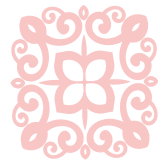




Agora Microfinance  
India Limited



Annual Report  
**2022**





#### Board of Directors

**Tanmay Chetan**, Chairperson  
**Asit Mehta**, Independent Director  
**Pradeep Sarin**, Independent Director  
**Frances Sinha**, Independent Director  
**Meenal Patole**, Independent Director

#### Board Committees

##### Audit & Finance Committee

**Asit Mehta**, Chairperson  
Tanmay Chetan, Member

##### Senior Management

**Manoj Naval**, Chief Executive Officer  
**Amandeep Singh**, Head of Operations

##### Grievance Redressal Officer

**Amandeep Singh**, Head of Operations

#### Lenders

Moringaway Ltd.  
MUDRA

#### Principal bankers

HDFC Bank  
Axis Bank  
Kotak Bank  
Federal Bank

#### Auditors

Shah & Taparia

#### Company secretary

D S Momaya & Co.



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## Vision & Mission



**Vision:** An urban society in which low-income communities have sufficient opportunities to improve their well-being.

दृष्टीकोन

एक शहरी समाज ज्यामध्ये कमी उत्पन्न असलेल्या समुदायांना त्यांचे कल्याण सुधारण्यासाठी पुरेशा संधी आहेत.

**Mission:** To provide affordable, convenient & timely financial services to low-income urban clientele in a financially sustainable manner.

हेतू

कमी उत्पन्न असलेल्या शहरी ग्राहकांना आर्थिकदृष्ट्या टिकाऊ पद्धतीने परवडणारी, सोयीस्कर आणि वेळेवर वित्तीय सेवा प्रदान करणे.





# Fair Practice Code

All of AMIL's work will be conducted within a framework of 12 client protection principles enumerated below. These principles are adapted and revised as per the most up to date RBI notifications to NBFCs and NBFC-MFIs for implementation of Fair Practices Codes.

1. **Inclusive and Non-Discriminatory:** Our services and products are available to all; we will not discriminate based on community, religious, caste or gender reasons, or for reasons of poverty or disability.
2. **Ethical Staff Behavior:** Our staff will treat you in a fair, honest and respectful manner at all times. Our collection officers will not indulge in the following:
  - a) any behavior that in any manner would suggest any kind of threat or violence.,
  - b) contact clients at odd hours, as per the RBI guidelines for loan recovery agents.
  - c) will not visit clients at inappropriate occasions such as bereavement, sickness, etc., to collect dues.
3. **Appropriate Product Design and Delivery:** We will constantly work to ensure that our products and delivery mechanisms are flexible in order to meet the diverse needs of our clients. We will actively seek feedback from you regarding your product and service preferences. We will extend product and services as bundled product except insurance.
4. **Disclosure:** We will communicate all the terms and conditions for all products/ services offered to clients in the official regional language or a language understood by them and shall cover aspects such as, loan terms & conditions, pricing, charges etc. We shall also hand over a copy of the sanction letter, repayment schedule, loan card etc and other loan documents as and when a request is received.

5. **Avoidance of Over-Indebtedness:** We will thoroughly assess your household income(s) and expenditure(s) to ensure that your loan size matches your capacity to make repayments. We will not lend to clients who have outstanding loans with more than one other lender. We will use the Credit Bureau information while assessing number of loans & indebtedness levels of each client.
6. **Transparent Pricing:** We will ensure that you are fully aware of all of our product terms and conditions and prices. The pricing of our products will be simple to understand and fair. There will be no hidden costs. Our relationship is based on a detailed agreement which will depict the key terms and conditions of loan and repayment. There shall be only three components in the pricing of the loan Viz, the interest charge, the processing charge and Insurance premium. All interest and fees payable as an all-inclusive APR and equivalent monthly rate will be indicated in the sanction letter/loan documentation. No penalty will be charged on delayed payments. Complete information on pricing will be displayed at all our offices.
7. **Appropriate Collection Practices:** You are expected to pay your loan on time but if you cannot, we will work with you to overcome problems that you are facing. We will never use abusive language, physical force, humiliate you, or violate your right to privacy. All recoveries will take place at the place designated in the loan contract. We will provide a valid receipt for each and every payment received from the borrower.
8. **Flexibility:** You can choose the term of repayment (Weekly, Fortnightly or Monthly). We do not charge extra for this flexibility or for pre-payment of any loan.
9. **Privacy of Information:** We will not share your personal details or information with any person or organization without your consent, or unless required to by the law.

10. **Freedom of Choice:** We respect that you are the best person to make decisions for yourself and your family. We shall endeavour to raise clients' awareness of the options, choices and responsibilities vis-à-vis financial products and services available and also inform clients the organization's policies and procedures to help them understand their rights as borrowers at regular intervals.
11. **Recruitment:** We shall adhere to the following while recruiting employees from other MFIs
  - a) Shall not recruit an employee of other MFI without the relieving letter from the previous MFI employer except where the previous employer (MFI) fails to respond to the reference check request within 30 days
  - b) Shall honour a one-month notice period from an outgoing employee
  - c) Shall provide within 2 weeks the reply to the reference check correspondence for another MFI
  - d) Shall not assign a new employee recruited from another MFI, to the same area he/she was serving at the previous employer, for a period 1 year. This restriction applies to positions up to the Branch Manager level.
12. **Complaints and Grievances:** customers have a right to make complaints. We will always listen to customer comments and complaints and respond to them quickly and fairly by establishing a dedicated feedback and grievance redressal mechanisms to correct any error and handle/receive complaints speedily and efficiently. We shall also ensure that clients are made aware of the existence and purpose of these mechanisms and how to access them.

A client may directly air their grievances by contacting the designated Nodal Grievance Officer, Head of Internal Audit & Controls, Agora Microfinance India Ltd at the Company Head Office or via telephone on **+91 86550 10063** or by mail at **complaint@amil.co.in**



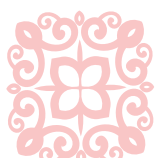
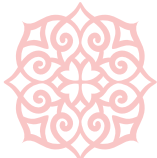


## Message from the Chair

After unprecedented levels of turmoil due to the pandemic, life in Indian cities slowly returned to some normality during the year. This has allowed AMIL's clients to recover slowly in their livelihoods, something that was also reflected in our own financial performance during the year. Urban markets in Mumbai and elsewhere have seen a substantial shift in recent years in moving away from cash to digital payments. The pandemic has further accelerated this shift, and this provides an opportunity for considerable efficiency gains for institutions such as AMIL if they can leverage the rapidly expanding technical infrastructure.



**Tanmay Chetan**  
Chairperson



During 2022, AMIL has successfully re-created a performing post-pandemic portfolio that shows strong asset quality, and if this is sustained, then AMIL is set to rebound strongly in 2023.

The Indian economy remains buoyant despite shocks and setbacks in the past years. Demand for financial services remains high in our operating areas, even if many of our branches see increased competition and a shift towards bigger loans. In this environment, AMIL is consciously seeking to create its own nice by a) going into less served communities within and outside our current geography, b) attempting to build more efficient delivery models, including branchless operations (currently being tested), and c) actively diversifying its product basket to create more flexible options than currently available in the market.

In the longer term, the vision for AMIL is to establish itself as the preferred financing partner for the lowest/ excluded segments in the economy across a bigger geography. In order to do that successfully, it needs to first identify such segments carefully and resist the temptation to follow other microfinance institutions in the markets that it currently operates in. AMIL has a track record of reaching unserved communities in Mumbai, and therefore it should be able to replicate this across Maharashtra and beyond. Once such segments are clearly identified, they will be reached with appropriate products, and therefore product diversification would be another area of focus. Lastly, operating efficiency and asset quality will determine the overall success of this strategy. In the coming

years AMIL also aims to establish a research/social performance function to better understand the outcome of its work and inform its decisions in a timely fashion.

The above strategies will take shape during 2023 and we are upbeat about their success. Alongside, we are upgrading our information systems to be able to provide the necessary back-end support in real-time, as much as feasible. A new long-term strategic plan that will be created in 2023 will aim to include some of the above and hopefully reflect a strong forward push for AMIL.

As always, challenges remain just around the corner in the busy markets where we operate. One of the key challenges that AMIL would aim to address is the high cost of debt funding in the domestic market. As it gains size/scale and geographic diversification, we expect that better terms for debt funding will be realized, either from within India or from overseas. In the short-term, the Agora Group continues to provide reasonably priced debt through Moringaway, the Group's debt vehicle.

In conclusion, I would like to thank and congratulate our leadership and the team for the progress in 2022 and look forward to even more robust results in the coming year. This would then set us on the path that we envision: for AMIL to make a credible difference in the lives of the populations that it serves.

With best wishes,  
Tanmay Chetan



After unprecedented levels of turmoil due to the pandemic, life in Indian cities slowly returned to some normality during the year.



# Report from the CEO

AMIL withstood two continuous years of turbulence due to the pandemic and is slowly coming back to normalcy. High levels of loan losses and a weakening Rupee put considerable burden on us for the past two years, and we have had to find better and new ways of doing business during 2022 to overcome these challenges. I am pleased to report that our efforts have shown positive results, with our first year of operational profit since the beginning of the pandemic.<sup>1</sup>



**Manoj Naval**  
CEO

<sup>1</sup> For the year ended 2022, before foreign currency impact. Net results were still negative after taking into account the foreign currency impact.

## People, Process and Technology

During 2022, the major focus in our work was around optimizing our people, processes and technology.

First, we redesigned our internal management structure to a leaner top management while strengthening the field resources. In addition to the normal branch operations a separate collection team was formed (reporting to a collection manager) to take care of the COVID period's non-performing loans. At the same time, the regular branch teams concentrated on building a healthy new portfolio. As a result, we saw some organic growth of the performing portfolio during the year, alongside a reasonable level of recovery from engaging with past clients whose loans had become non-performing during the pandemic. Staff salaries were also rationalized where possible, to slowly address the decline/stagnation in staff salaries during the pandemic, which were carried out to avoid lay-offs during 2020-21.

Traditionally, AMIL has operated a branch model with a coverage area of around 10km radius in each branch. We are now testing a branch-less model in some regions, where the client officer works remotely and only reports to the main city branch periodically. Transactions are fully digital to avoid any cash handling risks. This can help in extending the geographical coverage of AMIL in a more cost-effective way.

Also under development is a new risk-based pricing model for loan products. With the removal of a cap on lending rates by the Reserve Bank of India, it now becomes possible to price our loans according to the risk profile of the clients and incentivize

good financial discipline across our operations. This approach will be tested during 2023 and if found effective, will be rolled out across all products thereafter.

During the year, AMIL also began transitioning to an upgraded version of its loan management system that should enable more seamless movement of data and enhanced analytics. In addition to this, a mobile-based application is also under development and testing.

