

Annual Report
2023



Agora Microfinance
India Limited

Board of Directors

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

Vijay Sonkar, Internal Audit Manager

Lenders

Moringaway Ltd.

Principal bankers

HDFC Bank
 Axis Bank
 Kotak Bank
 Federal Bank

Auditors

Shah & Taparia

Company secretary

Chandini M Patel



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Vision & Mission

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

दृष्टीकोन

शहरी समाजव्यवस्था जेथेकमी उत्पन्न असलेल्या समाजाला त्यांच राहणीमान सुधारण्याची पुरेशी संधी मिळेल.

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

हेतू

कमी उत्पन्न गटातील शहरी ग्राहकांना त्यांची आर्थिक स्थिती सुधारण्याच्या दृष्टीने योग्य दरात, सोईस्कर आणि वेळेवर अशी आर्थिक सेवा निरंतर पुरविणे.



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 Behaviour:** 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 behaviour 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 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**

Pricing Policy

Reserve Bank of India released the revised framework for microfinance loans on 14th March 2022 aimed at bringing all microfinance lenders to a level playing field. The new directions have also outlined the household income assessment and pricing methodology, which will provide the desired policy support. Special mention has been made against usurious pricing along with a detailed definition of harsh recovery practices. As per regulatory requirement AMIL, released the new pricing policy duly approved by the Board, with effect from 01 JAN 2023.

AMILs pricing policy includes the following RBI guidelines:

- i. The all-inclusive interest rate will be detailed.
- ii. The components of interest rate such as cost of funds, risk premium and margin, etc. will be clearly outlined in terms of the quantum of each component based on objective parameters.
- iii. The range of spread of each component for a given category of borrowers shall be clearly outlined.
- iv. A ceiling on the interest rate and all other charges applicable to the microfinance loans shall be mentioned.
- v. AMIL will ensure that the Interest rates and other charges/ fees on microfinance loans would not be usurious.
- vi. AMIL shall disclose pricing related information to a prospective borrower in a standardised simplified factsheet.
- vii. Any fees to be charged to the microfinance borrower by AMIL and/ or its partner/ agent shall be explicitly disclosed in the factsheet. AMIL will ensure that the borrower shall not be charged any amount which is not explicitly mentioned in the factsheet.
- viii. AMIL will ensure no pre-payment penalty on microfinance loans. Penalty, if any, for delayed payment may be applied on the overdue amount and not on the entire loan amount.
- ix. AMIL shall prominently display the minimum, maximum and average interest rates charged on microfinance loans in all its offices, in the literature (information booklets/ pamphlets) issued by it and details on its website. This information shall also be included in the supervisory returns and subjected to supervisory scrutiny.
- x. AMIL shall ensure that any change in interest rate or any other charge shall be informed to the borrower well in advance and these changes shall be effective only prospectively.
- xi. AMIL shall share pricing related information and methodology with SROs transparently, where it is a member.



Message from the Chair

As India's generally vibrant economy recovered from the shocks of Covid, Agora Microfinance India Limited (AMIL) has emerged from it stronger, more resilient, and buoyant than ever before in its history.



Tanmay Chetan
Chairperson

In that regard, 2023 has been a pivotal year for our colleagues at AMIL – a year in which they showed that they could take their clients and staff along during difficult times, and when the macro-economic tides turn, they are capable of quickly harnessing the opportunities for expansion, efficiency and reach to un-banked clients.

A number of initiatives that were introduced in the past 2-3 years are bearing excellent results as we speak. Some of these were borne out of necessity, such as the remote CO and the Customer Service Point models that were a response to the financial distress during the pandemic. Over time such decisions have emerged as winning strategies – a great compliment to the management for thinking outside the box. Other initiatives, such as differential risk-based pricing, have been a result of the desire to be nimble and reward customer loyalty and discipline, and in turn this is helping AMIL match its risks better to its returns. Alongside the geographical expansion journey that AMIL has embarked on, I believe it is poised for much success in the years to come.

2023 was a resounding success on all fronts for AMIL – on all operational, financial and outreach indicators that it aims to deliver on. As this Annual Report shows, the 2023 results enable it to think ahead with much more assurance than ever before. It is indeed a healthy state to be in.

In 2024, we expect much more progress on many fronts, including further technology upgrades, the breadth and depth of client reach, and the achievement of stable financial state. In many ways, 2024 will be a year of consolidation built on the achievement and efforts of the past year. New initiatives will go alongside further deepening of reach in existing locations and fine tuning the quality of our service delivery so that clients' trust in us can be maximized. In this regard, we are looking at ways to integrate research led social performance and impact management to our work and expect to take our first steps in this area during the year as well.

It gives me great pleasure to congratulate our CEO, Manoj Naval, for the success of 2023. Manoj took over the reins of AMIL at the peak of the pandemic, and I am pleased that his patience and perseverance is now showing such excellent results. I am equally pleased with the commitment and passion shown every day by our operating team led by Amandeep Singh, and the department heads in the Head Office, all of whom deserve much credit for the strong resurgence of the Company.

While new challenges will undoubtedly appear, the leadership and team at AMIL are well prepared as they have seen the worst period off and understand the business of financial services even more deeply than before. We will continue to bridge the gaps in financial inclusion in a sustainable way in the years ahead.

In conclusion, I would like to thank all of our key stakeholders for their belief in the work of AMIL – our shareholders and Directors have stood by AMIL through all times, and we are grateful for their support. Lastly, our gratitude to the thousands of our clients who show their trust in us every day, we hope that our work adds value to their lives.

With Regards

Tanmay Chetan
Chief Executive Officer



All three of our Group companies are operating well as we enter 2023, promising a bright year ahead.

Report from CEO

Last year saw a post pandemic recovery in the microfinance sector and, particularly AMIL, showed signs of recovery in all areas. This indeed is a momentous phase in the growth of the company. As the world bid goodbye to the pandemic, rebuilding a healthy client portfolio and creating a commercially viable business model was the prime focus for the company.



Naval Manoj
Chief Executive Officer

Significant improvements in asset quality meant we were able to deliver a much higher profit for the year.

The economy showed clear signs of a rebound and our clients, mostly women at the bottom of the pyramid, are slowly coming out of the damages caused in terms of lives and livelihoods. I am happy to report that we have made significant improvements in asset quality and as a result were able to deliver a much higher profit for the year than budgeted.

Performance Highlights

We have stood by our clients during the seemingly unending pandemic and our commitment and resilience paid off in terms of improved collections and helped us in ramping up our business volumes. This has helped us in a healthy growth of performing portfolio to INR 51.47 crores, an impressive 60% growth in AUM. We could disburse around INR 55 crores to our 24,500 active clients during the year.

- Disbursements gradually increased to over INR 5 cr a month by December 2023.
- The performing portfolio showed a healthy growth from INR 32.28 cr in January '23 to INR 51.47 cr in December '23.
- PAR 30 for post-pandemic loans remained below 2%.
- Commensurate increase in interest income, by 38% between Jan '23 to Dec '23.
- Good operating efficiency during the year with the operating cost ratio at below 12%.

People, Process and Technology

Over the past 3 years we have been consciously working on optimizing our people, processes, and technology. We have continued with our lean management structure and opened 4 Customer Service Points (CSP) that are attached to existing branches. These CSPs, once they attain an optimum client reach, would be converted to full fledged branches. The new concept of CSPs have enabled us to increase the geographic coverage with low fixed or capital investments.

Further, we have developed and implemented a risk-based pricing model across all the branches, that allows for differential pricing while being in line with existing regulations. This has especially helped to reward clients with long-standing relations and their good track record with AMIL.

Technology has always been critical to our model, and AMIL transitioned to an upgraded version of the Loan Management System. This has also been supported by a mobile application for the client officers that enables field level data entry. We have streamlined several digital modes for payment collection and have scaled up the digital collections substantially to around 40% of all collections during the year. We will continue to invest in creating a strong digital ecosystem that would be an enabler for greater financial inclusion in the coming year.

New Market Segments

AMIL's redefined strategy has always been to identify new markets for underbanked clients. With this in mind, we introduced new segment of clients in the tribal population in Palghar district. Though the numbers are not that significant at this stage, we expect to scale this up in the coming years. In addition, we have increased the eligibility on the upper age limit for clients from 60 years to 70 years. This is expected to cover a sizeable number of clients not served by other financial institutions.



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, Agora Microfinance NV, and its lending arm Moringaway for their continued commitment and support. Last but not least, none of these positive results would have been possible without the resilience, commitment and team spirit demonstrated by our team members at all levels.

While writing this note in the early part of the year 2024, AMIL was fortunate to host the Agora Group team in India and showcase our work and capabilities .

I am confident that 2024 would be an year of turnaround; the journey of AMIL has only begun.

NAVAL MANOJ
Chief Executive Officer

Corporate Structure

The current governance structure of AMIL includes one Director who is represented by the majority shareholder (AMNV), two 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 2021. 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.



Products & 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

Business Loan

Purpose

Income generation activities

Loan Size

Up to ₹80,000 (first loan cycle up to ₹30,000 if client does not have a credit history and up to ₹60,000 if client has a credit history with any other MFI or financial institution and subsequent cycles up to a maximum of ₹80,000)

Loan Term in Months

12, 18, 24

Interest rate

As defined by RBI pricing guidelines and approved Board Policy

For the Financial Year the average base rate was 25% p.a.

Loan Processing Fee

1.5% Plus GST.

Lending methodology

Groups

Housing Loan

Purpose

Household Maintenance / Repairs

Loan Size

Up to ₹80,000 (first loan cycle up to ₹30,000 if client does not have a credit history and up to ₹60,000 if client has a credit history with any other MFI or financial institution and subsequent cycles up to a maximum of ₹80,000)

Loan Term in Months

12, 18, 24

Interest rate

As defined by RBI pricing guidelines and approved Board Policy

For the Financial Year the average base rate was 25% p.a.

Loan Processing Fee

1.5% Plus GST.

Lending methodology

Group

Education Loan

Purpose

School / College & Tuition Fee

Loan Size

Up to ₹80,000 (first loan cycle up to ₹30,000 if client does not have a credit history and up to ₹60,000 if client has a credit history with any other MFI or financial institution and subsequent cycles up to a maximum of ₹80,000)

Loan Term in Months

12, 18, 24

Interest rate

As defined by RBI pricing guidelines and approved Board Policy

For the Financial Year the average base rate was 25% p.a.

