
Lease liability		
31 March 2023	106,434	106,434
Movements during the period		
Additions	-	-
Accretion of interest	3,200	3,200
Payments (reducing the lease liability)	- 103,169	- 103,169
31 March 2024	**6,465**	**6,465**
General lease term	1.0 years	

The related lease contract is maturing in the subsequent financial year, but will be extended for another 3 years period.

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

Lease liabilities - Current/ Non-current	**31 March 2024**	**31 March 2023**
	EUR	EUR
Lease liabilities – Long term	-	-
Lease liabilities – Short term	6,465	106,434
Total	**6,465**	**106,434**

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	- 24,827	- 91,583
Net book value at 31 March 2024	**-**	**-**	**3,864**	**3,864**

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**

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44. Investments in subsidiaries

The movements during the period are as follows:

	2023/2024 EUR	2022/2023 EUR
Opening balance	**427,404,619**	**357,126,140**
Additions from capital contributions:		
- CA-SEC	-	3,000
	-	**3,000**
Transfer from associates (CALI)	-	1,459,670
Investments in subsidiary (CALI)	-	12,885,052
Sale of shares in subsidiaries (while maintaining controlling interest)	- 30,064,889	-
Other sales	- 492	-
Share in result of subsidiaries	109,695,757	71,760,096
Share in participations, directly through equity	- 1,118,054	637,359
Exchange rate differences	- 6,960,411	- 16,466,698
Closing balance	**498,956,530**	**427,404,619**

On 30 June 2023 5.76% of the shares in CA-Grameen had been sold in the open market.

Share in result of subsidiaries mostly represent CA-India's portion of profits after tax of CA-Grameen equal to EUR 109.6 mln. (FY22/23: 71.8 mln.)

45. Investments in associates

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

	2023/2024 EUR	2022/2023 EUR
Opening balance	-	**11,742**
Additions arising from direct acquisitions	-	1,560,316
Share in result of associate	-	- 112,388
Reclassification to subsidiaries	-	- 1,459,670
Closing balance	**-**	**-**

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46. Receivable from subsidiary companies

	31 March 2024 EUR	31 March 2023 EUR
CA-SEC: Current-account	-	837
CreditAccess Life Insurance Ltd.: Recharges	-	166,409
Total	**-**	**167,246**

47. Other assets

	31 March 2024 EUR	31 March 2023 EUR
Prepayments	6,102	41,596
Tax and social security	2,249	190,854
Receivables from CreditAccess SEA B.V.	20,086	56,074
Other receivables	84,148	36,078
Total	**112,585**	**324,602**

48. Cash and cash equivalents

	31 March 2024 EUR	31 March 2023 EUR
Cash at bank and in hand available on demand	5,552,581	889,924
Total	**5,552,581**	**889,924**

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

49. Other liabilities

	31 March 2024	31 March 2023
	EUR	EUR
Trade payables	81,330	107,120
Tax and social security	23,482	21,759
Employee liabilities	104,333	82,439
Other liabilities and accrued expenses	603,378	320,322
Total	**812,523**	**531,640**

Current/ Non-current	31 March 2024	31 March 2023
	EUR	EUR
Other liabilities – Long term	-	-
Other liabilities – Short term	812,523	531,640
Total	**812,523**	**531,640**

50. Finance debt

	31 March 2024	31 March 2023
	EUR	EUR
Principal amounts	-	1,600,000
Effective interest adjustments	-	- 13,363
	-	1,586,637
Payable contractual interest	-	17,950
	-	**1,604,587**

Current/ Non-current	31 March 2024	31 March 2023
	EUR	EUR
Finance debt - Long term	-	-
Finance debt - Short term	-	1,604,587
Total	**-**	**1,604,587**

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

Financial year 2023/2024	Non-current EUR	Current EUR	Total EUR
Opening balance	-	**1,600,000**	**1,600,000**
Issued bonds	-	-	-
Senior loans received	-	-	-
Reclass from change in maturity	-	-	-
Repayments	-	- 1,600,000	- 1,600,000
Closing balance	**-**	**-**	**-**

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**

51. Equity

The movements during the year are as follows:

	Issued and paid-up capital	Share premium	Treasury shares	Merger Reserve	Translation reserve	Revaluation reserve	Other reserves	Retained earnings	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1 April 2023	**174,282,823**	**-**	**-320,433**	**798,915**	**- 56,058,234**	**-7,524,556**	**132,786,492**	**190,473,900**	**434,438,907**
Cancellation of shares	-51,261,860	-	-	-	-	-	-55,444,699	-	-106,706,559
Other movements during the year (refer to '*consolidated SOCE*')	-	-	-	-	-2,599,710	-1,118,053	80,524,306	-	76,806,543
Net result for the year	-	-	-	-	-	-	-	107,009,601	107,009,601
31 March 2024	**123,020,963**	**-**	**-320,433**	**798,915**	**-58,657,944**	**-8,642,609**	**157,866,099**	**297,483,501**	**511,548,492**

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.

	Issued and paid-up capital	Share premium	Treasury shares	Merger Reserve	Translation reserve	Revaluation reserve	Other reserves	Retained earnings	Total
	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.

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.

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51. 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 2024, 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 64,622,775 (31 March 2023: EUR 47,455,974). It relates to legal reserves of Indian subsidiaries.