## PAR Control

The recovery of the company in 2022 was somewhat dependent on the recovery of the loans that were underperforming after the pandemic. With this in mind, we initiated several steps to bring PAR 30 under control.

- Close management and supervision of the designated collection team.
- Customised incentive systems for the collection team.
- Temporary refinancing for clients who needed more capital to recover.
- Case-based waivers and settlements were justified

## Performance Highlights

- Disbursements, that had dropped to almost zero during the pandemic, gradually increased to over Rs 3.5Cr a month by Dec '22.
- The performing portfolio showed a healthy growth from 18.71 Cr in January '22 to 32.16 Cr in December '22.
- PAR 30 for post-pandemic loans remained below 2%.
- Commensurate increase in interest income, by 48% between Jan '22 to Dec '22.

- Improved operating efficiency, that saw the Operating Cost Ratio that has reduced from 13.2% in the previous year to 11.5% for the year.

## New Market Segments

AMIL's redefined strategy is to identify new markets for underbanked clients and to pursue this idea, we began scoping several such market segments during the year. These included surveys in the Dharavi slums of Mumbai, as well as initial review of the rural/tribal population in Palghar district. We expect some of these ideas to take shape during 2023.

In conclusion, I sincerely thank all the Board Members for their active participation throughout the year with a special mention for the Board Chair for his regular interaction and guidance. We are also thankful to the shareholders and the management of Agora Microfinance NV for their continued commitment and support. Last but not least, I am grateful to all staff members for their patience and continued commitment to AMIL.

While writing this note in the early part of the year 2023, the initial months look promising with a profitable operating model being evolved and the performing portfolio showing good growth. The Board's strategic direction has resulted in progress that is in line with the long-term strategy of AMIL. Though it is early days, I am confident that 2023 would lay the foundation to our journey to redefine ourselves as a key player in the underserved markets in India.

**Manoj Naval**  
CEO



I am pleased to report that our efforts have shown positive results, with our first year of operational profit since the beginning of the pandemic.<sup>1</sup>

# Corporate Structure

## Board of Directors

- Tanmay Chetan**  
Chairperson
- Asit Mehta**  
Independent Director
- Pradeep Sarin**  
Independent Director
- Frances Sinha**  
Independent Director
- Meenal Patole**  
Independent Director

## Senior Management

- Manoj Naval**  
Chief Executive Officer
- Amandeep Singh**  
Head of Operations

The current governance structure of AMIL includes one Director who is represented by the majority shareholder (AMNV), three Independent Directors and the CEO in an ex-officio capacity. The Board of Directors meets accordingly, and oversees the implementation of the strategy of the company.

In addition, the shareholders meet in an Annual General Meeting (AGM) which was scheduled on 22nd June 2022. An Extra Ordinary General Meeting (EOGM) can be organized in case of any pertinent matter. All Directors will resign annually and will be re-appointed, or new ones inducted.

The Board is assisted by relevant Sub-Committees. Each committee will have a minimum of two persons, comprising both the nominee and Independent Directors. The respective Committees are authorised by the Board to act on its behalf and may direct members of Senior Management to participate in the functioning of the Committee. The following Committee is currently active: Audit and Finance Sub-Committee (AFC) The senior management of AMIL includes the CEO and the Heads of Accounts & Finance, Heads of Operations, and Heads of Internal Audit & Controls.







## Product and Services

### Product Details

1. Micro Credit products (Qualifying Assets per Reserve Bank of India NBFC-MFI definitions)
  - 1.1. Business Loan – Group Lending
  - 1.2. Housing Loan - Group Lending
  - 1.3. Education Loans - Group Lending
  - 1.4. Emergency Loan – Group Lending
  - 1.5. Micro Loan – Individual lending
2. Other Credit products (Not under Qualifying Assets per Reserve Bank of India NBFC-MFI definition)
  - 2.1. General Business loan – Individual lending
  - 2.2. Small & Medium Enterprise Loans – Individual/Group Lending (BC / Partnership)
3. Micro-Insurance
  - 3.1. Credit-Life Insurance
  - 3.2. Hospicash



1. Micro Credit Products

1. Micro Credit Products





2. Other credit products

3. Micro-Insurance

2.1  
General  
Business  
Loan

**Purpose**  
Income generation activities

**Loan Size**  
up to ₹100,000

**Loan Term in Months**  
12, 24, 36

**Interest rate**  
26%

**Loan Processing Fee**  
2% Plus GST.

**Lending methodology**  
Individual

2.2  
Small & Medium  
Enterprise  
Loans (BC /  
Partnership)

**Purpose**  
Income generation activities

**Loan Size**  
Between ₹30,000 ₹ – 300,000

**Loan Term in Month**  
12, 24, 36

**Interest rate**  
For the financial year, the average  
base rate was 26%

**Loan Processing Fee**  
1% Plus GST.

**Lending methodology**  
Individual/Group



3.1  
Credit-life  
insurance  
(bundled with  
all loans)

**Insurance Provider**  
Kotak Mahindra Life Insurance  
Company Ltd

**Type of cover**  
**Credit-Life:** the sum assured  
covers any outstanding loan  
amount, and the remaining balance  
is passed on to the next-of-kin

**Sum Assured**  
Up to the loan principal

**Cover extended**  
Borrower and nominee (nominated  
family member)

**Premium**  
**For loans up to ₹100,000:**  
₹10.80 (incl GST) per ₹1,000  
borrowed  
**For loans greater than ₹100,000:**  
₹10.80 (GST 18% ) per ₹1,000  
borrowed

**Time Period**  
2 years

3.2  
Hospi Cash

**Insurance Provider**  
Kotak Mahindra General Insurance  
Company Ltd

**Type of Cover**  
Health and Accident cover,  
including maternity and COVID  
cover, as below:

- Daily Cash Benefit for  
hospitalisation: ₹500/ per day for  
a maximum of 30 days
- Daily Cash Benefit for ICU  
admissions: ₹1,000/ per day for a  
maximum of 30 days
- Personal Accident Benefit:  
₹25,000
- Borrower & co-borrower are  
covered under Accidental death

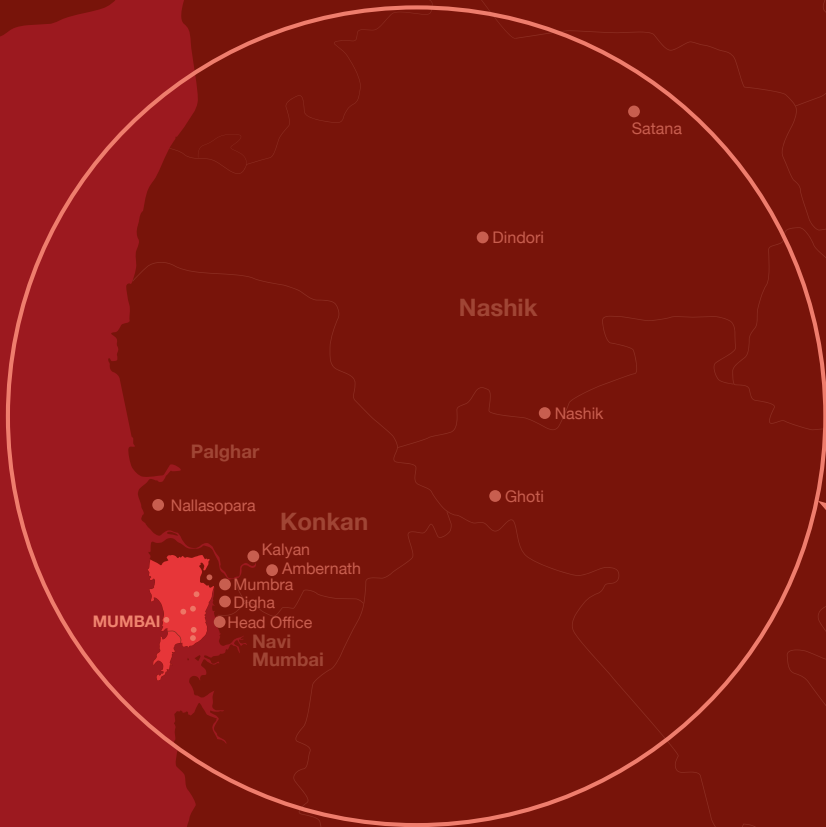
**Cover Extended**  
Borrower and nominee (nominated  
family member)

**Premium**  
₹650 per policy per year

**Time Period**  
1 year



# Areas of Operations



The Mumbai slums present a vast microfinance market in the form of households engaged in informal and formal employment. They operate from their own homes/shops or rented premises. The segment does not have access to formal sources of financing as they are unable to provide any collateral in lieu of funds. Most of the microenterprises have low cash conversion cycles, which leads to frequent capital requirements. AMIL primarily caters to the microfinance clients by providing unsecured small ticket credit. It is headquartered in Navi Mumbai and currently operates 15 branches in the Mumbai metropolitan region and Nashik district

**Head Office**  
Office No.404, 4th Floor, A wing, Technocity Premises Co-op Society Ltd, Plot No. X-4/1 & X-4/2, Shil Phata Mahape Road, Navi Mumbai -400710



**Vikroli Park**  
216, Gold Crest Building, Near HDFC Bank, LBS road, Ghatkopar West, Mumbai - 400086  
**Branch Manager:** Ms Mudita Kharat: 8655044019

**Santacruz**  
209,1st Flr, Anand Nagar, Nehru Road, Santacruz (E),Near Police Station, Vakola Bridge Road, Landmark -BSNL Office, Mumbai -400055.  
**Asst Branch Manager:** Ms. Latika Pednekar: 8691001622

**Chembur**  
Rajeshri Building, Office No.16, 2nd Floor, Near Royal Orchid Hotel, Above Student's Classes, Chembur Station Road, Chembur East - 400071  
**Branch Manager:** Mr. Vijay Sonkar: 8655044038  
**Asst Branch Manager:** Ms. Garima Naik: 8655044015

**Thane**  
Namaskar Society, Office Number 101, 1st Floor Opp Gautam Sagar, Up To Sharma Dairy, Edulji Road, Charai, Thane West 400601.  
**Branch Manager:** Mr. Avinash Salunkhe: 8691001645

**Mankhurd**  
Flat No- 204, 2nd Floor, G Wing, Mangal Moorthi Complex, Mangal Nagar CO. OP. SOC. LTD, BLDG NO 10, Above Shubham Hospital, G. M. Link Road, Mankhurd (W), Mumbai- 400043.  
**Branch Manager:** Ms Priya Thakur: 8655044178

**Nallasopara**  
B-101, 1ST Floor, Somnath Complex,Tulinj Road, Near East End of Flyover Bridge, Nallasopara (E), Tal. Vasai, Dist. Palghar-401209.  
**Branch Manager:** Mr. Avadhut Kanade: 8108522631