Loan Processing Fee

1% Plus GST.

Lending methodology

Group

Emergency Loan

Purpose

Health, Debt repayment, social events

Loan Size

Up to ₹20,000

Loan Term in Months

12, 18, 24

Interest rate

As defined by RBI pricing guidelines and approved Board Policy

For the Financial Year the average base rate was 25% p.a.

Loan Processing Fee

1.5% Plus GST.

Lending methodology

Group

Micro Loan Individual Lending

Purpose

Income generation activities

Loan Size

Up to ₹80,000 (first loan cycle up to ₹30,000 if client does not have a credit history and up to ₹60,000 if client has a credit history with any other MFI or financial institution and subsequent cycles up to a maximum of ₹80,000)

Loan Term in Months

12, 18, 24

Interest rate

As defined by RBI pricing guidelines and approved Board Policy

For the Financial Year the average base rate was 25% p.a.

Loan Processing Fee

1.5% Plus GST.

Lending methodology

Individual



2.0 Other credit products

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

Small & Medium Enterprise Loans (BC / Partnership)

Purpose
Income generation activities

Loan Size
Between ₹30,000 – ₹300,000

Loan Term in Months
12, 24, 36

Interest rate
As defined by RBI pricing guidelines and approved Board Policy

For the Financial Year, the average base rate was 26%

Loan Processing Fee
2% Plus GST.

Lending methodology
Individual / Group



3.0 Micro-Insurance

Credit-life insurance (bundled with all loans)

Insurance Provider
Kotak Mahindra Life Insurance Company Ltd

Loan Size
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

Hospi Cash

Insurance Provider
Kotak Mahindra General Insurance Company Ltd

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

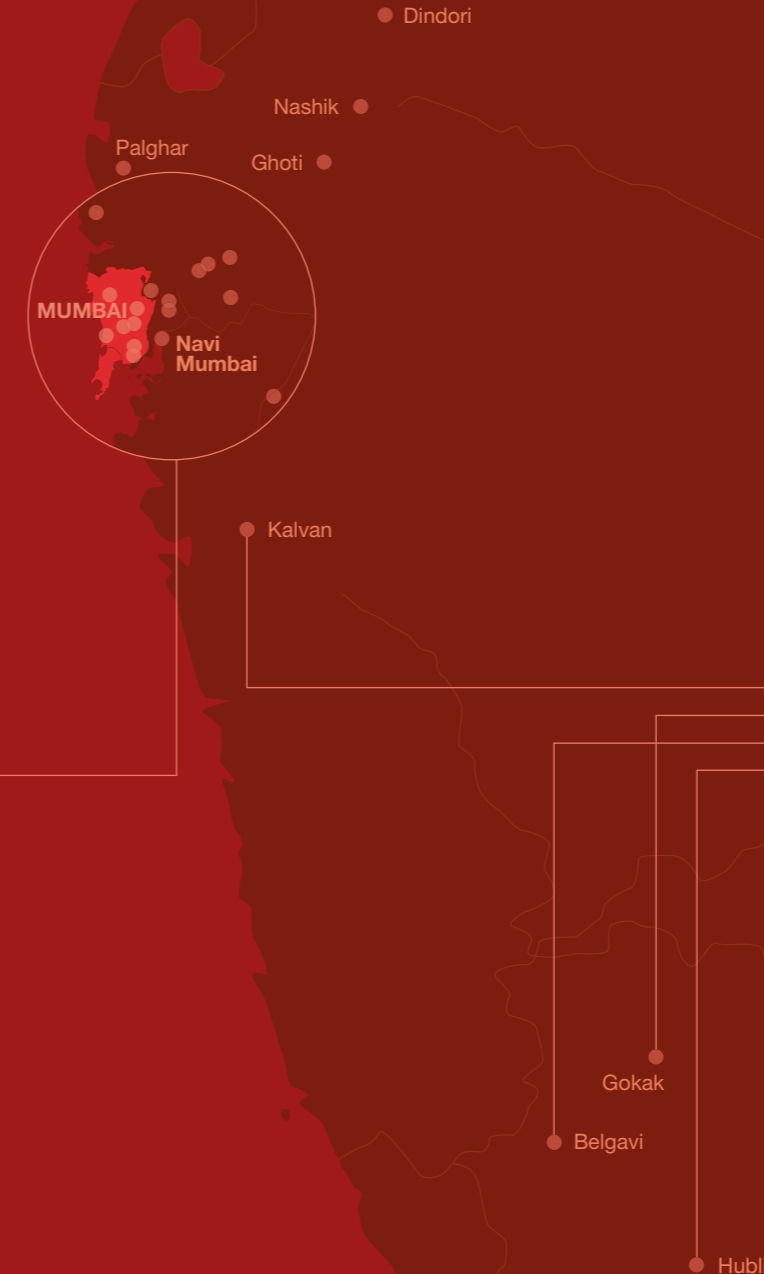
- Daily Cash Benefit for hospitalisation: ₹500/ per day for a maximum of 30 days
- Daily Cash Benefit for ICU admissions: ₹1,000/ per day for a maximum of 30 days
- Personal Accident Benefit: ₹25,000
- Borrower & co-borrower are covered under Accidental death

Cover Extended
Borrower and nominee (nominated family member)

Premium
₹650 per policy per year

Time Period
1 year

Office Locations



AMIL branches March 2024

- Kalvan
- Gokak
- Belgavi
- Hubli

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.

Office Locations

Santacruz

Agora Microfinance India Ltd
27/209, Anand Nagar, Om CHS Ltd,
Vakola, Santacruz East,
Mumbai 400055

Area Manager: Ms. Ankita Satam:
8691001629

Asst Branch Manager: Mrs. Yashoda
Dodake: 8691001622

Vikhroli

Agora Microfinance India Ltd
216, Gold Crest Building,
Behind HDFC bank, LBS Road,
Ghatkopar West 400086

Branch Manager: Nishigandha Sawant:
8655044019

Asst Branch Manager:
Imran Khan: 8422909078

Bhandup

Agora Microfinance India Ltd
Shop No.1, Renukadevi Co Op Housing
Society, Kokan Nagar, Bhandup West,
Mumbai 400078

Branch Manager:
Mrs. Garima Naik: 8691001621

Mumbra

Agora Microfinance India Ltd
103, 1st Floor, B Wing, Shree Complex,
Amrut Nagar, Mumbra,
Thane West 400612

Asst Branch Manager:
Ms. Supriya Borade: 8657880679

Digha

Agora Microfinance India Ltd
House No.105, First floor,
Near Saibaba Mandir, Thane Belapur Road,
Digha, New Mumbai 400708

Asst Branch Manager:
Mr. Ganesh Kangane: 8691021083

Chembur

Agora Microfinance India Ltd
Office No.20, 2nd floor, A Wing,
Station View Building, Central Avenue
Road, Above Justine Times showroom,
Opposite to Chembur Station [E],
Mumbai 400071

Branch Manager:
Ms. Priya Thakur: 8655044038
Asst Branch Manager:
Ms. Vidya Kharat: 8655044043

Nala Sopara

Agora Microfinance India Ltd
B-101, 1st Floor, Somnath Complex,
Tulinj Road, Near East End of Flyover
Bridge, Nalasopara (E), Tal. Vasai,
Dist. Palghar-401209.

Sr. Branch Manager:
Avdhut Kanade: 8108522631

Thane

Agora Microfinance India Ltd
Shop No. 2, Akar Park CHS,
Govind Bacchaji Road, Charai,
Thane West 400601

Area Manager:
Mr.Vicky Swami : 8828500580
Asst Branch Manager:
Mr. Pavan Gadkari : 8691001645

Mankhurd

Agora Microfinance India Ltd
Room No. 204, 2nd Floor, G wing,
bldg No. 10, Mangalmoorti Apartment,
Near PMGP Colony, Above Shubham
Hospital, Mankhurd 400043

Asst Branch Manager:
Mrs. Shaheen Sayyed: 8655044046

Kalyan

Agora Microfinance India Ltd
House No. 2, Chawl No. A, Jay Shiv
Sahyadri, Pune Link Road,
Opp. Santoshi Mata Mandir,
Kalyan (E) 421306

Sr. Branch Manager:
Ms. Farheen Shaikh: 8655044174
Branch Manager:
Mr. Venkatesh Nayak: 8691001641

Nashik

Agora Microfinance India Ltd
N42, JE2 1/3 Sawata Nagar, Op Crompton
Hall Cidco 4, Nasik 422009

Area Manager:
Mr.Kunal Lonandkar: 8828500607

Asst Branch Manager:
Mr. Kiran Shinde: 8657880675

Dindori

Agora Microfinance India Ltd
01/2nd Floor, Shri DtttaSankul,
Near Janseva Cloth Center,
Bhagyashree Photo Studio,
Juna Kalvan Road, Dindori 422004

Asst Branch Manager:
Ms. Varsha Popani: 8691021082

Satana

Agora Microfinance India Ltd
60 Feet Road, Shivaji Nagar,
Near Vegetable Market & behind
Satana Bus Stand, Satana,
Nashik 424306

Branch Manager:
Mr. Aditya Singh: 8657880670
Asst Branch Manager:
Mr. Sharad Patil : 8657880670

Ghoti

Agora Microfinance India Ltd
Sandeep Kantilal Shahne, 1st Floor,
Juna Agra Road, Near Telephone Office
and Gurunath Restaurant,
Ghoti 422402

Sr. Branch Manager:
Mr. Kishor Badade: 8657880671

Ambernath

Agora Microfinance India Ltd
Unit No.129, Glob Business Park,
Plot No. 30, MIDC, Kalyan Badlapur Road,
Near Big Cinema, Ambernath West,
Dist Thane. 421506.