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

	31 March 2024	31 March 2023
Share capital	123,020,963	174,282,823
Share premium	-	-
Other reserves	26,421,254	22,226,209
Legal reserves (restricted)	64,622,775	47,455,974
Retained earnings	297,483,500	190,473,899
Total Equity	**511,548,492**	**434,438,905**

52. Commitments and contingent liabilities

The Company has current future obligations for its rented office amounting to EUR 6,465 (31 March 2023: EUR 106,434). An amount of EUR 6,465 (31 March 2023; EUR 106,434) is due within one year and EUR 0 (31 March 2023; EUR 0) is due between 2 and 5 years.

The rent contract is expiring in subsequent year, but will be extended for another 3 years period.

Expected payments for the extended period will be EUR 66,620 due within one year and EUR 266,480 due between 2 and 5 years.

53. Subsequent events

In August 2024 the Company received a dividend distribution amounting to EUR 10.3 mln from CA Grameen.

54. Proposed appropriation of the result

The result of EUR 107,009,601 for the year ended 31 March 2024 is shown as 'Result for the period' until the shareholders of the Company approve the FY2023/2024 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 FY2023/2024 net result after taxes to Retained earnings.

Amsterdam, 19 December 2024

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

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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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To: the shareholders and board of directors
of CreditAccess India B.V.

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INDEPENDENT AUDITOR'S REPORT

A. Report on the audit of the financial statements

Our Opinion

We have audited the accompanying financial statements for the year ended 31 March 2024 of CreditAccess India B.V., based in Amsterdam. The financial statements comprise of the consolidated financial statements and the company financial statements.

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 2024 and of its result and its cash flows for 2023/2024 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 accompanying company financial statements give a true and fair view of the financial position of CreditAccess India B.V. as at 31 March 2024 and of its result for the year ended 31 March 2024 in accordance 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 2024;

2 the following statements for the year ended 31 March 2024; the consolidated statement of income, the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows; and

3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1 the company statement of financial position as at 31 March 2024;

2 the company statement of income for the year ended 31 March 2024; and

3 the notes comprising a summary of the 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 CreditAccess India B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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.

Audit approach fraud risks

For the board's responsibilities regarding fraud, we refer to the following paragraph in the section 'responsibilities of management for the financial statements':

Management is responsible for the preparation and fair presentation of the financial statements in accordance 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.

In accordance with the objective in the Dutch Standards of Auditing, we have identified and assessed the risks at the level of the financial statements and assertions for material misstatement due to fraud. In doing so, we paid attention to the possibility of fraudulent financial reporting, the withdrawal of funds (assets) from the company and the possibility of bribery and corruption.

We obtained an understanding of the entity and its environment, and components of the internal control environment.

In the table below we describe the main fraud risks that required our (significant) attention and the related work performed by us.

Fraud risk identified	Audit work performed
Fraudulent customer records linked to risk of fraud in revenue recognition (occurrence and accuracy of interest income) and existence of the loan portfolio	- Evaluated the design of the internal control environment and of the processes around Loan portfolio and interest earned on loans; - Review of the revenue recognition policies for appropriateness and consistency with the prior period; - Test of operating effectiveness on manual controls surrounding loans issued and test of automated control on the interest calculation; - Tested the accuracy of the interest calculation by recalculating an sample of the existence of the interest income; - Tested the accuracy and completeness of loan portfolio by sampling loan portfolio and supporting loan documents.

	- Rationalisation of the overall interest income calculation (Substantive analytical); - Recalculation of the sample of the loan amortisation schedules; - Test of detail on the interest, loan processing fees and other charges on sample basis and compare with the recorded amounts.

Risk of management override of controls	- Journal entry testing, specific procedures on the journal entries processed manually and user analysis were included;
	- Examination of the consolidation entries and other adjustments made for the preparation of the financial statements;
	- Reviewed significant accounting estimates for management biases that could result in material misstatement due to fraud. As part of this we performed a retrospective review and evaluated the judgements and decisions made by management in making the estimates in current year;
	- Reviewed management's process for determining expected credit loss, including;
	  • an assessment of whether the method and assumptions chosen are appropriate and consistent with the board approved policy for measuring credit risk and lending exposure.
	  • Test completeness and accuracy of the calculation on a sample basis and reconciled to supporting loan documents.
	  • Tested the inputs in the model including comparison to accepted practice

We incorporated an element of unpredictability in our audit.

Audit approach going concern

Our responsibilities as well as the responsibilities of the management board, are outlined under the prevailing standards in the "C. Description of responsibilities regarding the financial statements" section below. In fulfilling our responsibilities, we performed the following procedures:

- Considering whether management's going concern assessment includes all relevant information of which we are aware as a result of our audit, inquired with management regarding the most important assumptions underlying their going concern assessment and considering whether management identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern

- verify that management has not identified any events or circumstances that may cast reasonable doubt on the entity's ability to continue as a going concern (hereinafter: going concern risks);

- We have analysed the company's financial position as at year-end and compared this to the previous financial years in terms of indicators that could identify significant going concern risks.

- Performing a review of management minutes and most recent interim figures 2024/2025 to identify subsequent events and/or developments.

- Inquiries of management as to their knowledge of going concern risks beyond the period of management's assessment.

Our audit procedures have not provided any information contrary to the assumptions and considerations of the board on the going concern assumption used.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information, that consists of:

- the Director's report;

- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 the 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 board's 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.

C. Description of responsibilities regarding the financial statements

Responsibilities of management board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and 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 framework 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 assignment 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 have detected all 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 on the basis of 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 e.g.:

- 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Amsterdam, December 19, 2024

Grant Thornton Accountants en Adviseurs B.V.

D.Basant (RA)

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