**Ambarnath**  
Unit No.129, Globe Business Park, Plot No.30, MIDC, Kalyan-Badlapur Road, Near Big Cinema, Ambarnath West, Thane 421501  
**Asst Branch Manager:** Ms. Dhanashri Erande: 8691001627

**Bhandup**  
Shop No.1, Renukadevi Co Op Housing Society, KOKAN NAGAR, Bhandup West, **Mumbai:** 400078.  
**Sr. Branch Manager:** Ms. Farheen Shaikh: 8655044174  
**Asst Branch Manager:** Ms. Rasika Baikar: 8691001621

**Mumbra**  
103, 1st Floor, B Wing, Shree Complex, Amrut Nagar, Mumbra West, Thane 400612.  
**Asst Branch Manager:** Sadhna Singh: 8657880679

**Digha**  
House No.105, First Floor, Near Saibaba Mandir, Thane Belapur Road, Digha, Navi Mumbai - 400708.  
**Branch Manager:** Nishigandha Sawant: 8691021083

**Kalyan**  
House No. 2, Chawl No. A, Vijay Nagar, Jay Shiv Sahyadri, Pune Link Road, Opp. Santoshi Mata Mandir, Kalyan (E) 421306.  
**Sr. Branch Manager:** Ms. Farheen Shaikh: 8655044174

**Nashik**  
N42, JE2, 1/3 Savata Nagar, Near Savarkar Hall, CIDCO 4TH Scheme, NASHIK-422009  
**Sr. Branch Manager:** Mr. Kunal Lonandkar: 8828500607  
**Asst Branch Manager:** Mr. Dattatray Kanade: 8828893829

**Ghoti**  
C/O Sandeep Kantilal Shahane, 1st Floor, Near MTNL Office, OLD Agra Road, Ghoti, Nashik 422402.  
**Sr. Branch Manager:** Mr. Kunal Lonandkar: 8828500607

**Dindori**  
1st Floor, Keshavrao Sankul, Behind Krishna Sagar Sweet, Nashik Kalwan Road, Dindori, Nashik -422202  
**Asst Branch Manager:** Mr. Kiran Shinde: 8691021082

**Satana**  
60 Feet Road, Shiuvaji Nagar, Near Vegetable Market & Behind Satana Bus Stand, Satana, Nashik- 423301  
**Asst Branch Manager:** Mr. Sharad Patil : 8657880670

**Opening Hours:** Monday - Friday 08:00 - 17:00



## Operational and Financial Highlights

**17,576**

Active Borrowers

**96%**

Women Borrowers

AMIL  
**406m**

Loan Portfolio

**16**

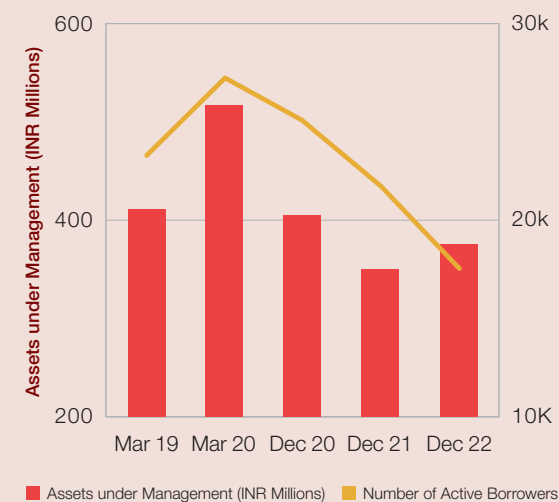
Number of  
Field Offices



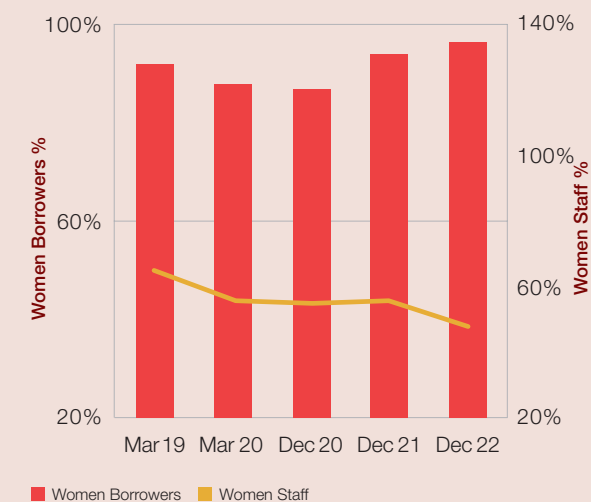
## Operational and Financial Highlights

	Dec 2020	Dec 2021	Dec 2022
No of Field Offices	16	16	16
Number of Active Borrowers	25,109	21,650	17,576
• Women Borrowers	87%	94%	96%
Assets Under Management (USD)	6,397,869	5,173,932	4,908,421
Assets Under Management (INR)	472,247,159	389,845,965	406,056,953
PAR30 Days	42% *	32.22% **	15%
Average Loan Size (USD)	254	244	312
Average Loan Size (INR)	18,808	18,007	23,103
Average Loan Size / Estimated GNI per capita	11.97%	12.69%	15.01%

**Assets under Management vs No of Active Borrowers**



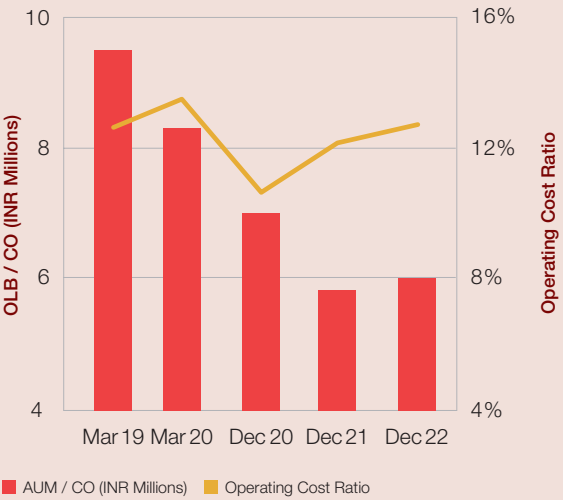
**Gender Distribution**



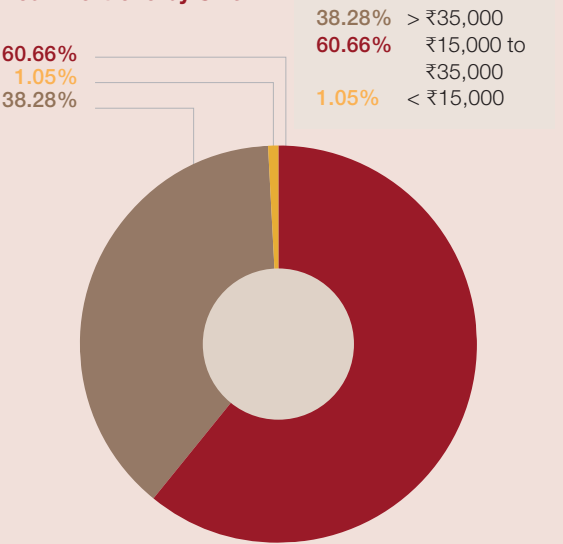




### Operating Cost & Efficiency



### Loan Portfolio by Size



### Operational and Financial Highlights

	Dec 2020	Dec 2021	Dec 2022
<strong>Margin Analysis</strong> (as a % of Assets under Management)			
a) Operating Income	16.68%	18.49%	17.69%
b) Cost of Funds	7.02%	6.44%	12.74%
c) Net Interest Margin (a-b)	9.66%	12.05%	4.95%
d) Loan Loss Provision	2.90%	29.87%	-2.86%
e) Net Margin before Operating Expenses (c-d)	6.76%	-17.81%	7.81%
f) Personnel Cost	4.98%	7.31%	7.87%
g) Admin Cost	5.57%	4.73%	4.72%
h) Total Operating Cost (f+g)	10.55%	12.03%	12.59%
Net Margin	-3.79%	-29.85%	-4.78%
<strong>Financial Ratios</strong>			
Operating Self Sufficiency	81.03%	38.15%	85.22%
Solvency Ratio (Equity/Assets)	38.27%	13.20%	25.38%
Debt/Equity	0.60	3.50	2.37
Operating Cost Ratio	10.66%	12.17%	12.74%
Return on Equity	-11.48%	-104.73%	-13.90%





## Key Initiatives for FY 2023

The onset of Covid in 2020 disrupted AMIL's growth plans that were progressing in the right direction in terms of geographical and product diversification. However, through various steps initiated during the past two years such as moratorium, loan restructuring and refinancing along with stringent cost control initiatives have helped the company to show a pre-FX operating profit in 2022.

AMIL's strategy for the year 2023 would primarily be around three main themes:

- Proactively identify and reach more under-banked populations
- Create better value for clients through higher efficiency/lower cost and diverse product options
- Re-establish financial health and stability post-Covid



## Key Initiatives for FY 2023

### Reaching the under-banked

During Covid, the losses incurred had an inadvertent effect of lending rules and guidelines at AMIL becoming more and more stringent, and we think that this shift – while understandable – needs to now be addressed. AMIL has therefore begun going back to its original principle of proactively seeking the under-banked. Such potential clients constitute those who cannot access banks and other mainstream MFIs on account of factors such as their age, gender, housing condition etc, and are usually left out due to these as well as residence and livelihood reasons. AMIL is actively unwinding some of its own rules that made their appearance during Covid, arising out of an abundance of caution but not relevant in the current context and its own mission.

Some of the new market segments under active consideration include the Dharavi slums in Mumbai, one of the largest but largely unreached slums in Asia. Another probable market segment identified is the rural/tribal communities in Palghar district.



# Key Initiatives for FY 2023 (continued)

## Geographical Expansion

AMIL's current presence is in Mumbai and Nashik through a network of 15 branches and plans to expand the network through the addition of 3-5 branches during the year. In addition, a new concept of remote branch model is being developed and tested. This branch-less model works with a Client (sales) Officer based at around 40-50 km away from an existing branch and manages a group of clients, with all transactions being cashless and through digital means. The idea is to tap into the semi-urban markets, especially in semi urban areas without adding substantive fixed costs. A more engaged internal control process is created around this model to ensure high adherence to internal policies.

If found successful, the idea is to deploy this approach alongside the branch model for future expansion.

## Creating better value for clients

The long-term benefit of financial services for clients should be reflected in improvements in their livelihoods and well-being. Until the time AMIL can establish a research function to scientifically collect and analyse well-being data, it is working on an approach of progressive and incremental improvements in its efficiency of delivery and the range of products that can be offered to clients, to better match their cashflows.