Asst Branch Manager:
Ms. Dhanashri Erande: 8691001627

Kalvan

Agora Microfinance India Ltd
House No. 1594, Ground Floor,
Jay Javan Jay Kisan Mangal Karyalay,
Behind Bus Stand, Kalvan,
Nashik 423501

Branch Manager:
Mr. Aditya Singh: 8657880670
Asst Branch Manager:
Mr. Rutik Jadhav: 8655706659

Palghar

Agora Microfinance India Ltd
Shop No.8, A Wing, Siddhivinayak
Residency, Railway Station Road,
Palghar 401401

Sr. Branch Manager:
Avdhut Kanade: 8108522631

Asst Branch Manager:
Shweta Padelkar: 8655044037

Belgavi

Agora Microfinance India Ltd
H.No.217/A/7, CCB No.15,
Kashi Kunj, Ganesh Marg,
1st Cross Hindwadi, Belagavi 590011

Branch Manager:
Mr. Rahul Rathod: 8655478990
Asst Branch Manager:
Mr. Manjunath Yedal: 8655339589

Panvel

Agora Microfinance India Ltd
Flat No A-3, Ground Floor, Meher Arcade,
Plot No 77, M C C H Society,
Opp Purohit Hospital, Near Barns
High School, Panvel 410206.

Asst Branch Manager:
Mr. Nitin Nikhalje: 8828850773

Malad

Agora Microfinance India Ltd
Shop No. 2, Ground Floor,
Gurukripa Vatika, Kurar Village,
Vaishet Pada No 1, Milkat Number 2,
Mumbai 400097 (Malad East.)

Asst Branch Manager:
Mrs. Yashoda Dodake: 8691001622

Titwala

Agora Microfinance India Ltd
Shop No.5, Ground Floor,
'Valaeam Apt' Krushna Kunj,
Ganesh Mandir Road,
Titwala East 421605

Area Manager:
Ms. Farheen Shaikh: 8655044174

Branch Manager:
Mr. Venkatesh Nayak: 8691001641

Karjat

Agora Microfinance India Ltd
Shop no1, Madhutara, Kacheri Road,
Near Gawakra Building,
Karjat West 410201

Area Manager:
Ms. Farheen Shaikh: 8655044174

Branch Manager:
Mrs. Dhanashri Erande: 8691001642

Hubli

Agora Microfinance India Ltd
Opp Hanuman Temple, Last Bus Stop
Bhavani Nagar Hubli (Dis) Dharwad
Karnataka 580023.

Branch Manager:
Mr. Rahul Rathod: 8655478990

Gokak

Agora Microfinance India Ltd
Plot no. 210/2A+3B First Floor,
Laxmi Temple Road, Beside IDBI Bank
First Cross Bombay Cha Gokak Belgaum,
Karnataka 591307

Branch Manager:
Mr. Rahul Rathod: 8655478990

Operational & Financial Highlights

24,382
Active Borrowers

97%
Women Borrowers

AMIL
₹536m
Loan Portfolio

24
Number of Offices

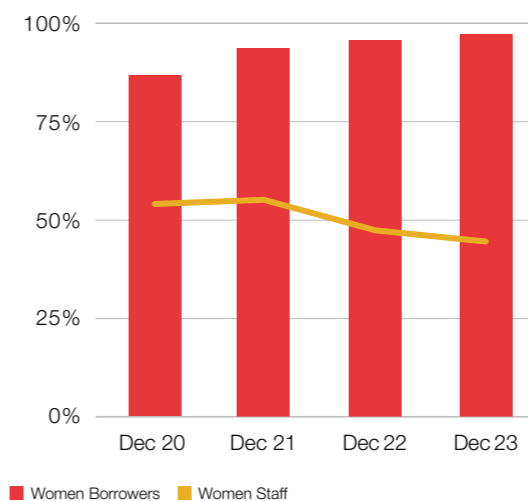


	Dec 2020	Dec 2021	Dec 2022
No of Field Offices	16	16	24
Number of Active Borrowers	21,650	17,576	24,382
• Women Borrowers	94%	96%	97%
Assets Under Management (USD)	5,173,932	4,908,421	6,434,195
Assets Under Management (INR)	389,845,965	406,056,953	536,182,876
PAR30 Days	32.22% **	15%	5%
Average Loan Size (USD)	244	312	297
Average Loan Size (INR)	18,007	23,103	21,991
Average Loan Size / Estimated GNI per capita	12.69%	15.01%	13.70%

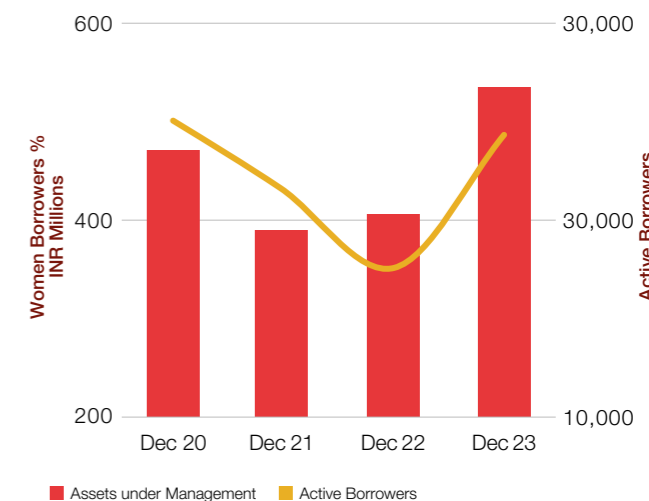
* PAR30 percentage includes impact by COVID and loan moratorium offered to clients. Much of this loan book is being restructured during 2021 and will be shown as a restructured portfolio next year. No restructuring was carried out during 2020.

** PAR30 percentage XXXXX

Gender Distribution

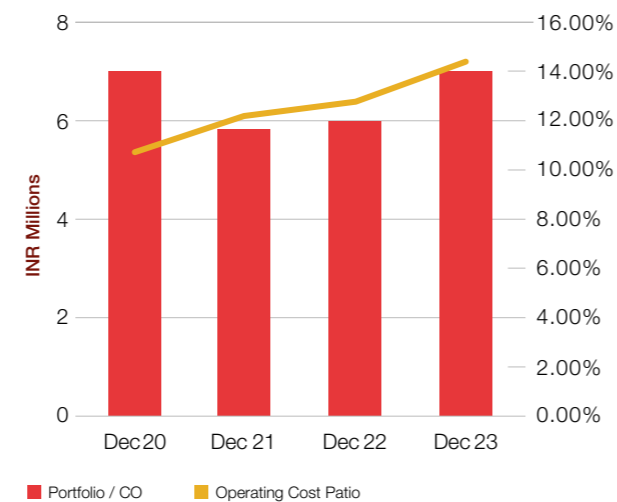


Loan Portfolio & Active Borrowers

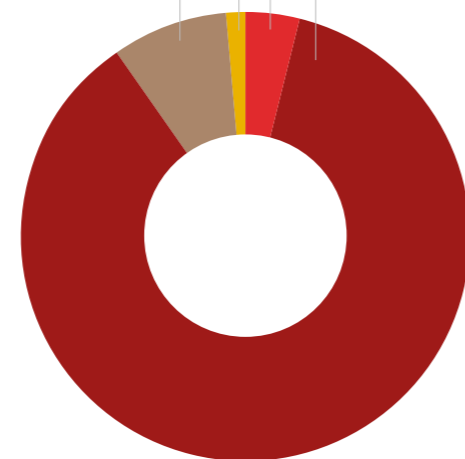


Operational & Financial Highlights

Operating Cost & Efficiency



Loan Portfolio by Size



	Dec 2021	Dec 2022	Dec 2023
Margin Analysis (as a % of Assets under Management)			
a) Operating Income	18.49%	17.69%	23.17%
b) Cost of Funds	6.44%	12.74%	8.03%
c) Net Interest Margin (a-b)	12.05%	4.95%	15.14%
d) Loan Loss Provision	29.87%	-2.86%	-1.41%
e) Net Margin before Operating Expenses (c-d)	-17.81%	7.81%	16.55%
f) Personnel Cost	7.31%	7.87%	8.34%
g) Admin Cost	4.73%	4.72%	4.21%
h) Total Operating Cost (f+g)	12.03%	12.59%	12.55%
Net Margin	-29.85%	-4.79%	4%
Financial Ratios			
Operating Self Sufficiency	38.15%	85.22%	133.85%
Solvency Ratio (Equity/Assets)	13.20%	25.38%	38.13%
Debt/Equity	4.03	2.37	1.59
Operating Cost Ratio	12.17%	12.74%	12.55%
Return on Equity	-104.73%	-13.90%	17.77%

133.85%

Operating Self Sufficiency

12.55%

Operating Cost Ratio

17.77%

Return on Equity

Key Initiatives for 2024

During 2021-2022, AMIL's growth plans were put on hold after the onset of the pandemic, and the focus for the last two years has been on re-establishing a viable business model. As a result, various steps initiated during the past two years along with stringent cost control initiatives have helped the company to show operating profits in the year 2022 and more than budgeted profit in the year 2023.

AMIL's operating plans for the year 2024 have a renewed focus on geographical expansion, product diversification, new technology initiatives and employee development, coupled with the long term strategy of reaching under banked population through value added products and services in a financially viable manner.

Reaching Under-banked Populations

AMIL's long term strategy has always been in reaching the underbanked population. In the coming year AMIL is considering proactive steps to pursue market segments that are yet untapped by the mainstream financial industry. This would include scaling up the operations in the tribal belts of Palghar and identifying more excluded communities and to bring them under the umbrella of financial inclusion.

Establishing stable and viable financial results

AMIL will aim for financially viable operations through reduced operating and financial cost and a risk based pricing methodology. AMIL is aiming to bring down its operating cost ratio to below 10% in the coming years through improved efficiency in operations and also through robust cost control practices across the organization.

Geographical Expansion

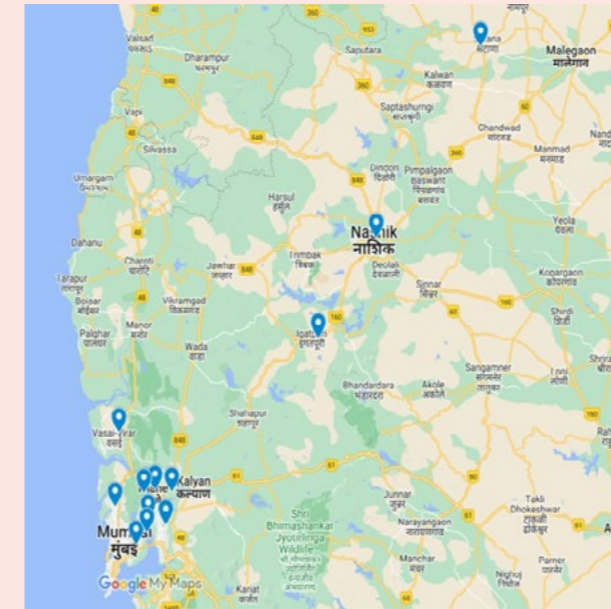
AMIL's current presence is in Mumbai, Nashik and Belgavi, through a network of 16 branches. We aim to expand the network substantially, to 29 branches during the year. This is being planned in a phased manner where in the Customer Service Points are gradually expanded into a branch. The idea is to tap into the semi-urban markets in a cost effective way. The new branches are planned in the following geographies during the year.

Maharashtra	Karnataka
Kalwan	Gokak
Palghar	Hubli
Titwala	Bagalkot
Malad	
Parvel	
Shahpur	
Niphad	
Pune	
Sindhudurg	

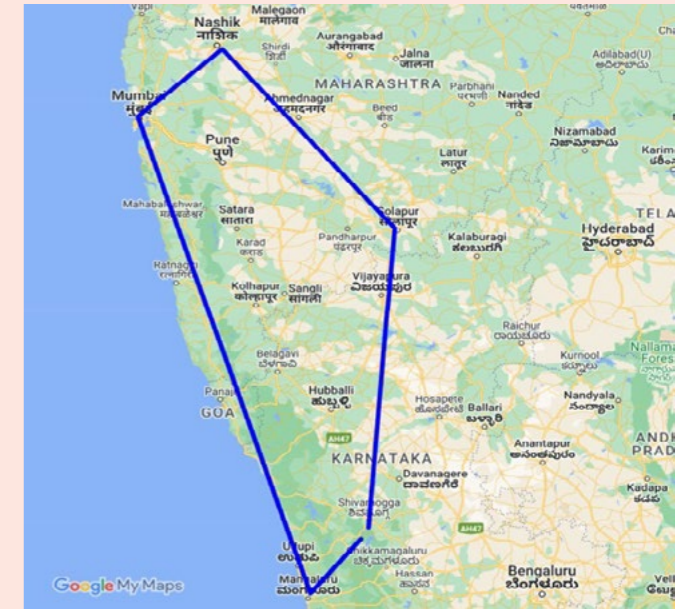
The proposed expansion will help AMIL to cover the western coastal areas of the country from Mumbai to Mangalore.

AMIL's Planned Expansion

Present



Expected



AMIL's long term strategy has always been in reaching the underbanked population.

Technology Initiatives

In line with our conviction that technology is a key driver of financial inclusion, AMIL will continue to invest in creating a strong digital ecosystem. AMIL presently works on a fully integrated Loan Management System and will continuously strive to upgrade the system to an end to end Core Banking Solution integrating all aspects of business viz Finance, HR and Internal Audit.

AMIL plans to introduce the following functionalities during the year:

- Automatic disbursement through bank integration.
- Digitization of contracts.
- Dynamic QR code solution for collection.
- e KYC/Video KYC for client onboarding.
- Client facing app for loan origination.



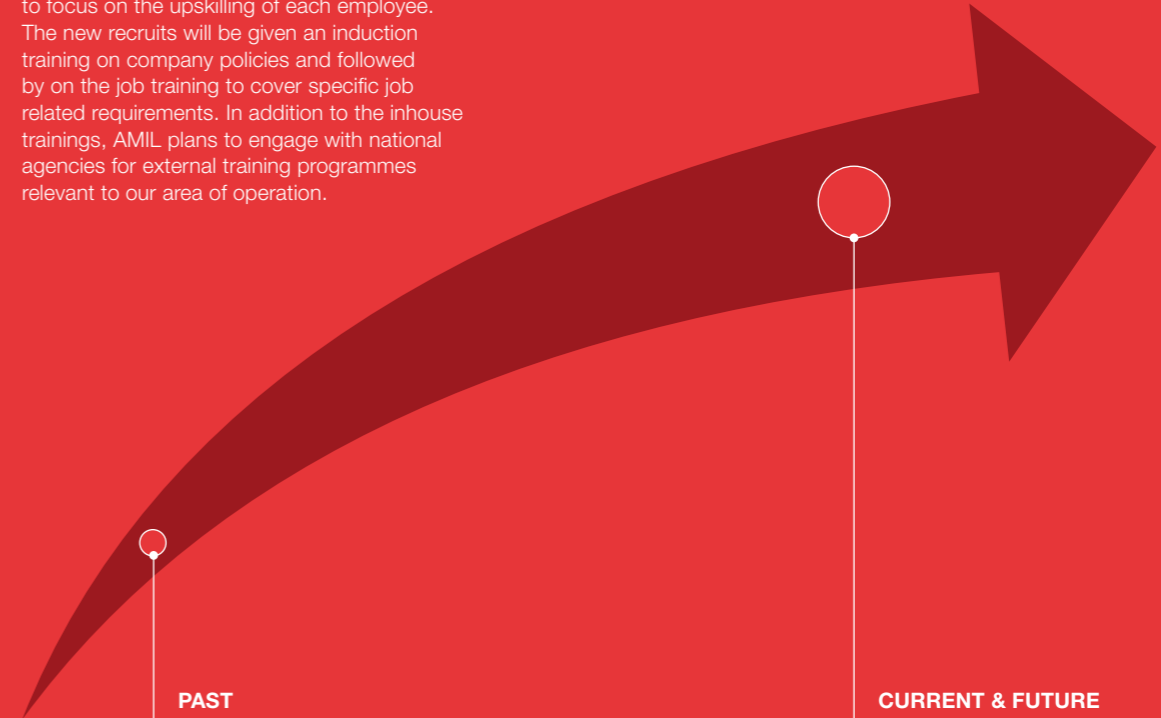
Employee Development

Microfinance companies face a high level of attrition and attracting and retaining talent has always been a challenge, especially for small MFI's. The high level of attrition combined with the absence of structured continuous learning and developmental initiatives decreases the productivity and profitability.

First, to create a set of empowered employees, AMIL plans to develop a Training department to focus on the upskilling of each employee. The new recruits will be given an induction training on company policies and followed by on the job training to cover specific job related requirements. In addition to the inhouse trainings, AMIL plans to engage with national agencies for external training programmes relevant to our area of operation.

Strategic Shift

AMIL is in the process of making significant modifications intended to enhance the overall performance of the company. This would be achieved by adjustments in policies and process recognizing the need to deviate from the traditional way of doing business to a more dynamic organization that can adapt to the needs of the constantly changing environment.



PAST

- Operates in Limited Geographies
- Fixed Pricing
- Limited Training Opportunities
- Single Delivery Channel
- Predominantly Urban
- Repayments Majority in Cash

CURRENT & FUTURE

- Operates in Multiple Geographies
- Differential Risk Based Pricing
- National Level Training Opportunities
- Multiple Product delivery Channels
- Urban and Semi Urban focus
- Majority Repayments vide Digitak

Director's Report

Dear Members,

Your Director's are pleased to present the Annual Report on the business and operations of your company along with the audited financial statement for the financial year ended 31st December, 2023.

1. Financial Performance and Operational Review:

The Company financial performance, for the year ended December 31, 2023

Particulars	For the year ended 31 Dec 2023	For the year ended 31 Dec 2022
Income		
Revenue from operations	12,42,58,122	7,03,93,000
Other income	65,15,327	63,33,000
Total Income	13,07,73,449	7,67,26,000
Expenses		
Less: Employee Benefit Expense	3,92,80,886	3,13,05,000
Less: Finance Cost	4,45,25,851	5,06,83,000
Less: Other Expense	1,98,51,299	1,88,01,000
Less: Depreciation and amortization expense	7,03,177	6,12,000
Less : Provisions and write-offs	(66,56,787)	(1,13,69,000)
Total Expenses	9,77,04,426	9,00,32,000
Profit/(Loss) before Tax	3,30,69,022	(1,33,06,000)
Tax Expenses		
Current Tax	24,23,071	-
Deferred Tax	-	-
MAT Credit	(24,23,071)	-
Add: Excess provision for current tax in respect of earlier year	-	(5,60,000)
Profit/ Loss after Tax	3,30,69,022	(1,27,46,000)

2. Overview (Financial Highlights):

During the year under review, the Total Income of the Company is Rs. 13,07,73,449/- against Rs. 7,67,26,000/- in the previous year. i.e. the total income has increased by Rs. 54047449/-. The gross expenses incurred by the Company during the current financial year have also gone up to Rs. 9,77,04,426/- as compared to gross expenses incurred during the previous financial year which amounted to Rs. 9,00,32,000/-.

The Company has earned a net profit of Rs. 33,069,022/- during the current financial year 2023 whereas in previous financial year 2022 the company incurred a net loss of Rs. (1,27,46,000/-). Due to profits earned, earning per share has changed positively from (0.97) to 1.57.

3. Dividend

With intent to build up the net worth for future expansion and growth plans, your directors do not recommend any dividend for the year under review.

4. Transfer - Reserves in Terms of Section 134 (3) (J) of The Companies Act, 2013:

During the year, the Company has not transferred any amount to general reserves.

However, as per Section 45-IC of The Reserve Bank of India Act, 1934 (the "RBI Act"), the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared.

The company has earned a profit of Rs. 3,30,69,022/- during the year. Therefore, the Company has transferred an amount of Rs 7,09,503/- to statutory reserve as per Section 45-IC of The Reserve Bank of India Act, 1934 (the "RBI Act").

5. Quality Initiatives

The Company continues to sustain its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management.

6. Changes in Share Capital

During the year under review, the Authorized Share Capital of the Company was increased from Rs. 15,00,00,000/- to Rs. 22,00,00,000/- by conducting Shareholders Meeting.

During the year under review, the Paid share capital of the Company has been increased from Rs. 13,13,18,300/- to Rs. 21,02,65,670/-, pursuant to allotment of 7894737 equity shares of Rs 10 each at a premium of Rs. 1.4 each under Private Placement of the Company on 06th October, 2023.