## Efficiency

AMIL believes efficiency will be a key differentiator in the coming years and will strive to enhance efficiency in operations through various initiatives, including further use of technology. Improved efficiency would result in saving clients' time in transactions as well as giving AMIL the opportunity to be price competitive. Some of the initiatives for the year are as below:

## Loan Management System (LMS)

The current LMS has now been upgraded to a newer version with additional tools for reporting and regulatory requirements. Once fully implemented the LMS would be capable of dynamic risk based price modelling during loan underwriting.

## Digitalisation

AMIL is in the process of developing a mobile application for both its clients and (field) staff for further ease and convenience. The field staff version is currently being piloted. The client version, under development, will make the loan application process simple for the clients as potential clients can apply directly on the application.

Several digital modes like BBPS and Paytm are presently available for online repayments. While the percentage of repayments on the digital mode is less than 10% at present, AMIL expects this to scale up substantially once the new systems are in place.

## Products

AMIL will seek to closely match client demand with the type of products it can offer. To achieve this objective, new credit assessment and product features are being developed. In general, the following different product types will be considered and developed once demand has been established.

- General loan in groups
- General loan to individuals
- Short-term working capital facility
- Agriculture loans
- Education loan
- Housing and home improvement loans
- MSME and non-microfinance loans

The loans will carry differential pricing and terms based on clients' risk profiles and other features such as loan use and duration.

AMIL expects that with the effective and timely implementation of above steps its sales officer caseload will also be enhanced, further improving efficiency in operations.

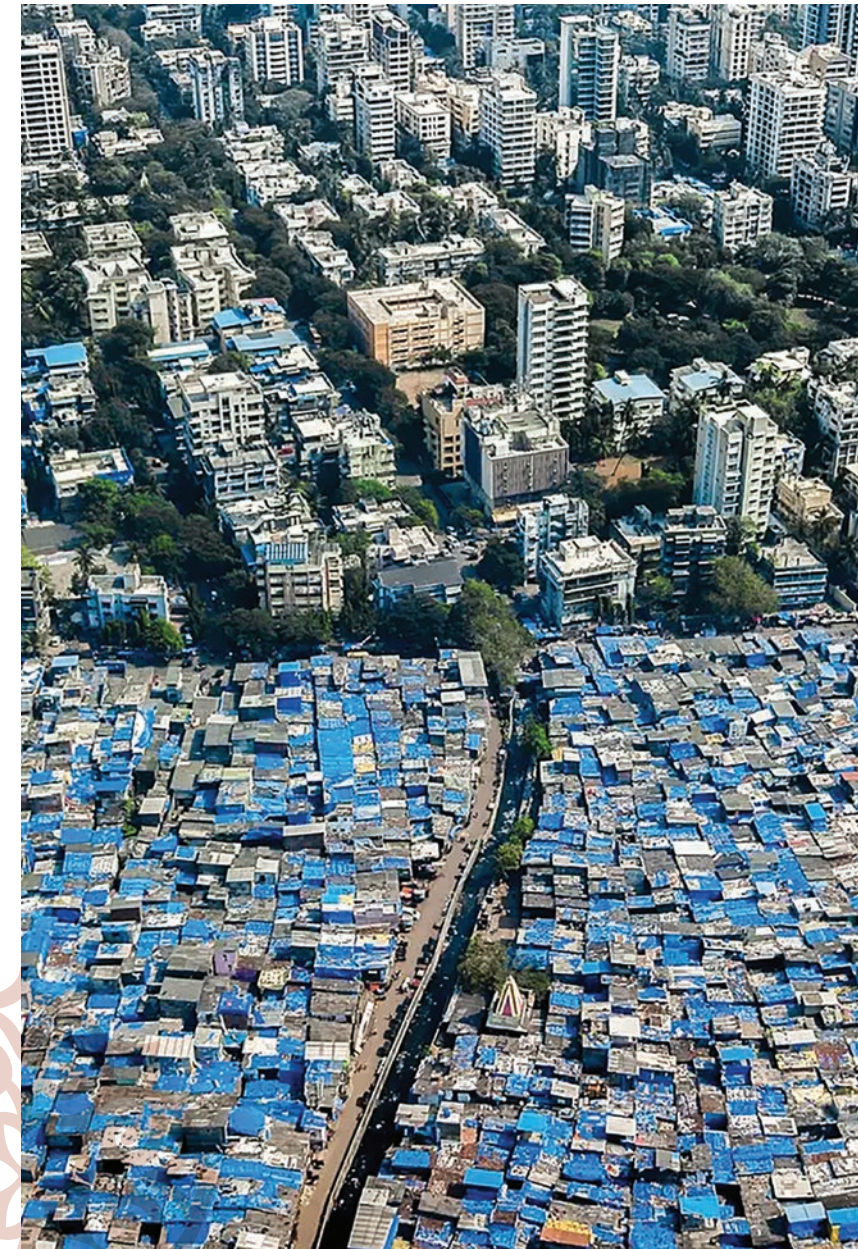
## Financial Viability

Good financial health for AMIL is a cornerstone for sustained provision of good quality financial services for the under-banked. To regain its financial health after Covid, AMIL has focused with purpose on all aspects of cost management, in particular its operating costs and funding costs, as well as on its asset quality. Its work on these has resulted in a gradual but sustained return to financial viability from late 2022 onwards.

To further enhance its viability, AMIL pro-actively continues to carefully manage its operating costs and enhance efficiency through the use of technology, simpler processes as well as new operating models such as the 'remote CO' approach currently being tested. Its funding costs in the short term have been addressed through overseas borrowings, but this will need to expand into domestic borrowings at well at some stage. However, its funding plans for 2023 are still based on further equity and overseas borrowings.

Another aspect to note is the asset quality on its post-Covid loans, which has shown resilience and consistency and has constantly shown NPL levels of less than 1.5%. Sustaining this will be critical to the future health of the Company.

While there is little margin on pricing of its loans to clients, a risk-based approach can still help to differentiate between well performing clients and to pass on some of the lower costs to them, while recovering some of the margin on the higher risk portfolio. This system will be tested during 2023.





# Independent auditor's report

To the members of Agora Microfinance India Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Agora Microfinance India Limited (“the Company”), which comprise the balance sheet as at 31 December 2022, the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our Information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2022, and loss and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SA) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audits of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors report but does not include the financial statements and our auditors report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit or otherwise appears to be materially misstated.

When we will read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.



Responsibilities of the Management and Those Charged with Governance for Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and 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.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SA's will always detect a material misstatement when it exists. 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



# Independent auditor's report (continued)

To the members of Agora Microfinance India Limited

Report on the audit of the financial statements

- Conclude 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 deficiencies in internal control that we identify during our audit.

We also 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.

## Other Matters

The audited financial statements of the Company for the corresponding period ended 31 December 2021 have been audited by the predecessor auditors whose audit report dated March 23, 2022 expressed an unmodified opinion on those audited financial statements.

Our opinion is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditors Report) Order, 2020 ("the Order), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - On the basis of the written representations received from the directors as on 31 December 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the financial statements;
  - The Company is not required to make provision under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts-Refer Note 39 to the financial statements.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
    - The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
      - provide any guarantee, security or the like from or on behalf of the ultimate beneficiaries; and

- Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material mis-statement.
- The company has neither declared nor paid any dividend during the year, hence reporting in respect of compliance under section 123 of the Act is not applicable.
- Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 as amended for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended December 31, 2022.
- With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion since the Company is a private limited company, the provisions of the Section 197 read with Schedule V is not applicable.

For Shah & Taparia  
Chartered Accountants  
FRN: 109463W



Ramesh Pipalawa  
(Partner)  
M. No: 103840  
UDIN:  
Place: Mumbai  
Date:





# Independent auditor's report (continued)

To the members of Agora Microfinance India Limited  
Report on the audit of the financial statements



## Annexure A” to the Independent Auditors Report

(Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the financial statements of the Company for the year ended 31st December, 2022.)

As per the books and records produced before us and as per the information and explanations given to us and based on such audit checks that we considered necessary and appropriate, we confirm that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.  
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of its property, plant and equipment by which all Property, plant and equipment are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company did not have any immovable properties, hence reporting under para 3(i) (c) of the Order is not applicable.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and Rules made thereunder.
- (ii) (a) According to the information and explanations given to us, the company does not have any inventories and hence reporting under para 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Hence reporting under this clause is not applicable.
- (iii) (a) The company is engaged in principal business of lending loans, hence reporting under para 3(iii)(a) is not applicable.
- (b) According to the information and explanations given to us, there are no investments made and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided by the company are not prejudicial to the interest of the company.



- (c) In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except for certain instances as below:

(Rs. in thousands)

Particulars – Days past due	Principal Amount due as on 31 December 2022	No of Cases
1-30 Days	880.34	56
31-60 Days	857.4	56
61-90 Days	863.98	60
90 or more days	44430.79	2375

- (d) The total amount which is overdue for more than 90 days as at 31 December 2022 in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties aggregates to ₹44430.79 thousands as at 31 December 2022 in respect of 2375 number of loans.  
Further reasonable steps have been taken by the Company for recovery of such principal and interest amounts overdue.
- (e) The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) As per information and explanations given to us, and based on examination of the books and records, the company has not granted loan and advances in the nature of loan that are repayable on demand or without specifying terms or period of repayment to related party as defined in clause (76) of section 2 of the Companies Act, 2013.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has not made any investment where the provisions of section 186 of the Act would be applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans, guarantees and security.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the FY 2022. To the best of our knowledge and as per the information and explanations provided to us by the management, during the year no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by the Company. Accordingly, para 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at December 31, 2022 for a period of more than six months from the date they became payable.





Independent auditor’s report (continued)

To the members of Agora Microfinance India Limited  
Report on the audit of the financial statements

(b) According to the information and explanations given to us there were no dues of Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues which have not been deposited by the Company on account of disputes, except as mentioned hereunder:

(Rs. in thousands)

Name of the Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is Pending
Income Tax Act, 1961	Tax payable	Rs. 12,583/-	AY 2017-18	Commissioner of Income Tax Appeals, Mumbai
Income Tax Act, 1961	Tax payable with interest	Rs. 10,931/- (Above include the accrued interest amount of Rs. 4336.03/-)	AY 2016-17	ITAT has passed order and matter has been remanded back to AO.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions,previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act 1961 as income during the year.

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of any loans or other borrowings or in the payment of interest thereon to any lender.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

According to the information and explanations given to us by the management, the Company has not obtained term loans during the year.

According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(d) of the Order is not applicable.

According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associates as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(x) (a) According to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer including debt instruments. Accordingly, clause 3(x)(a) of the Order is not applicable.

According to the information and explanations given to us, during the year the company has made private placement of shares. The requirements of section 42 and section 62 of the Companies Act,2013 have been complied with and the funds raised have been used for the purposes for which thefunds were raised.

(Rs. in thousands)

Nature of Securities	Type of Issue (Preferential allotment or private placement)	Amount Involved (including securities premium)	Nature of noncompliance
Equity Share	Private Placement	Rs. 80,000/-	NA

(xi) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

According to the information and explanations given to us, there were no whistle blower complaints received during the year. Accordingly, para 3(xi)(c) of the Order is not applicable.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) Based on information and explanation provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934.

The company has a valid certificate of Registration (CoR) from the Reserve Bank of India (RBI) conducting Non – Banking Financial activities and no business has been conducted by the company without a valid CoR.

According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

According to the information and explanations provided to us during the course of audit, the company does not have any CIC. Accordingly, the requirements of para 3(xvi)(d) are not applicable.



# Independent auditor's report (continued)

To the members of Agora Microfinance India Limited  
Report on the audit of the financial statements

(xvii) According to the information and explanations given to us, the Company has incurred cash losses in the current and in the immediately preceding financial year.

(Rs. in thousands)

Particulars	FY 2022	FY 2021
Amount of Cash Loss	Rs. 12,134/-	Rs. 1,29,220/-

(xvii) According to the information and explanations given to us, the Company has incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors during the year and there were no issues, objections or concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, sub-section (5) of Section 135 of the Companies Act, 2013 is not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) In our opinion the company does not have any subsidiaries or associates or joint ventures.

Accordingly, the company is not required to prepare consolidated financial statements. Hence reporting under clause (xxi) of the order relating to qualifications or adverse remarks in the CARO reports by the respective auditors of companies included in the consolidated financial statements is not applicable.

For Shah & Taparia  
Chartered Accountants  
FRN NO: 109463W



Ramesh Pipalawa  
Partner  
M NO. 103840  
UDIN:  
Place: Mumbai  
Date:





# Independent auditor's report (continued)

To the members of Agora Microfinance India Limited  
Report on the audit of the financial statements

**Annexure B**  
**Referred to in paragraph 2(f) on 'Report on Other Legal and report of even date Regulatory Requirements' of our Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Agora Microfinance India Limited ("the Company") as of 31 December 2022 in conjunction with out audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's Internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of Internal financial controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or Improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st December 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**For Shah & Taparia**  
**Chartered Accountants**  
**FRN: 109463W**



**Ramesh Pipalawa**  
**(Partner)**  
**M. No: 103840**

**UDIN:**  
**Place: Mumbai**  
**Date:**



# Independent auditors' additional report

## The Board of Directors of Agora Microfinance India Limited

Off No. 404, wing-A,  
4th Floor, Technocity Premises  
Co-Op. Soc. Ltd,  
Plot No. X-4/1x-4/2,  
Shillphata Mahape,  
Navi Mumbai,  
MH 400709 IN.

1. This report is issued in accordance with the requirements of Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ("the Directions") issued with reference number RBI/DNBS/2016-17/48 Master Direction DNBS. PPD.03/66.15.001/2016-17 dated September 29, 2016, as amended from time to time.
2. We have audited the accompanying financial statements of Agora Microfinance India Limited ("theCompany") comprising Balance Sheet as at December 31, 2022 and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, on which we have issued our report dated xxxx.

### Management's responsibility for the Financial Statement

3. The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the (AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- 4 The Management is also responsible for compliance with the Reserve Bank of India ("the RBI" or "the Bank) Act, 1934 ("the RBI Act"), Master Direction-Non-Banking Financial Company - Non-Systemically important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued vide reference number RBI/DNBR/2016-17/44/ Master Direction DNBR.PD.007/03.10 119/2016-17 dated September 1, 2016, other relevant RBI Circulars and guidelines applicable to Non-Banking Financial Companies - Micro Finance Institutions, as amended from time to time ("the NBFC Master Directions"), and for providing all the required information to RBI.

### Auditor's responsibility

5. Pursuant to the requirements of the Directions, it is our responsibility to examine the audited books and records of the Company for the year ended on December 31, 2022 and report the matters specified in the Directions to the extent applicable to the Company.
6. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes and Standards of Auditing issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

### Opinion

8. Based on our examination of the audited books and records of the Company for the year ended December 31, 2022 as produced to us for examination and the information and explanation given to us, we report that:

#### Part A:

- a. The Company is engaged in the business of Non-Banking Financial institution as defined in Section 45-I(a) of the RBI Act and has obtained a certificate of registration (COR) B-13.02071 dated July 1 2014 from Bank's Department of Non-Banking Supervision, Mumbai, Regional Office.
- b. The Company is entitled to continue to hold such CoR in terms of its assets / income pattern as on December 31, 2022 in terms of the NBFC Master Directions.
- c. The Company is meeting the required net owned fund requirements as laid down by the NBFC Master Directions.

#### Part B:

- d. The Company has not accepted or holding any public deposits. Accordingly, the clauses in part B of the Directions are not applicable to the Company.

#### Part C:

- e. The Board of Directors of the Company has passed a resolution through circulation on 06th April 2022 for non-acceptance of public deposit.
- f. The Company has not accepted any public deposits during the year ended December 31, 2022.
- g. The Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Directions.
- h. The Clause 3.C.(IV) of the Directions relating to Systematically Important NBFCs is not applicable to theCompany.

- i. Based on the criteria set forth by the Bank in the NBFC Master Directions for classification of NBFCs as NBFC-MFIs, the Company has been correctly classified as NBFC-MFI as defined in the aforesaid NBFC Master Directions with reference to the business carried on by it during the year ended December 31, 2022.

#### Part D:

The Company is holding CoR, therefore Clause 3.D of the Directions are not applicable to the Company.

#### Restriction to use

9. Our obligation in respect to this report are entirely separate from, and our responsibility and ability is no way changed by, any other role we may have (of may have had) as auditors of the Company or otherwise Nothing said in this report, nor anything said or done in the course of or in connection with the services that are subject to this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
10. This report is issued pursuant to our obligations under Directions to submit a report on additional matters as stated in the above Directions, to the Board of Directors of the Company and should not be used by any other person or for any other purpose. We neither accepts not assumes any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For Shah & Taparia  
Chartered Accountants  
Firm's Registration No: 109463W



Ramesh Pipalawa  
(Partner)  
Membership No. 103840

UDIN:  
Place: Mumbai  
Date:



Balance sheet

as at 31 December 2022

(Amount in Indian Rupees ‘000)			
	Notes	2022	2021
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,31,318	53,799
Reserves and surplus	4	(6,362)	4,693
		1,24,957	58,492
<b>Non-current liabilities</b>			
Long-term borrowings	5	2,96,608	2,04,927
Long-term provisions	6	2,747	2,983
		2,99,355	2,07,910
<b>Current liabilities</b>			
Short Term Borrowings	7	13,657	23,647
Trade Payables			
a. total outstanding dues to micro, small and medium enterprises		-	-
b. total outstanding dues to creditors other than micro, small and medium enterprises		-	-
Other current liabilities	8	6,398	4,177
Short-term provisions	6	47,975	1,48,853
		68,030	1,76,677
<b>Total</b>	75	4,92,341	4,43,079

(Amount in Indian Rupees ‘000)

	Notes	2022	2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment			
Tangible assets	9	780	758
Intangible assets		413	114
Capital Work in Progress			
Deferred tax assets (net)	10	-	-
Long-term loans and advances	11	1,29,793	58,694
Other non-current assets	12	1,799	5,286
		1,32,784	64,852
<b>Current assets</b>			
Cash and cash equivalents	13	80,546	57,376
Short-term loans and advances	11	2,72,095	3,15,196
Other current assets	12	6,915	5,654
		3,59,556	3,78,226
<b>Total equity and liabilities</b>		4,92,341	4,43,079
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Shah & Taparia  
Chartered Accountants  
Firm Registration number : 109463W

Ramesh Pipalawa  
Partner  
Membership No.: 103840

Date:   Date:  
Place: Mumbai

For and on behalf of the Board of Directors of  
Agora Microfinance India Limited

Pradeep Sarin  
Director

DIN 07965853  
Date:  
Place: Mumbai

Asit Mehta  
Director

DIN 01640935  
Date:  
Place: Mumbai



# Statement of profit and loss

as on December 31, 2022

(Amount in Indian Rupees '000)

	Notes	For the period ended 31 Dec 2022	For the period ended 31 Dec 2021
<b>Income</b>			
Revenue from operations	14	70,393	56,898
Other income	15	6,333	22,819
<b>Total revenue (I)</b>		<b>76,726</b>	<b>79,717</b>
<b>Expenses</b>			
Employee benefits expense	16	31,305	31,488
Finance costs	17	50,683	27,763
Other expenses	18	18,801	20,385
Depreciation and amortization expense	19	612	567
Provisions and write-offs	20	(11,369)	1,28,741
<b>Total expenses (II)</b>		<b>90,032</b>	<b>2,08,944</b>
<b>(Loss)/Profit before tax (III)=(I)-(II)</b>		<b>(13,306)</b>	<b>(1,29,227)</b>
<b>Tax expenses</b>			
Current tax		-	560
Deferred tax		-	-
Excess provision for current tax in respect of earlier year		(560)	-
<b>Total tax expense (IV)</b>		<b>(560)</b>	<b>560</b>
<b>(Loss)/Profit for the year (III)-(IV)</b>		<b>(12,746)</b>	<b>(1,29,787)</b>
<b>Earnings per equity share</b>			
[Nominal value of share Rs.10 (December 31, 2021: Rs.10)] 27			
Basic (Computed on the basis of total loss/profit for the period)	27	(0.97)	(24.12)
Diluted (Computed on the basis of total loss/profit for the period)		(0.97)	(24.12)
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			



As per our report of even date attached

For Shah & Taparia  
Chartered Accountants  
Firm Registration number : 109463W

**Ramesh Pipalawa**  
Partner  
Membership No.: 103840

Date: Date:  
Place: Mumbai

For and on behalf of the Board of Directors of  
Agora Microfinance India Limited

**Pradeep Sarin**  
Director

DIN 07965853  
Date:  
Place: Mumbai

**Asit Mehta**  
Director

DIN 01640935  
Date:  
Place: Mumbai



# Cash Flow Statement

for the year ended December 31, 2022

(Amount in Indian Rupees '000)