7. Material Changes and Commitments Affecting The Financial Position of The Company

During the year under review, there has been no material Changes in the Company affecting the financial Position of the Company.

8. Details of Subsidiary/Joint Ventures/ Associate Companies

The Company does not have any Subsidiary, Joint venture or Associate Company.

Director's Report

Dear Members,

9. Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, the Directors confirm that:

- In the preparation of the annual financial statements for the year ended December 31st, 2023 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- Appropriate accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at December 31st, 2023 and of the profit of the company for the year ended December 31st, 2023.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

e. Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

10. Directors And Key Managerial Personnel

During the year under review, Mrs. Meenal Patole (DIN: 03162474) has resigned from directorship with effect from 14th March 2023 and Ms. Riya Jain, Company secretary of the company had resigned with effect from 1st September, 2023

Mrs. Chandini M Patel, (A47462), was appointed as Company Secretary with effect from 1st December, 2023.

11. Meetings Of The Board

A. Board Meetings:

As required under section 134 (3)(b) of the Companies Act, 2013, during the financial year ended 31st December, 2023 the Board of Directors duly met for 6 times as per the details of board meeting given below. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

S. No.	Date of Meeting	Total number of directors as on the date of meeting	Number of directors Attended
1.	23.03.2023	5	3
2.	31.05.2023	4	3
3.	22.06.2023	4	3
4.	16.08.2023	4	3
5.	06.10.2023	4	3
6.	23.11.2023	4	4

(i) Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM) held on 23.06.2023 during the year under review.

S. No.	Name of the Director	Designation	No of Meetings which were entitled to attend	No. of Meetings attended	Last AGM Attendance (Yes/No)
1.	Tanmay Chetan	Nominee Director	6	6	Yes
2.	Frances Mary Elizabeth Sinha	Director	6	4	No
3.	Asit Prabhudas Mehta	Director	6	4	Yes
4.	Pradeep Narinder Sarin	Director	6	5	Yes
5.	Meenal Patole	Director	1	0	No

B. General Meetings

Type of meeting	Date of Meeting	Total Number of Members entitled to attend meeting	No. of Members Attended
Annual General Meeting	23.06.2023	8	6
Extra Ordinary General Meeting	08.09.2023	8	6

12. Internal Financial Control System

Your Company continuously invests in strengthening its internal control processes. The Company has put in place an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of its business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies. As a means to further strengthen the control environment, during the year, the processes were benchmarked with industry practices to identify the gaps, if any and remedial measures were taken. Financial policies, standards and delegations of authority have been disseminated to senior management to cascade within their departments. Procedures to ensure conformance with the policies, standards and delegations of authority have been put in place covering all activities.

13. Statutory Auditor and Board's Comment on The Auditors' Report

M/s. Shah & Taparia, Chartered Accountants, having FRN Number: 109463W was appointed as Statutory Auditor from the conclusion of the 26th Annual General Meeting till the conclusion of 30th Annual General Meeting to be held for the financial year 2026.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

Director's Report

Dear Members,

14. Risk Management Policy

The Board of Directors is overall responsible for identifying, evaluating and managing all significant risks faced by the Company. The Board monitors and reviews the implementation of various aspects of the Risk Management policy through meeting of Board of Directors. The Risk Management Policy assists the Board in its oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework. The Company follows well established and detailed risk assessment and minimization procedures, which are periodically reviewed by the Board. The Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

15. Particulars of Loans, Guarantees and Investments

The Company has not made / given / advance any Investments, Loans and Guarantee given under section 186 of the Companies Act, 2013 for the financial year ended 31st December 2023.

16. Particulars of Contracts or Arrangements With Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, there were no Related Party Transactions (RPTs) entered into by the Company during the financial year, which attracted the provisions of section 188 of the Companies Act, 2013. There being no details to be disclosed in Form AOC-2 in that regard.

17. Corporate Social Responsibility

The provisions of Corporate Social Responsibility are not applicable to the company.

18. Extracts of Annual Return

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website at <https://www.amil.co.in/>

19. Particulars of Employees

None of the employee during the year under review had exceeded a prescribe limit specified under the Rules 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

20. Deposit

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

21. Conservation of Energy, Technology Absorption

A. Conservation of Energy: NIL

- (i) The steps taken or impact on conservation of energy: Although energy is not a major element of the cost for the company, constant endeavours have been made to conserve energy and consequently minimize power and diesel costs.
- (ii) The steps taken by the Company for utilizing alternate sources of energy: Power requirement of company is too low to utilize alternate sources of energy.
- (iii) The Capital investment on energy conservation equipment: NIL

B. Technology Absorption: NIL

- (i) Efforts made towards Technology Absorption:
- (ii) Benefits derived:
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
 - a. Technology imported: The Company has not imported any technology in the last 3 years;
 - b. Year of Import: Not Applicable;
 - c. Has technology been fully absorbed: Not Applicable.
 - d. If not fully absorbed, areas where this has not taken place, and the reasons thereof: Not Applicable; and
- (iv) Expenditure incurred on Research and Development: NIL.

C. Foreign Exchange Earnings and outgo:

There are no earnings, but there is expenditure of Rs.16,25,000/- in foreign currency for current financial year towards consultancy for Service Agreement and expenditure of Rs.37,847,504/- in foreign currency for current financial year towards interest on ECB in foreign currency.

22. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

Since there was no unpaid/ unclaimed dividend declared during the year, the provisions of Section 125 of the Companies Act, 2013 do not apply to the Company.



Director's Report

Dear Members,

23. Prevention of Sexual Harassment at Workplace

Following the enactment of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has constituted a committee to prevent discrimination and sexual harassment against women, by promoting gender amity among employees, deal with cases of discrimination and sexual harassment against women, in a time bound manner, aiming at ensuring support services to the victimized and termination of the harassment and to recommend appropriate punitive action against the guilty party.

Also The Company had filed the POSH return for F.Y 2023.

The information required to be disclosed under the provisions of the said Act are as follows:

Sr. No.	Date of Meeting	Status
(a)	number of complaints received during FY 2023	Nil
(b)	number of complaints disposed off during the FY 2023	Nil
(c)	number of cases pending for more than ninety days	Nil

24. Significant and Material Orders Passed by the Regulators or Courts:

There have been no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operation in future.

25. Borrowing by the Company

During the Financial Year, Company had borrowed Secured Loan through External commercial Borrowing of Rs.8 cr.

26. Compliance with Secretarial Standards on Board and Annual General Meetings

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings in the best possible manner under the guidance of the management.

27. Secretarial Audit Report

The provisions of Secretarial Audit Report are not applicable to the company.

28. General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- 1 Details relating to deposits covered under Chapter V of the Act.
- 2 Issue of equity shares with differential rights as to dividend, voting or otherwise.
- 3 Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- 4 Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- 5 No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

29. Appreciation

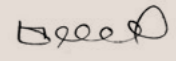
It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in future. The Board acknowledges with gratitude the cooperation and assistance provided to your company by its bankers, financial institutions, and government as well as non-government agencies. The Board wishes to place on record its appreciation to the contribution made by employees of the company during the year under review. The Company has achieved impressive growth through the competence, hard work, solidarity, cooperation and support of employees at all levels. Your Director's thanks the customers, clients, vendors and other business associates for their continued support in the Company's growth.

The Board also takes this opportunity to express its deep gratitude for the continued cooperation and support received from its valued shareholders.

By order of the Board of Directors
Agora Microfinance India Limited



PRADEEP SARIN
Director
(DIN: 07965853)



ASIT MEHTA
Director
(DIN: 01640935)

Date:
Place: Mumbai

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 2023, 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 2023, and profit 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.

Independent auditor's report (continued)

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

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 SAs 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.

- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

Report on Other Legal and Regulatory Requirements

1. 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.
2. As required by Section 143(3) of the Act, we report that:
 - a) 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.
 - b) 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.
 - c) 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.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 December, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) 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".

3. 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:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the financial statements;
 - ii) 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 38 to the financial statements.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 39 to the financial statements.
 - iv) (i) 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.

Independent auditor's report (continued)

To the members of Agora Microfinance India Limited

Report on the audit of the financial statements

(ii) 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

(iii) 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.

v) 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.

vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instances of audit trail feature being tampered with.

4. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the company is in accordance with the provisions of Section 197 of the Act.

For Shah & Taparia
Chartered Accountants
FRN: 109463W



Bharat Joshi
(Partner)
M. No: 130863
UDIN: 24130863BKBPCQ9842
Place: Mumbai
Date: 27 February, 2024

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 31 December, 2023.)

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. Accordingly, reporting under para 3(i)(c) of the Order is not applicable to the company.

- (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. Accordingly, reporting under para 3(ii)(a) of the Order is not applicable to the company.
- (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. Accordingly, reporting under para 3(ii)(b) of the Order is not applicable to the company.
- (iii) (a) The company is engaged in principal business of lending loans. Accordingly, reporting under para 3(iii)(a) of the Order is not applicable to the company.
- (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.

Independent auditor's report (continued)

To the members of Agora Microfinance India Limited

Report on the audit of the financial statements

- (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 2023	No of Cases
1-30 Days	1197.59	67
31-60 Days	1220.06	67
61-90 Days	1226.29	66
90 or more days	9406.27	521

- (d) The total amount which is overdue for more than 90 days as at 31 December, 2023 in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties aggregates to ₹ 9406.27 thousands. According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 para 3(iii)(e) of the Order is not applicable to the Company.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances during the year in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting under para 3(iii)(f) of the Order is not applicable to the company.

- (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) According to the information and explanation given to us and based on our examination of the books and records of the Company, the Company has not accepted any deposits or any amount deemed to be deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly reporting under para 3(v) of the Order is not applicable to the Company.
- (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, reporting under para 3(vi) of the Order is not applicable to the company.

- (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 31 December, 2023 for a period of more than six months from the date they became payable.
- (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	No of Cases	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	Rs. 10,401/-	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) (a) 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.
- (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 declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the company did not utilize funds raised on short-term basis for long-term purpose.
- (e) 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, reporting under para 3(ix)(e) of the Order is not applicable to the company.
- (f) 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, reporting under para 3(ix)(f) of the Order is not applicable to the company.