	Notes	For the period ended 31 Dec 2022	For the period ended 31 Dec 2021
<b>Cash flow from operating activities</b>			
<b>(Loss)/Profit before tax</b>		<b>(12,746)</b>	(1,29,787)
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortization expense		<b>612</b>	567
Provision for employee benefits		<b>1,313</b>	1,752
Loss/ (profit) on sale of property, plant and equipment		<b>(6)</b>	(9)
Interest Income		<b>(2,202)</b>	(712)
Interest cost & Exchange loss		<b>50,683</b>	27,763
Provision for standard assets and non-performing assets		<b>(11,369)</b>	1,35,619
Provision for Moratorium		-	(6,878)
<b>Operating Profit before working capital changes</b>		<b>26,284</b>	28,315
Movements in working capital :			
Increase/ (decrease) in other current liabilities		<b>2,221</b>	(406)
Increase/ (decrease) in provisions		<b>(91,059)</b>	(1,845)
Increase/ (decrease) in trade payables		-	379
Decrease / (increase) in loans and advances		<b>(26,986)</b>	35,174
Decrease / (increase) in other current & non current assets		<b>2,226</b>	16,448
Cash generated from /(used in) operations		<b>(1,13,597)</b>	49,750
Direct taxes paid (net of refunds)		<b>(1,012)</b>	67
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(88,325)</b>	78,132
<b>Cash flows from investing activities</b>			
(Investment in FD)/ proceeds from FD		-	36,278
Interest income		<b>2,202</b>	712
Purchase of fixed assets		<b>(1,029)</b>	(349)
Proceeds from sale of assets/written off		<b>102</b>	27
<b>Net cash flow (used in)/from investing activities (B)</b>		<b>1,275</b>	36,668

(Amount in Indian Rupees '000)

	Notes	For the period ended 31 Dec 2022	For the period ended 31 Dec 2021
<b>Cash flows from financing activities</b>			
Proceeds from issuance of equity share capital		<b>80,000</b>	-
Share issue expenses		<b>(788)</b>	-
Interest cost and exchange difference cost		<b>(50,683)</b>	(27,763)
Proceeds from Long term borrowings		<b>1,11,480</b>	1,35,155
Repayment of long term borrowings		<b>(29,789)</b>	(1,82,863)
<b>Net cash flow (used in)/from financing activities (C)</b>		<b>1,10,220</b>	(75,471)
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>			
Cash and cash equivalents at the beginning of the year		<b>57,376</b>	18,047
<b>Cash and cash equivalents at the end of the year</b>		<b>80,546</b>	57,376
<b>Components of cash and cash equivalents (Note- 13)</b>			
Cash in hand		<b>365</b>	581
Balances with banks			
in current account		<b>2,035</b>	2,295
in deposit account*		<b>78,146</b>	54,500
<b>Total cash and cash equivalents</b>		<b>80,546</b>	57,376
* Note: Deposits with maturity less than 12 months			

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

2.1

As per our report of even date attached

**For Shah & Taparia**  
**Chartered Accountants**  
 Firm Registration number : 109463W



**Ramesh Pipalawa**  
 Partner  
 Membership No.: 103840

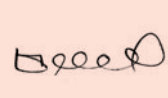
Date:   Date:  
 Place: Mumbai

**For and on behalf of the Board of Directors of**  
**Agora Microfinance India Limited**



**Pradeep Sarin**  
 Director

DIN 07965853  
 Date:  
 Place: Mumbai



**Asit Mehta**  
 Director

DIN 01640935  
 Date:  
 Place: Mumbai



# Notes to financial statements

for the year ended December 31, 2022

3 Shared capital	(Amount in Indian Rupees ‘000)	
	As at 31 Dec 2022	As at 31 Dec 2021
<b>Authorized capital</b>		
15,000 thousand (December 31, 2021: 7,000 thousand) equity shares of Rs.10 each	150,000	70,000
<b>Issued, subscribed and fully paid-up shares</b>		
1,13,318 thousand (December 31, 2021: 5,379.90 thousand) equity shares of Rs.10 each fully paid up	1,31,318	53,799
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>1,31,318</b>	<b>53,799</b>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at 31 Dec 2022		As at 31 Dec 2021	
	No. of Shares in ‘000	Amount in ‘000	No. of Shares in ‘000	Amount in ‘000
<b>Equity shares</b>				
At the beginning of the year	5,380	53,799	5,380	53,799
Issued during the year	7,752	77,519	-	-
<b>Outstanding at the end of the year</b>	<b>13,132</b>	<b>1,31,318</b>	<b>5,380</b>	<b>53,799</b>

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend declared and paid would be in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company\*

Out of equity shares issued by the Company, shares held by its holding company are as below:

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Agora Microfinance N.V</b>		
Number of equity shares of Rs.10 each fully paid up (in ‘000)	13,075	5,047
% Shareholding	99.57%	93.81%
Change During the year	-	-

\* Company has identified its holding company as promotor in accordance with definition provided in the Companies Act 2013

(d) Details of shareholders holding more then 5% shares in the Company

Name of Share holder	As at 31 Dec 2022	
	No. of Shares in ‘000	% holding in the class
<b>Equity shares of Rs.10 each fully paid</b>		
Asit Mehta	57	0.43%
Agora Microfinance N.V	13,075	99.57%

Name of Share holder	As at 31 Dec 2021	
	No. of Shares in ‘000	% holding in the class
<b>Equity shares of Rs.10 each fully paid</b>		
Meenal Patole	333	6.19%
Agora Microfinance NV	5,047	93.81%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



# Notes to financial statements

for the year ended December 31, 2022

## 4 Reserves and surplus

(Amount in Indian Rupees '000)

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Securities premium account</b>		
Balance as per the last financial statements	206,532	206,532
Add: Additions during the year	2,481	-
Less: Share issue expenses	(788)	-
<b>Closing Balance</b>	<b>208,224</b>	206,532
<b>Statutory reserve</b>		
Balance as per the last financial statements	1,554	1,554
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
<b>Closing Balance</b>	<b>1,554</b>	1,554
<b>(Deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(203,393)	(73,606)
Add: (Loss)/Profit for the year	(12,746)	(129,787)
Less: Transferred to Statutory Reserve [@20% of profit after tax as required by Section 4	-	-
<b>Net (deficit) in the statement of profit and loss</b>	<b>(216,139)</b>	(203,393)
<b>Total reserves and surplus</b>	<b>(6,362)</b>	4,693

## 5 Long-term borrowings

(Amount in Indian Rupees '000)

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Term loans</b>		
<b>a) Indian rupee loan from non banking financial companies (secured)*</b>	-	10,538
(-) Current maturities of above (Refer Note 7)	-	(10,538)
<b>b) Indian rupee loan from bank (secured)*</b>	-	4,615
(-) Current maturities of above (Refer Note 7)	-	(4,615)
<b>c) External commercial borrowing from related party (unsecured)</b>	<b>55,456</b>	53,275
(-) Current maturities of above (Refer Note 7)	(5,380)	(3,353)
<b>c) External commercial borrowing from related party (unsecured, sub-debt)</b>	<b>254,809</b>	160,146
(-) Current maturities of above (Refer Note 7)	(8,277)	(5,141)
	<b>296,608</b>	204,927

\*Indian rupee loans from non banking financial companies and banks are secured by first pari passu charge over loan receivables created out of those funds

The Company has outstanding term loan of USD 670 thousand (Previous year USD 715 thousand) at interest rate of 4.5% + last 6 months LIBOR. Borrowing is hedged through option contracts.

The Company has outstanding unsecured term loan as sub-debt of USD 2081 thousand (Previous year USD 2150 thousand) at interest rate of 4.5% + last 6 months LIBOR. Borrowing is hedged through option contracts.

The Company has outstanding unsecured term loan as sub-debt of USD 1000 thousand at interest rate of 5% + last 6 months SOFR. Borrowing is hedged through option contracts.



# Notes to financial statements

for the year ended December 31, 2022

## Terms of repayment of borrowings as on December 31, 2022

Nature	Interest Rate	No of instalments	Due within 1 year	Due within 1 to 3 years	Due beyond 3 years
Amounts					
Term secured loan from Bank (0-3 years)	6.43%	0	-		
	16.00%	0	-		
	14.90%	0	-		
Term secured loan from Financial institution (0-3 years)	15.00%	0	-		
	17.00%	0	-		
ECB from related party (0-7 years)	Latest 6 month SOFR+ 5% margin	8	662	3062.49	78,840
ECB from related party (0-7 years)	Latest 6 month LIBOR+ 4.5% margin	24	12,995	170,092	44,613
<b>Total</b>			13,657	173,155	123,453

## Terms of repayment of borrowings as on December 31, 2021

Nature	Interest Rate	No of instalments	Due within 1 year	Due within 1 to 3 years	Due beyond 3 years
Amounts					
Term secured loan from Bank (0-3 years)	6.43%	6	4,615		
	16.00%	1	1,249		
	14.90%	6	2,114		
Term secured loan from Financial institution (0-3 years)	15.00%	10	1,132		
	17.00%	14	6,043		
ECB from related party (0-7 years)	Latest 6 month LIBOR+ 4.5% margin	66	8,494	65,047	139,880
			23,647	65,047	139,880

## 6 Provisions

(Amount in Indian Rupees '000)

	Long Term		Short Term	
	As at 31 Dec 2022	As at 31 Dec 2021	As at 31 Dec 2022	As at 31 Dec 2021
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer note 23 B)	2,150	2,331	160	127
Provision for leave benefits (Refer note 23 C)	538	572	203	100
	2,688	2,903	362	227
<b>Other provisions</b>				
Contingent provisions against standard assets.(refer note 28)	4	13	1	18
Provision for Non-performing assets.(refer note 28)	55	67	47,611	148,608
Provisioning for Moratorium	-	-	-	-
	59	80	47,612	148,626
	2,747	2,983	47,975	148,853

## 7 Short term Borrowings

	As at 31 Dec 2022	As at 31 Dec 2021
Current maturities of long-term borrowings	13,657	23,647
	13,657	23,647

## 8 Other current liabilities

	As at 31 Dec 2022	As at 31 Dec 2021
Interest accrued but not due on borrowings	-	115
Statutory dues payable	970	631
Employee dues payable	1,145	1,140
Accrued Liability	3,094	1,291
Other Current liability	1,189	1,000
	6,398	4,177

# Notes to financial statements

for the year ended December 31, 2022

## 9 Tangible assets

(Amount in Indian Rupees '000)

	Furniture	Computers	Office equipments	Total
<b>Cost</b>				
<b>At January 1, 2021</b>	1,077	2,180	798	4,056
Additions	41	121	187	349
Disposals/written off	51	-	49	100
<b>At December 31, 2021</b>	<b>1,067</b>	<b>2,301</b>	<b>936</b>	<b>4,304</b>
Additions	43	246	210	499
Disposals/written off	619	1,392	391	2,403
<b>At December 31, 2022</b>	<b>491</b>	<b>1,155</b>	<b>755</b>	<b>2,401</b>
<b>Depreciation</b>				
<b>At January 1, 2021</b>	774	1,787	576	3,138
Charge for the year	86	305	100	491
Disposals/written off	41	-	41	82
<b>At December 31, 2021</b>	<b>819</b>	<b>2,093</b>	<b>635</b>	<b>3,547</b>
Charge for the year	61	183	160	404
Disposals/written off	571	1,380	379	2,330
<b>At December 31, 2022</b>	<b>310</b>	<b>895</b>	<b>416</b>	<b>1,621</b>
<b>Net Block</b>				
<b>At December 31, 2021</b>	<b>248</b>	<b>209</b>	<b>300</b>	<b>757</b>
<b>At December 31, 2022</b>	<b>181</b>	<b>260</b>	<b>339</b>	<b>780</b>