Independent auditor's report (continued)

To the members of Agora Microfinance India Limited

Report on the audit of the financial statements

- (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, reporting under para 3(x)(a) of the Order is not applicable to the company.
- (b) 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 the funds were raised.
- (xi) (a) 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.
- (b) 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.
- (c) According to the information and explanations given to us, there were no whistle blower complaints received during the year. Accordingly, reporting under para 3(xi)(c) of the Order is not applicable to the company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under para 3(xii) of the Order is not applicable to the company.
- (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) (a) 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.
- (b) 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) (a) 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.
- (b) 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.

(xvii) (c) 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, reporting under para 3(xvii)(c) of the Order is not applicable to the company.

(d) According to the information and explanations provided to us during the course of audit, the company does not have any CIC. Accordingly, reporting under para 3(xvii)(d) of the Order is not applicable to the company.

(xvii) According to the information and explanations given to us, the Company has not incurred cash losses in the current year and in the immediately preceding financial year. Accordingly, the reporting under para 3(xvii) of the Order is not applicable to the Company and hence not reported upon.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under para 3(xviii) of the Order is not applicable to the company.

(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, reporting under para 3(xx) of the Order is not applicable to the company.

(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. Accordingly, reporting under para 3(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 to the company.

**For Shah & Taparia
Chartered Accountants
FRN NO: 109463W**



**Bharat Joshi
Partner
M NO.130863
UDIN: 24130863BKBPCQ9842
Place: Mumbai
Date: 27 February, 2024**

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, 2023 in conjunction with our 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 31 December, 2023, 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



Bharat Joshi
(Partner)
M. No: 130863
UDIN: 24130863BKBPCQ9842
Place: Mumbai
Date: 27 February, 2024

Balance sheet

as at 31 December 2022

(Amount in Indian Rupees '000)

	Notes	2023	2022
Equity and Liabilities			
Shareholders' funds			
Share capital	3	210,266	131,318
Reserves and surplus	4	37,048	(6,362)
		247,313	124,957
Non-current liabilities			
Long-term borrowings	5	317,423	296,608
Long-term provisions	6	3,089	2,747
		320,512	299,355
Current liabilities			
Short Term Borrowings	7	60,932	13,657
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	12,362	6,398
Short-term provisions	6	7,533	47,975
		80,827	68,030
Total		648,652	492,341

(Amount in Indian Rupees '000)

	Notes	2023	2022
Assets			
Non-current assets			
Property, Plant and Equipment			
Tangible assets	9	814	780
Intangible assets		704	413
Deferred tax assets (net)	10	-	-
Long-term loans and advances	11	159,219	129,793
Other non-current assets	12	3,209	1,799
		163,945	132,784
Current assets			
Cash and cash equivalents	13	87,240	80,546
Short-term loans and advances	11	387,425	272,095
Other current assets	12	10,042	6,915
		484,707	359,556
Total		648,652	492,341
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



Bharat Joshi
Partner
Membership No.: 103840

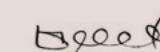
Date: 27 February, 2024
Place: Mumbai

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



Pradeep Sarin
Director

DIN 07965853
Date: 27 February, 2024
Place: Mumbai



Asit Mehta
Director

DIN 01640935
Date: 27 February, 2024
Place: Mumbai

Statement of profit and loss

for the year ended December 31, 2023

(Amount in Indian Rupees '000)

	Notes	For the period ended 31 Dec 2023	For the period ended 31 Dec 2022
Income			
Revenue from operations	14	124,258	70,393
Other income	15	6,515	6,333
Total revenue (I)		130,773	76,726
Expenses			
Employee benefits expense	16	39,281	31,305
Finance costs	17	44,526	50,683
Other expenses	18	19,851	18,801
Depreciation and amortization expense	19	703	612
Provisions and write-offs	20	(6,657)	(11,369)
Total expenses (II)		97,704	90,032
(Loss)/Profit before tax (III)=(I)-(II)		33,069	(13,306)
Tax expenses			
Current tax		2,423	-
Deferred tax		-	-
MAT Credit		(2,423)	-
Excess provision for current tax in respect of earlier year		-	(560)
Total tax expense (IV)		-	(560)
(Loss)/Profit for the year (III)-(IV)		33,069	(12,746)
Earnings per equity share			
[Nominal value of share Rs.10 (December 31, 2022: Rs.10)]	27		
Basic (Computed on the basis of total (loss)/profit for the period)		1.57	(0.97)
Diluted (Computed on the basis of total (loss)/profit for the period)		1.57	(0.97)
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

Bharat Joshi
Partner
Membership No: 103863

Date: 27 February, 2024
Place: Mumbai

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

Pradeep Sarin
Director

DIN 07965853
Date: 27 February, 2024
Place: Mumbai

Asit Mehta
Director

DIN 01640935
Date: 27 February, 2024
Place: Mumbai

Cash flow statement

for the year ended December 31, 2023

(Amount in Indian Rupees '000)

	Notes	For the period ended 31 Dec 2023	For the period ended 31 Dec 2022
Cash flow from operating activities			
(Loss) / Profit before tax		33,069	(13,306)
Adjustment to reconcile profit before tax to net cash flows		703	612
Depreciation and amortization expense		1,836	1,313
Provision for employee benefits		-	(6)
Loss / (profit) on sale of property, plant and equipment		-	560
Income Tax		(3,097)	(2,202)
Interest Income		42,629	22,935
Interest cost		1,897	27,748
Foreign Exchange Fluctuations		(6,657)	(11,369)
Provision for standard assets and non-performing assets		6,515	6,333
Operating Profit before working capital changes		70,380	26,284
Movements in working capital :			
Increase / (decrease) in other current liabilities		5,964	2,221
Increase / (decrease) in provisions		(35,279)	(91,059)
Decrease / (increase) in loans and advances		(144,061)	(26,986)
Decrease / (increase) in other current & non current assets		(4,537)	2,226
Cash generated from /(used in) operations		(177,912)	(113,597)
Direct taxes paid (net of refunds)		(696)	(1,012)
Net cash flow from / (used in) operating activities (A)		(108,228)	(88,326)
Cash flows from investing activities			
Interest income		3,097	2,202
Purchase of fixed assets		(1,029)	(1,029)
Proceeds from sale of assets/written off		-	102
Net cash flow (used in)/from investing activities (B)		2,069	1,275

(Amount in Indian Rupees '000)

	Notes	For the period ended 31 Dec 2023	For the period ended 31 Dec 2022
Cash flows from financing activities			
Proceeds from issuance of equity share capital		90,000	80,000
Share issue expenses		(711)	(788)
Interest cost		(42,629)	(22,935)
Foreign Exchange Fluctuations		(1,897)	(27,748)
Proceeds from Long term borrowings		91,180	111,480
Repayment of long term borrowings		(23,091)	(29,789)
Net cash flow (used in)/from financing activities (C)		112,852	110,220
Net (decrease)/increase in cash and cash equivalents (A + B + C)		6,693	23,169
Cash and cash equivalents at the beginning of the year		80,546	57,376
Cash and cash equivalents at the end of the year		87,240	80,546
Components of cash and cash equivalents (Note- 13)			
Cash in hand		307	365
Balances with banks			
in current account		2,933	2,035
in deposit account*		84,000	78,146
Total cash and cash equivalents		87,240	80,546

* 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



Bharat Joshi
Partner
Membership No: 103863

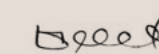
Date: 27 February, 2024
Place: Mumbai

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



Pradeep Sarin
Director

DIN 07965853
Date: 27 February, 2024
Place: Mumbai



Asit Mehta
Director

DIN 01640935
Date: 27 February, 2024
Place: Mumbai

Notes to the financial statements

for the year ended December 31, 2023

3 Share Capital

(Amount in Indian Rupees '000)

	As at 31 Dec 2023	As at 31 Dec 2022
Authorized capital		
2,20,00,000 (December 31, 2022: 1,50,00,000) equity shares of Rs.10 each	220,000	150,000
Issued, subscribed and fully paid-up shares		
2,10,26,567 (December 31, 2022: 1,31,31,830) equity shares of Rs.10 each fully paid up	210,266	131,318
Total issued, subscribed and fully paid-up share capital	210,266	131,318

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

	As at 31 Dec 2023		As at 31 Dec 2022	
	No. of Shares in '000	Amount in '000	No. of Shares in '000	Amount in '000
Equity shares				
At the beginning of the year	13,132	131,318	5,380	53,799
Issued during the year	7,895	78,947	7,752	77,519
Outstanding at the end of the year	13,132	210,266	13,132	131,318

(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 2023	As at 31 Dec 2022
Agora Microfinance N.V		
Number of equity shares of Rs.10 each fully paid up (in '000)	20,970	13,075
% Shareholding	99.73%	99.57%

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

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

Name of Share holder	As at 31 Dec 2023	
	No. of Shares in '000	% holding in the class
Equity shares of Rs.10 each fully paid		
Agora Microfinance N.V	20,970	99.73%

Name of Share holder	As at 31 Dec 2022	
	No. of Shares in '000	% holding in the class
Equity shares of Rs.10 each fully paid		
Agora Microfinance N.V	13,075	99.57%

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 the financial statements

for the year ended December 31, 2023

4 Reserves and surplus

(Amount in Indian Rupees '000)

	As at 31 Dec 2023	As at 31 Dec 2022
Securities premium account		
Balance as per the last financial statements	208,224	206,532
Add: Additions during the year	11,053	2,481
Less: Share issue expenses	(711)	(788)
Closing Balance	218,566	208,224
Statutory reserve (*)		
Balance as per the last financial statements	1,554	1,554
Add: Amount transferred from surplus balance in the statement of profit and loss	710	-
Closing Balance	2,263	1,554
(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(216,139)	(203,393)
Add: (Loss)/Profit for the year	33,069	(12,746)
Less: Transferred to Statutory Reserve [@20% of profit after tax as required by Section 45-IC of Reserve Bank of India Act, 1934]	(710)	-
Net (deficit) in the statement of profit and loss	(183,780)	(216,139)
Total reserves and surplus	37,048	(6,362)

(*) Note: Statutory reserve has been created as per Section 45-IC of Reserve Bank of India Act, 1934

5 Long-term borrowings

(Amount in Indian Rupees '000)

	As at 31 Dec 2023	As at 31 Dec 2022
Term loans		
a) Indian rupee loan from non banking financial companies (secured)*	-	-
(-) Current maturities of above (Refer Note 7)	-	-
b) Indian rupee loan from bank (secured)*	-	-
(-) Current maturities of above (Refer Note 7)	-	-
c) External commercial borrowing from related party (unsecured)	50,360	55,456
(-) Current maturities of above (Refer Note 7)	(50,360)	(5,380)
c) External commercial borrowing from related party (unsecured, sub-debt)	327,994	254,809
(-) Current maturities of above (Refer Note 7)	(10,571)	(8,277)
	317,423	296,608

*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 605 thousand (Previous year USD 670 thousand) at interest rate of 4.5% + last 6 months SOFR. Borrowing is hedged through option contracts.