## 9 Intangible assets

(Amount in Indian Rupees '000)

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Gross block</b>		
<b>At January 1, 2021</b>	1,567	1,567
Additions	-	-
Deletions/Write off	-	-
<b>At December 31, 2021</b>	<b>1,567</b>	<b>1,567</b>
Additions	530	530
Deletions/Write off	1,134	1,134
<b>At December 31, 2022</b>	<b>963</b>	<b>963</b>
<b>Amortization</b>		
<b>At January 1, 2021</b>	1,376	1,376
Charge for the year	76	76
Deletions/Write off	-	-
<b>At December 31, 2021</b>	<b>1,453</b>	<b>1,453</b>
Charge for the year	208	208
Deletions/Write off	1,110	1,110
<b>At December 31, 2022</b>	<b>551</b>	<b>551</b>
<b>Net block</b>		
<b>At December 31, 2021</b>	<b>114</b>	<b>114</b>
<b>At December 31, 2022</b>	<b>413</b>	<b>413</b>



# Notes to financial statements

for the year ended December 31, 2022

## 10 Deferred tax

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Deferred tax asset/(liability)</b>		
Difference due to depreciation impact	(111)	(194)
Difference due to provision for leave encashment	206	187
Difference due to provision for gratuity	643	684
Difference due to disallowance of provision against standard assets and non performing assets	13,262	41,370
Deferred tax on carried forward tax losses and unabsorbed depreciation	5,830	6,358
Deferred tax asset not recognized	(19,830)	(48,405)
<b>Deferred tax asset/(liability) - Net</b>	<b>-</b>	<b>-</b>

## 11 Loans and advances

	Non Current		Current	
	As at 31 Dec 2022	As at 31 Dec 2021	As at 31 Dec 2022	As at 31 Dec 2021
<b>A. Portfolio Loans</b>				
<b>Joint liability group loans</b>				
Unsecured, considered good*	107,614	46,861	213,262	111,531
Unsecured, considered doubtful**	3,982	36	39,069	178,564
	111,596	46,897	252,331	290,095
<b>Individual loans</b>				
Unsecured, considered good*	2,194	1,344	5,470	2,328
Unsecured, considered doubtful**	90	-	1,289	5,303
	2,284	1,344	6,760	7,631
<b>(A)</b>	<b>113,880</b>	<b>48,241</b>	<b>259,091</b>	<b>297,726</b>

\* Represents standard assets as per the asset classification policy for loan portfolio.

\*\* Represents non-performing assets as per the asset classification policy for loan portfolio.

	Non Current		Current	
	As at 31 Dec 2022	As at 31 Dec 2021	As at 31 Dec 2022	As at 31 Dec 2021
<b>B. Other loans and advances</b>				
Employee loans (unsecured, considered good)	401	-	826	1,806
Other receivables	-	-	961	1,308
GST input Credit	-	-	384	818
Advance tax	-	-	10,370	9,358
Prepaid expenses	15,512	10,453	463	4,180
<b>(B)</b>	<b>15,913</b>	<b>10,453</b>	<b>13,004</b>	<b>17,470</b>
<b>Total (A+B)</b>	<b>129,793</b>	<b>58,694</b>	<b>272,095</b>	<b>315,196</b>

# Notes to financial statements

for the year ended December 31, 2022

## 12 Other Assets

	Non Current		Current	
	As at 31 Dec 2022	As at 31 Dec 2021	As at 31 Dec 2022	As at 31 Dec 2021
Security Deposits	1,428	1,433	460	480
Interest accrued on fixed deposits	103	92	483	659
Interest accrued on other deposits	-	-	25	35
Interest accrued and not due on portfolio loans	-	-	4,157	-
Interest accrued and due on portfolio loans	-	-	41	2,017
Margin and fixed deposits placed with parties**	268	1,114	1,749	2,463
Non current bank balances (refer note below)*	-	2,647	-	-
	1,799	5,286	6,915	5,654

\* Represents standard assets as per the asset classification policy for loan portfolio.

\*\* Represents non-performing assets as per the asset classification policy for loan portfolio.

	Non Current		Current	
	As at 31 Dec 2022	As at 31 Dec 2021	As at 31 Dec 2022	As at 31 Dec 2021
*Fixed deposit lien marked in favour of Financial institution and bank to avail term loan	-	1,500	-	-
**Represents margin money deposit placed to avail term loan from financial institutions and Bank	-	-	-	500
**Represents margin money deposit placed against Business Correspondence arrangement	268	1,114	1,749	1,963

## 13 Cash and bank balances

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Cash and cash equivalents</b>		
Cash in hand	365	581
Balances with banks:		
in current accounts	2,035	2,295
Fixed deposits maturing within 12 months	78,146	54,500
	80,546	57,376
<b>Other bank balances</b>		
Deposits with remaining maturity for more than 12 months	1,147	2,647
(-) presented under other assets (Refer Note 12)	(1,147)	(2,647)
	-	-
	80,546	57,376

## 14 Revenue from operations

	For the period ended 31 Dec 2022	For the period ended 31 Dec 2021
<b>Interest income</b>		
Interest on portfolio loans	66,980	55,406
<b>Other operating revenue</b>		
Loan processing fees	3,389	1,492
Recovery against loans written off	24	-
	70,393	56,898



# Notes to financial statements

for the year ended December 31, 2022

## 15 Other income

	For the period ended 31 Dec 2022	For the period ended 31 Dec 2021
Interest on fixed deposits	2,069	1,862
Interest on other deposits	5	1,063
Interest on employee loans	128	64
Interest on income tax refund	-	23
Insurance brokerage and commission	1,529	480
Income from business correspondence	2,595	7,435
Miscellaneous income	0.09	2
Profit on sale of fixed asset	6	9
Net receipts from business correspondence	-	11,881
	6,333	22,819

## 16 Employee benefits expense

	For the period ended 31 Dec 2022	For the period ended 31 Dec 2021
Salaries and bonus / incentive	27,202	27,254
Leave encashment (Refer Note 23 C)	1,291	1,148
Contribution to Provident Fund	1,953	1,805
Contribution to Employee State Insurance Corporation	457	369
Gratuity expenses (Refer Note 23 B)	22	604
Staff welfare expense	380	308
	31,305	31,488

## 17 Finance costs

	For the period ended 31 Dec 2022	For the period ended 31 Dec 2021
Interest expense		
On term loans	19,016	21,168
Foreign exchange loss	27,748	4,180
Other finance costs/processing fees	-	(30)
Option Premium	3,920	2,445
	50,683	27,763

## 18 Other expenses

	For the period ended 31 Dec 2022	For the period ended 31 Dec 2021
Rent	4,327	5,416
Rates and taxes	3	3
Insurance	141	193
Repairs and maintenance	788	860
Membership fees	25	196
Advertising	-	8
Electricity charges	388	316
Travelling and conveyance	2,513	2,102
Communication expenses	593	729
Printing and stationery	985	751
Legal and professional fees	3,589	3,436
Directors' sitting fees & remuneration	413	175
Auditors' remuneration (Refer Note 18.1)	685	1,020
Amounts not receivable written off (Refer Note 31)	2,078	3,021
Loss on sale /Discard of fixed asset	-	-
Technical services	560	477
Commission and brokerage	2	154
Bank charges	978	1,026
Credit Bureau Fee	315	165
Miscellaneous expenses	419	337
	18,801	20,385

# Notes to financial statements

for the year ended December 31, 2022

## 18 Payment to auditors

	For the period ended 31 Dec 2022	For the period ended 31 Dec 2021
<b>As auditor:</b>		
Audit fee	600	475
Tax Audit	-	-
<b>In other capacity:</b>		
Other services (certification fees)	85	545
Reimbursement of expenses	-	-
	685	1,020

## 19 Depreciation and amortization expense

	For the period ended 31 Dec 2022	For the period ended 31 Dec 2021
Depreciation of tangible assets	404	491
Amortization of intangible assets	208	76
	612	567

## 20 Provisions and write-offs

	For the period ended 31 Dec 2022	For the period ended 31 Dec 2021
(Write-back)/Contingent provisions against standard assets (Refer Note 28)	(26)	(41)
Provision against Non performing assets (Refer Note 28)	(101,009)	135,660
Portfolio loans and other balance written off	89,666	-
Provision for moratorium	-	(6,878)
	(11,369)	128,741

## 21 Segmental reporting

The Company operates in a single business segment i.e. financing, which has similar risks and returns for the purpose of Accounting Standard (AS) - 17 on 'Segment Reporting' specified under section 133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The Company operates in single geographical segment, i.e. domestic. Hence, no separate disclosure is required under AS 17.

## 22 Related Party Transactions

### i. Name of related parties under AS18 as well as related party relationship.

Nature of relationship	Name of the related party
Parent Company	Agora Microfinance NV
Subsidiary for Agora Microfinance NV	Moringaway
Key management Personnel (CEO)	Mr. Naval Manoj

### ii. Transaction with related party during the period

	Transactions during the year		Balances	
	For the year ended 31 Dec 2022	For the year ended 31 Dec 2021	As at 31 Dec 2022	As at 31 Dec 2021
<b>Agora Microfinance NV</b>				
Issue of Share Capital	77,519	Nil	-	-
Securities Premium	2,481	Nil	-	-
Service Fees Payable	1,398	1,094	-	-
<b>Moringaway</b>				
External Commercial Borrowing	78,700	122,096	310,265	228,574
Principal of external commercial borrowing paid	9,224	3,417	-	-
Interest paid on external commercial borrowing	18,793	7,217	-	-
<b>Mr. Naval Manoj</b>				
Salaries and perquisites	3,671	2,683	-	-
Reimbursement of expenses	-	501	-	-
Leave Encashment	93	101	-	-



# Notes to financial statements

for the year ended December 31, 2022

## 23 Employee Benefits

	31 Dec 2022	31 Dec 2021
<b>A Defined Contribution Plan</b>		
During the year, the company has recognised the following amounts in the Statement of Profit and loss:		
Employer’s contribution to provident fund	1,953	1,805
Other funds	457	369

**B** The company has defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for Gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of Rs. 2000 thousand as per The Payment of Gratuity Act, 1972 (Amendment) Bill, 2018.

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the Balance Sheet for the gratuity plan.