The Company has outstanding unsecured term loan as sub-debt of USD 1989 thousand (Previous year USD 2081 thousand) at interest rate of 4.5% + last 6 months SOFR. Borrowing is hedged through option contracts.

The Company has outstanding unsecured term loan as sub-debt of USD 992 thousand (Previous year USD 1000 thousand) at interest rate of 5% + last 6 months SOFR. Borrowing is hedged through option contracts.

The Company has outstanding unsecured term loan as sub-debt of INR 80000 thousand at interest rate of 4.5% + Latest 5-year Government of India securities.

Notes to the financial statements

for the year ended December 31, 2023

5 Long-term borrowings (continued)

Terms of repayment of borrowings as on December 31, 2023

(Amount in Indian Rupees '000)

Nature	Interest Rate	No of instalments	Due within	Due within	Due beyond
			1 year	1 to 3 years	3 years
Amounts					
ECB from related party (0-7 years)	Latest 5-year Government of India securities + 4.5% margin	7.00	-	15800	64,200
ECB from related party (0-7 years)	Latest 6 month SOFR+ 5% margin	7.00	1331.84	3912.28	77,330
ECB from related party (0-7 years)	Latest 6 month SOFR+ 4.5% margin	16.00	59599.84	156179.72	-
Total			60931.68	175892	141,530

Terms of repayment of borrowings as on December 31, 2022

Nature	Interest Rate	No of instalments	Due within	Due within	Due beyond
			1 year	1 to 3 years	3 years
Amounts					
ECB from related party (0-7 years)	Latest 6 month SOFR+ 5% margin	8	662.16	3,062	78840
ECB from related party (0-7 years)	Latest 6 month LIBOR+ 4.5% margin	24	12994.89	170,092	44,613
			13657.05	173,155	123,453

6 Provisions

(Amount in Indian Rupees '000)

	Long Term		Short Term	
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Provision for employee benefits				
Provision for gratuity (Refer note 23 B)	2,440	2,150	162	160
Provision for leave benefits (Refer note 23 C)	535	538	340	203
	2,975	2,688	502	362
Other provisions				
Contingent provisions against standard assets.(refer note 28)	28	4	2	1
Provision for Non-performing assets.(refer note 28)	86	55	7,030	47,611
	114	59	7,031	47,612
	3,089	2,747	7,533	47,975

7 Short term Borrowings

	As at 31 Dec 2023	As at 31 Dec 2022
Current maturities of long-term borrowings	60,932	13,657
	60,932	13,657

8 Other current liabilities

	As at 31 Dec 2023	As at 31 Dec 2022
Interest accrued but not due on borrowings	-	-
Statutory dues payable	3,669	970
Employee dues payable	4,453	1,145
Accrued Liability	973	1,807
Other Current liability	1,587	1,189
Insurance Payable	1,680	1,287
	12,362	6,398

Notes to the financial statements

for the year ended December 31, 2023

9 Property, Plant and Equipments

(Amount in Indian Rupees '000)

	Furniture	Computers	Office equipments	Total
Cost				
At January 1, 2022	1,067	2,301	936	4,304
Additions	43	246	210	499
Disposals/written off	619	1,392	391	2,403
At December 31, 2022	491	1155	755	2401
Additions	100	259	113	472
Disposals/written off	-	-	-	-
At December 31, 2023	592	1414	867	2873
Depreciation				
At January 1, 2022	819	2,093	635	3,547
Charge for the year	61	183	160	404
Disposals/written off	571	1,380	379	2,330
At December 31, 2022	310	895	416	1621
Charge for the year	58	205	175	438
Disposals/written off	-	-	-	-
At December 31, 2023	368	1100	591	2059
Net Block				
At December 31, 2022	181	260	339	780
At December 31, 2023	224	314	276	814

9 Property, Plant and Equipments (continued)

(Amount in Indian Rupees '000)

	Software	Total
Gross block	1,567	1,567
At January 1, 2022	530	530
Additions	1,134	1,134
Deletions/Write off	963	963
At December 31, 2022	557	557
Additions	-	-
Deletions/Write off	1520	1520
At December 31, 2023	867	2873
Amortization		
At January 1, 2022	1,453	1,453
Charge for the year	208	208
Deletions/Write off	1,110	1,110
At December 31, 2022	551	551
Charge for the year	265	265
Deletions/Write off	-	-
At December 31, 2023	815	815
Net Block		
At December 31, 2022	413	413
At December 31, 2023	704	704

Notes to the financial statements

for the year ended December 31, 2023

10 Deferred tax

(Amount in Indian Rupees '000)

	As at 31 Dec 2023	As at 31 Dec 2022
Deferred tax asset/(liability)		
Difference due to depreciation impact	(178)	(21)
Difference due to provision for leave encashment	244	206
Difference due to provision for gratuity	724	643
Difference due to disallowance of provision against standard assets and non performing assets	1,988	13,262
Deferred tax on carried forward tax losses and unabsorbed depreciation	31,847	5,830
Deferred tax asset not recognized	(34,624)	(19,919)
Deferred tax asset/(liability) - Net	-	-



11 Loans and advances

(Amount in Indian Rupees '000)

	Non Current		Current	
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
A. Portfolio Loans				
Joint liability group loans				
Unsecured, considered good*	139,857	107,614	350,095	213,262
Unsecured, considered doubtful**	89	3,982	9,093	39,069
	139,946	111,596	359,188	252,331
Individual loans				
Unsecured, considered good*	7,905	2,194	13,126	5,470
Unsecured, considered doubtful**	19	90	292	1,289
	7,924	2,284	13,418	6,760
(A)	147,870	113,880	372,606	259,091

* 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 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
B. Other loans and advances				
Employee loans (unsecured, considered good)	589	401	97	826
Other receivables	-	-	696	961
GST input Credit	-	-	31	384
MAT	-	-	2,423	-
Advance tax	-	-	11,066	10,370
Prepaid expenses	10,760	15,512	507	463
(B)	11,349	15,913	14,819	13,004
Total (A+B)	159,219	129,793	387,425	272,095

Notes to the financial statements

for the year ended December 31, 2023

12 Other assets

(Amount in Indian Rupees '000)

	Non Current		Current	
	As at 31 Dec 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Security Deposits	1,288	1,428	840	460
Interest accrued on fixed deposits	79	103	552	483
Interest accrued on other deposits	-	-	27	25
Interest accrued and not due on portfolio loans	-	-	6,934	4,157
Interest accrued and due on portfolio loans	-	-	179	41
Margin and fixed deposits placed with parties**	578	268	1,510	1,749
Non current bank balances (refer note below)*	1,263	-	-	-
	3,209	1,799	10,042	6,915

* 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 2023	As at 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
*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	578	578	1,510	1,749

13 Cash and cash equivalent

(Amount in Indian Rupees '000)

	As at 31 Dec 2023	As at 31 Dec 2022
Cash and cash equivalents		
Cash in hand	307	365
Balances with banks:		
in current accounts	2,933	2,035
Fixed deposits maturing within 12 months	84,000	78,146
	87,240	80,546
Other bank balances		
Deposits with remaining maturity for more than 12 months	1,263	1,147
(-) presented under other assets (Refer Note 12)	(1,263)	(1,147)
	-	-
	87,240	80,546

14 Revenue from operations

	For the period ended 31 Dec 2023	For the period ended 31 Dec 2022
Interest income		
Interest on portfolio loans	109,450	66,980
Other operating revenue		
Loan processing fees	8,290	3,389
Recovery against loans written off	6,518	24
	124,258	70,393

Notes to the financial statements

for the year ended December 31, 2023

15 Other income

(Amount in Indian Rupees '000)

	For the period ended 31 Dec 2023	For the period ended 31 Dec 2022
Interest on fixed deposits	2,846	2,069
Interest on other deposits	-	5
Interest on employee loans	119	128
Interest on income tax refund	133	-
Insurance brokerage and commission	2,597	1,529
Income from business correspondence	822	2,595
Miscellaneous income	-	0.09
Profit on sale of fixed asset	-	6
	6,515	6,333

16 Employee benefits expense

(Amount in Indian Rupees '000)

	For the period ended 31 Dec 2023	For the period ended 31 Dec 2022
Salaries and bonus / incentive	34,338	27,202
Leave encashment (Refer Note 23 C)	1,062	1,291
Contribution to Provident Fund	2,179	1,953
Contribution to Employee State Insurance Corporation	487	457
Gratuity expenses (Refer Note 23 B)	774	22
Staff welfare expense	441	380
	39,281	31,305

17 Finance costs

(Amount in Indian Rupees '000)

	For the period ended 31 Dec 2023	For the period ended 31 Dec 2022
Interest expense		
On term loans	37,848	19,016
Foreign exchange loss	1,897	27,748
Option Premium	4,782	3,920
	44,526	50,683

18 Other expenses

(Amount in Indian Rupees '000)

	For the period ended 31 Dec 2023	For the period ended 31 Dec 2022
Lease Rent	4,506	4,159
Server Rent	540	168
Rates and taxes	5	3
Insurance	145	141
Repairs and maintenance	908	788
Membership fees	27	25
Electricity charges	511	388
Travelling and conveyance	3,128	2,513
Communication expenses	638	593
Printing and stationery	1,362	985
Legal and professional fees	2,950	3,589
Directors' sitting fees & remuneration	338	413
Auditors' remuneration (Refer Note 18.1)	696	685
Amounts not receivable written off (Refer Note 31)	1,249	2,078
Technical services	490	560
Commission and brokerage	27	2
Bank charges	1,135	978
Credit Bureau Fee	665	315
Miscellaneous expenses	532	419
	19,851	18,801

Notes to the financial statements

for the year ended December 31, 2023

18.1 Payment to auditors

(Amount in Indian Rupees '000)

	For the period ended 31 Dec 2023	For the period ended 31 Dec 2022
As auditor:		
Audit fee	600	600
In other capacity:		
Other services (certification fees)	96	85
	696	685

19 Depreciation and amortization expense

(Amount in Indian Rupees '000)

	For the period ended 31 Dec 2023	For the period ended 31 Dec 2022
Depreciation on Property, Plant and Equipment	438	404
Amortization of intangible assets	265	208
	703	612

20 Provisions and write-offs

(Amount in Indian Rupees '000)

	For the period ended 31 Dec 2023	For the period ended 31 Dec 2022
(Write-back)/Contingent provisions against standard assets (Refer Note 28)	25	(26)
Provision against Non performing assets (Refer Note 28)	(40,551)	(101,009)
Portfolio loans and other balance written off	33,869	89,666
	(6,657)	(11,369)

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 2023	For the year ended 31 Dec 2022	As at 31 Dec 2023	As at 31 Dec 2022
Agora Microfinance NV				
Issue of Share Capital	78,947	77,519	-	-
Securities Premium	11,053	2,481	-	-
Service Fees Payable	1,625	1,570	-	-
Moringaway				
External Commercial Borrowing	80,000	78,700	378,354	310,265
Principal of external commercial borrowing paid	13,642	9,224	-	-
Interest paid on external commercial borrowing	37,848	18,793	-	-
Mr. Naval Manoj				
Salaries and perquisites	4,468	3,671	-	-
Reimbursement of expenses	-	-	-	-
Leave Encashment	188	93	-	-

Notes to the financial statements

for the year ended December 31, 2023

23 Employee Benefits

(Amount in Indian Rupees '000)

	31 Dec 2023	31 Dec 2022
A Defined Contribution Plan		
During the year, the company has recognised the following amounts in the Statement of Profit and loss:		
Employer's contribution to provident fund	2,179	1,953
Other funds	487	457

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 2023	As at 31 Dec 2022
Particulars		
Current Service cost	521	701
Interest cost on benefit obligation	169	160
Net actuarial (gain) / loss recognized in the period	84	(840)
Net Employee benefit expense	774	22

Details of provision for gratuity:

	As at 31 Dec 2023	As at 31 Dec 2022
Particulars		
Defined benefit obligation	2,602	2,310
Plan liability	2,602	2,310

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

	As at 31 Dec 2023	As at 31 Dec 2022
Particulars		
Opening defined benefit obligation	2,310	2,458
Interest cost	169	161
Current service cost	521	701
Benefits paid	(482)	(170)
Actuarial (gains) / losses on obligation	84	(840)
Closing defined benefit obligation	2,602	2,310

The principal assumptions used in determining gratuity:

	As at 31 Dec 2023	As at 31 Dec 2022
Particulars		
Discount rate	7.21%	7.33%
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%	21%

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

	Jan 23 to Dec 23	Jan 22 to Dec 22	Apr 20 to Dec 20	Apr 19 to Mar 20
Particulars				
Closing benefit obligation	(2,602)	(2,310)	(1,854)	(1,630)
Plan assets	-	-	-	-
Net assets/(liability)	(2,602)	(2,310)	(1,854)	(1,630)
Experience gain/(loss) on PBO	63	(230)	(37)	110
Experience gain/(loss) on plan assets	-	-	-	-

Notes to the financial statements

for the year ended December 31, 2023

23 Employee Benefits (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 2023	As at 31 Dec 2022
Particulars		
Net Employee benefit expense	1062	1291

Details of provision for leave encashment:

	As at 31 Dec 2023	As at 31 Dec 2022
Particulars		
Defined benefit obligation	723	740
Plan liability	723	740

Details of provision for gratuity:

	As at 31 Dec 2023	As at 31 Dec 2022
Particulars		
Opening defined benefit obligation	704	672
Benefits paid	(1,043)	(1,223)
Expense during the period	1062	1291
Closing defined benefit obligation	723	704
Due but unpaid benefit	Nil	Nil

The principal assumptions used in determining Leave encashment:

	As at 31 Dec 2023	As at 31 Dec 2022
Particulars		
Discount rate	7.21%	7.33%
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 2023	As at 31 Dec 2022
Particulars		
Defined benefit obligation	(723)	740
Closing Liability	(723)	(740)
Projected Benefit Obligation due but not paid liability	-	-

24 Contingent liability and Capital Commitments

	As at 31 Dec 2023	As at 31 Dec 2022
Capital commitments	-	-
Contingent liabilities		
Income tax demand for AY 17-18, under dispute	12,583	12,583
Income tax demand for AY 16-17, under dispute	10,401	10,931
(* Above demand for AY 16-17 include the accrued interest amount)		
Portfolio originated on behalf of NBFC	-	2,057

Notes to the financial statements

for the year ended December 31, 2023

25 Earning and expenditure in foreign currency

	31 Dec 2023	31 Dec 2022
Foreign Earnings	-	-
Expenditure in foreign currency		
Consultancy fees \$18 thousand towards Service Agreement	1,625	1,570
Interest on External Commercial Borrowing \$432 thousand (PY- \$221 thousand)	37,848	18,793

26 Hedged foreign currency exposure

	31 Dec 2023	31 Dec 2022
Hedged foreign currency exposure		
External Commercial Borrowing	378,354	310,265

27 Earnings per share (EPS)

	As at 31 Dec 2022	As at 31 Dec 2021
(Loss)/Profit and number of shares data used in computation of basic and diluted EPS:		
(Loss)/Net profit for the year	33,069	(12,746)
Weighted average number of equity shares – basic / diluted EPS	21,027	13,132
Basic EPS/Diluted EPS	-₹ 1.57	-₹ 0.97
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 2023	31 Dec 2022	31 Dec 2022	Movement	31 Dec 2023	31 Dec 2022
Standard	510,983	328,540	5	25	30	510,953
Sub- standard	9,493	44,431	47,666	(40,551)	7,115	2,378
Total	520,476	372,971	47,671	(40,526)	7,145	513,331

	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 2021
Standard	328,540	162,064	31	(26)	5	328,536
Sub- standard	44,431	183,903	148,675	(101,009)	47,666	(3,235)
Total	372,971	345,967	148,706	(101,035)	47,671	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
Particulars		
Operating lease payments recognised during the period	4,506	4159

30 Amounts not receivable written off

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

Notes to the financial statements

for the year ended December 31, 2023

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, 2023 no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

32 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.

33 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:

- A well-documented interest rate model/ approach for arriving at the all-inclusive interest rate;
- 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 component based on objective parameters;
- The range of spread of each component for a given category of borrowers; and
- A ceiling on the interest rate and all other charges applicable to the microfinance loans.

34 Net Owned Funds

	31 Dec 2023	31 Dec 2022
Details of computation of Net Owned Fund is as follows;		
Share cap	210,266	131318.3
Reserves & surplus	37,048	-6362
Less: Deferred revenue expenses	(11,266)	-15975
Less: Intangible Assets	(704)	-413
Tier 1 Capital	235,343	108,568
Add: Tier II Capital - capped at 50% of Tier I Capital	117,671	54,284
Total	353,014	162,852

35 Capital to Risk Asset ratio is as follows:

	31 Dec 2023	31 Dec 2022
CRAR%		
CRAR - Tier I Capital %	41.28%	26.08%
CRAR - Tier II Capital to Tier I capital	42.53%	37.53%

Ratio	Formula	2023	2022	Variance
1. Current Ratio	Current assets/Current Liabilities	6.00	5.29	13%
2. Debt Equity Ratio	Total Debt/Shareholder's Equity	1.53	2.48	-38%
3. Debt Service coverage ratio	EBITDA / Total debt service	0.73	0.19	275%
4. Return on equity Ratio	PAT/ Shareholder's Equity	0.13	-0.10	-231%
5. Inventory Turnover Ratio	COGS/Avg Inventory	NA	NA	-
6. Trade Receivables turnover ratio	Sales/Avg Trade Receivables	NA	NA	-
7. Trade Payables turnover Ratio	Purchases/Avg Trade Payables	NA	NA	-
8. Net Capital Turnover Ratio	Sales/Working Capital	0.32	0.26	23%
9. Net Profit Ratio	Net Profit /Sales	0.25	-0.17	-252%
10. Return on capital employed	EBIT/Capital Employed	0.11	0.01	764%

Reasons for Variance of 25%;

Ratio	Reason
1. Debt Equity Ratio	Due to increase in debt and equity.
2. Debt Service coverage ratio	Due to increase in revenue and profit
3. Return on equity Ratio	Due to increase in revenue and profit
4. Net Profit Ratio	Due to increase in interest income
5. Return on capital employed	Due to increase in interest income

Notes to the financial statements

for the year ended December 31, 2023

36 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 2023	As at 31 Dec 2022
Total Assets (less intangible assets)	648,652	491,929
Less : cash and bank balances and money market instruments**	-	-80,546
Net assets (A)	648,652	411,383
Receivables under Financing Activities		
Gross Portfolios	520,476	372,971
Less : Non-qualifying assets	(11,875)	(8,426)
Qualifying assets (B)	508,601	364,546
Qualifying assets/Net assets : (B) / (A)	78.41%	88.61%

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.

37 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 2023.

38 There are no material foreseeable losses on long-term contracts which requires provision to be made under the applicable law or accounting standards.

39 For the year ended December 31, 2023, the company has transferred Rs. Nil (previous year: Rs. Nil) to the Investor Education & Protection Fund.

40 Previous year's figures have been regrouped where necessary to conform to current period's classification.



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

Bharat Joshi
Partner
Membership No.: 103863

Date: 27 February, 2024
Place: Mumbai

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

Pradeep Sarin
Director

DIN 07965853
Date: 27 February, 2024
Place: Mumbai

Asit Mehta
Director

DIN 01640935
Date: 27 February, 2024
Place: Mumbai



Agora Microfinance
India Limited

Agora Microfinance India Limited

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