Statement of Profit and loss:

### Net employees benefit expense recognised in employee benefit expense:

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Particulars</b>		
Current Service cost	701	721
Current Service cost	160	108
Net actuarial (gain) / loss recognized in the period	(840)	(225)
Net Employee benefit expense	22	604

### Details of provision for gratuity:

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Particulars</b>		
Defined benefit obligation	2,310	2,458
Plan liability	2,310	2,458

### Changes in the present value of the defined benefit obligation are as follows:

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Particulars</b>		
Opening defined benefit obligation	2,458	1,854
Interest cost	161	108
Current service cost	701	721
Benefits paid	(170)	-
Actuarial ( gains ) / losses on obligation	(840)	(225)
<b>Closing defined benefit obligation</b>	<b>2,310</b>	<b>2,458</b>

### The principal assumptions used in determining gratuity:

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Particulars</b>		
Discount rate	7.33%	6.53%
Salary escalation rate per annum for next 1 year	9%	9%
Salary escalation rate per annum from 2nd year	9%	9%
Rates of leaving service	21%	12%

### Net assets/liability and actuarial experience gain/(loss) for present benefit obligation ('PBO') and plan assets

	Jan 22 to Dec 22	Jan 21 to Dec 21	Arp 20 to Dec 20	Apr 19 to Mar 20	Apr 18 to Mar 19
<b>Particulars</b>					
Closing benefit obligation	(2,310)	(2,458)	(1,854)	(1,630)	(1,270)
Plan assets	-	-	-	-	-
Net assets/(liability)	(2,310)	(2,458)	(1,854)	(1,630)	(1,270)
Experience gain/(loss) on PBO	(230)	(85)	(37)	110	182
Experience gain/(loss) on plan assets	-	-	-	-	-

# Notes to financial statements

for the year ended December 31, 2022

## 23 Employee Benefits (continued)

### Net assets/liability and actuarial experience gain/(loss) for present benefit obligation ('PBO') and plan assets (continued)

#### C Provision for leave benefits

The company has defined benefit leave encashment plan. Every employee who has completed probation period is eligible for leave encashment maximum accumulation and encashment days are 42, excess over maximum accumulation.

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the Balance Sheet for the gratuity plan.

#### Net employees benefit expense recognised in employee benefit expense:

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Particulars</b>		
Net Employee benefit expense	1291	80

#### Details of provision for leave encashment:

	31 Dec 2022	31 Dec 2021
<b>Particulars</b>		
Defined benefit obligation	740	672
Plan liability	740	672

#### Details of provision for gratuity:

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Particulars</b>		
Opening defined benefit obligation	672	1,369
Benefits paid	(1,223)	(778)
Expense during the period	1291	80
Closing defined benefit obligation	740	672
Due but unpaid benefit	Nil	Nil

### The principal assumptions used in determining Leave encashment:

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Particulars</b>		
Discount rate	7.33%	6.53%
Salary escalation rate per annum for next 1 year	9%	9%
Salary escalation rate per annum from 2nd year	9%	9%
Rates of leaving service	12%	12%

### Amounts for the current year are as follows:

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Particulars</b>		
Defined benefit obligation	740	672
Closing Liability	(740)	(672)
Projected Benefit Obligation due but not paid liability	-	778

## 24 Contingent liability and Capital Commitments

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Capital commitments</b>	-	-
<b>Contingent liabilities</b>		
Income tax demand for AY 17-18, under dispute	15,729	15,729
Portfolio originated on behalf of NBFC	-	2,057

## 25 Earning and expenditure in foreign currency

	31 Dec 2022	31 Dec 2021
<b>Foreign Earnings</b>	-	-
<b>Expenditure in foreign currency</b>		
Consultancy fees \$18 thousand towards Service Agreement	1,398	1,094
Interest on External Commercial Borrowing \$221 thousand (PY- \$97 thousand)	18,793	7,217



# Notes to financial statements

for the year ended December 31, 2022

## 26 Hedged foreign currency exposure

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Hedged foreign currency exposure</b>		
External Commercial Borrowing	310,265	228,574

## 27 Earnings per share (EPS)

	As at 31 Dec 2022	As at 31 Dec 2021
<b>(Loss)/Profit and number of shares data used in computation of basic and diluted EPS:</b>		
(Loss)/Net profit for the year	(12,746)	(129,787)
Weighted average number of equity shares – basic / diluted EPS	13,132	5,380
Basic EPS/Diluted EPS	-₹ 0.97	-₹ 24.12
Nominal Value of shares	₹ 10.00	₹ 10.00

## 28 Loan portfolio and provision for standard and substandard assets:

	Portfolio loans outstanding (Gross)		Provision for standard and substandard assets			Portfolio loans outstanding (Net)	
	31 Dec 2022	31 Dec 2021	31 Dec 2021	Movement	31 Dec 2022	31 Dec 2022	31 Dec 2021
Standard	328,540	162,064	31	(26)	5	328,536	162,033
Sub- standard	44,431	183,903	148,675	(101,009)	47,666	(3,235)	35,228
<b>Total</b>	<b>372,971</b>	345,967	148,706	(101,035)	47,671	325,300	197,261

## 29 Leases

Head office and branch office premises are acquired on operating lease. The branch office premises are generally rented on cancellable term for less than twelve months with no escalation clause and renewable at the option of the Company.

There are no restrictions imposed by lease arrangements. There are no subleases. Lease payments during the period charged to statement of profit and loss were as follows:

	As at 31 Dec 2022	As at 31 Dec 2021
<b>Particulars</b>		
Operating lease payments recognised during the period	4,159	5,248

## 30 Amounts not receivable written off

Out of Rs.2078 Invocation of FLDG towards NPA of ESAF Business correspondenceRs.865.93 and Rs.307.70 of Svakarma Financial Pvt Ltd Business correspondence.

## 31 Dues to micro, small and medium enterprises

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises. For the year ended December 31, 2022 no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

## 32 In terms of the circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17,2020 (the 'RBI Circular') the following disclosures are stated below:-

Sr. No.	Particulars	31 Dec 2022	31 Dec 2021
1	Outstanding balance of loans which were standard but overdue as	-	-
2	Asset classification benefits is extended to loans indicated in 1 above	-	-
3	General provision recognized on loans indicated at 1 above in terms of paragraph 5 of RBI circular;	-	-
4	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	-	-
5	Outstanding balance of general provision after adjustments toward actual slippages (3-4)	-	-
6	Opening balance of general provision	-	6,878
7	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	-	6,878

Notes to financial statements

for the year ended December 31, 2022

33 “The Company has received approval from the Ministry of Corporate Affairs, Mumbai on 3 December 2020 to change its financial year from 1 April to 31 March of the following year to 1 January to 31 December of each year, to align the Company’s financial year with that of its parent company. In view of this, the financial statements for the current period are for a 12 month period from 1 January 2022 to 31 December 2022.

The Company had intimated this change to Reserve Bank of India (‘RBI’) on 11 December 2020 and has not received any correspondence from RBI regarding the same to date.

34 Pricing of Loans

Disclosure as required under DoR.FIN.REC.95/03.10.038/2021-22 dated March 14, 2022.

Board-approved policy regarding pricing of microfinance loans which shall, inter alia, cover the following:

- i. A well-documented interest rate model/ approach for arriving at the all-inclusive interest rate;
- ii. Delineation of the components of the interest rate such as cost of funds, risk premium and margin, etc. in terms of the quantum of each componentbased on objective parameters;
- iii. The range of spread of each component for a given category of borrowers; and
- iv. A ceiling on the interest rate and all other charges applicable to the microfinance loans.

35 Net Owned Funds

	31 Dec 2022	31 Dec 2021
Details of computation of Net Owned Fund is as follows;		
Share cap	131,318	53,799
Reserves & surplus	(6,362)	4,693
Less: Deferred revenue expenses	(15,975)	(14,633)
Less: Intangible Assets	(413)	(114)
Tier 1 Capital	108,569	43,745
Add: Tier II Capital - capped at 50% of Tier I Capital	54,284	21,873
Total	162,853	65,618

36 Capital to Risk Asset ratio is as follows;

	31 Dec 2022	31 Dec 2021
CRAR%		
CRAR - Tier I Capital %	25.98%	11.46%
CRAR - Tier II Capital to Tier I capital	50.38%	22.91%

37 Qualifying Assets

As specified in the RBI Master Direction- Master Direction - Non Banking Financial Company - Non Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued with reference number DoR.FIN.REC.95/03.10.038/2021-22 dated March 14, 2022 and as amended from time to time., the company has maintained the qualifying asset percentage as stated below,

	As at 31 Dec 2022	As at 31 Dec 2021
Total Assets (less intangible assets)	491,929	442,965
Less : cash and bank balances and money market instruments**	(80,546)	(60,023)
Net assets (A)	411,383	382,942
Receivables under Financing Activities		
Gross Portfolios	372,971	345,967
Less : Non-qualifying assets	(8,426)	(33,550)
Qualifying assets (B)	364,546	312,417
Qualifying assets/Net assets : (B) / (A)	88.61%	81.58%

\*\*The company has derived the Net assets by reducing cash in hand, balances with bank and cash collateral with financial institutions from the total assets for this computation.

As per the RBI vide “Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022” dated March 14, 2022 has reduced the limit to 75% from current 85% w.e.f. April 1, 2022. It may be noted that if the reduced rate is applied as on the balance sheet date, the Company will be in compliance with the revised qualifying assets percentage.

38 Details of penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other regulators on the company during the year ended December 2022.



# Notes to financial statements

for the year ended December 31, 2022

- 39** COVID-19 pandemic had adversely impacted global commercial activity and contributed to significant decline in economic activity and volatility in financial markets. The Management of the Company has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic in the assessment of recoverability of investments, trade and other receivables, other current and non-current assets and loans, advances and deposits upto the date of approval of these financial statements. However, the impact assessment of COVID-19 is an ongoing process, given the uncertainties associated with its nature and duration. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions, if any. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any material changes to future economic conditions and any significant impact on the Company's financial position.
- 40** The Company has not made provision under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.
- 41** For the year ended December 31, 2022, the company has transferred Rs. Nil (previous year: Rs. Nil) to the Investor Education & Protection Fund.
- 42** Previous year's figures have been regrouped where necessary to conform to current period's classification.

For  
Chartered Accountants  
Firm Registration Number: 109463W



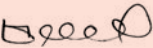
Ramesh Pipalawa  
Partner  
Membership No. 103840

For and on behalf of the Board of Directors of  
Agora Microfinance India Limited



Pradeep Sarin  
Director

DIN 07965853  
Date: 27 April 2023  
Place: Mumbai



Asit Mehta  
Director

DIN 01640935  
Date: 27 April 2023  
Place: Mumbai





Agora Microfinance  
India Limited

**Agora Microfinance India Limited**

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