



**M.K. GUPTA AND ASSOCIATES**

Chartered Accountants

B-4, Manglam, Avas Vikas, Delhi Road, Saharanpur-247001 Uttar Pradesh

Phone : , E-Mail : maheshsre@yahoo.com

**Independent Auditor's Report**

**To the Members of DISHA INDIA MICRO CREDIT**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **DISHA INDIA MICRO CREDIT ("the Company")** which comprises the Balance Sheet as at March 31, 2023, the Statement of Income and Expenditure, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

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 March 31, 2023, and Surplus of income for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





## **Responsibility of Management for the Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, Surplus/Deficit of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibility 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 auditor's 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.

## **Other Information**

The company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be material misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Report on Other Legal and Regulatory Requirements**

1. The company is licensed to operate under section 25 of the companies Act, 1956 (corresponding Section 8 of the Act) and accordingly, as per clause 2(iii) of the Companies (Auditor's Report) Order, 2016 ('the order') issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Act, the said order is not applicable to the Company.

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 purpose 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 financial statements, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

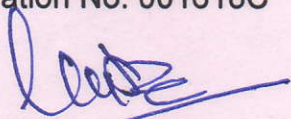




f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations, which would impact its financial position in its financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material and foreseeable losses
- iii. There have been no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For M.K. GUPTA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No: 001618C



**(CA Mahesh Kumar Gupta)**  
Proprietor  
Membership no. 070783  
Place: SULTANPUR - CHILKANA  
Dated 22.08.2023  
UDIN: **23070783BGYLTQ8539**





**DISHA INDIA MICRO CREDIT**  
**SULTANPUR- CHILKANA, DISTT. SAHARANPUR-247231**  
 ( Company incorporated u/s 25 of the Companies Act, 1956)  
 (Now Sec. 8 of the Companies Act, 2013)  
 (CIN: U74900UP2008NPL035644)  
**BALANCE SHEET AS AT 31ST MARCH, 2023**

PARTICULARS	Note No.	(Amount in Rs.)	
		As on 31.03.2023	As on 31.03.2022
<b>I. EQUITY &amp; LIABILITIES:</b>			
<b>(1) SHARE HOLDERS' FUNDS</b>			
(a) Share Capital	1	2,454,130.00	2,454,130.00
(b) Reserves and Surplus	2	104,949,445.02	89,288,729.01
<b>2. NON CURRENT LIABILITIES:</b>			
(a) Long term borrowings	3	4,377,274.00	13,381,945.87
<b>3. CURRENT LIABILITIES:</b>			
(a) Other current liabilities	4	36,798,449.72	18,898,044.97
(b) Short term provisions	5	5,365,387.00	4,495,393.00
<b>TOTAL</b>		<b>153,944,685.74</b>	<b>128,518,242.85</b>
<b>II. ASSETS:</b>			
<b>1. NON CURRENT ASSETS:</b>			
<b>(a) Property, Plant &amp; Equipments:</b>			
Tangible Assets	6 A	1,680,245.73	1,518,252.56
Intangible Assets	6 B	111,155.00	111,311.00
(b) Other non-current assets	7	23,389,105.00	17,754,722.00
<b>2. CURRENT ASSETS:</b>			
(a) Cash and cash equivalents	8	11,925,441.83	3,688,166.00
(b) Short term loans & advances	9	106,112,549.00	97,345,689.00
(c) Other Current Assets	10	10,726,189.18	8,100,102.29
<b>TOTAL</b>		<b>153,944,685.74</b>	<b>128,518,242.85</b>
Other notes & disclosures	17		
Significant accounting policies	18		

The notes referred to above are an integral part of the Financial Statements.

**FOR DISHA INDIA MICRO CREDIT**

**AUDITORS' REPORT:**

As per our report of even date  
**FOR M.K. GUPTA & ASSOCIATES**  
 Chartered Accountants  
 Firm Registration no: 001618C

  
**(CA Mahesh Kumar Gupta)**  
 Proprietor  
 Membership no: 070783  
 DATED: 22.08.2023  
 UDIN: 23070783BGYLTQ8539

  
**(K.N. Tiwari)**  
 DIN:01311641  
 Managing  
 Director

  
**(Riyasat Ali)**  
 DIN:08339410  
 Director



PLACE: SULTANPUR CHILKANA



**DISHA INDIA MICRO CREDIT**

SULTANPUR- CHILKANA, DISTT. SAHARANPUR-247231

( Company incorporated u/s 25 of the Companies Act, 1956)

(Now Sec. 8 of the Companies Act, 2013)

(CIN: U74900UP2008NPL035644)

**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2023**

(Amount in Rs.)

PARTICULARS	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
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**INCOME:**

I. - Revenue from operations	11	59,752,758.36	49,033,406.03
II. - Other income	12	1,749,360.23	3,079,866.12

**Total Income (I + II)**

<b>61,502,118.59</b>	<b>52,113,272.15</b>
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**III EXPENDITURE:**

- Employee benefit expenses	13	26,067,725.73	20,559,880.00
- Finance Costs	14	6,486,397.00	3,152,064.31
- Depreciation and amortization expense	15	485,348.00	550,877.00
- Other expenses	16	12,798,459.85	15,550,877.33

**Total expenditure**

<b>45,837,930.58</b>	<b>39,813,698.64</b>
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**SURPLUS BEFORE TAX:**

<b>15,664,188.01</b>	<b>12,299,573.51</b>
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**VI. Tax expense**

<b>0</b>	<b>0</b>
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**VII. Surplus after tax**

<b>15,664,188.01</b>	<b>12,299,573.51</b>
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**IX EARNINGS PER EQUITY SHARE:**

(i) Basic	63.83	50.12
(ii) Diluted	63.83	50.12

**Other notes & disclosures**

17

**Significant accounting policies**

18

The notes referred to above are an integral part of the Financial Statements.  
Figures in brackets represent losses, if any.

**AUDITORS' REPORT:**

As per our report of even date

**FOR M.K. GUPTA & ASSOCIATES****Chartered Accountants**

Firm Registration no: 001618C

**(CA Mahesh Kumar Gupta)**

Proprietor

Membership no: 070783

DATED: 22.08.2023

PLACE: Sultanpur-Chilkana

UDIN: 23070783BGYLQTQ8539

**FOR DISHA INDIA MICRO CREDIT****(K.N. Tiwari)**

DIN:01311641

**Managing  
Director****(Riyasat Ali)**

DIN: 08339410

**Director**



**DISHA INDIA MICRO CREDIT**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

(Amount in Rs.)

PARTICULARS	As at 31.03.2023	As at 31.03.2022
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The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

**1. SHARE CAPITAL**

**Authorized Share Capital**

5,00,000 Equity Shares of Rs.10/- each

5,000,000.00

**Issued, Subscribed & paid-up Share Capital**

2,45,413 Equity Shares of Rs.10/- fully paid up

2,454,130.00

(Last year 2,45,413 Equity Shares of Rs.10/- fully paid up)

- 1.1 The company being registered u/s 25 of the Companies Act, 1956, (now S. 8 of The Companies Act, 2013), total equity shares of the company as issued, subscribed and paid-up are not eligible for dividend, bonus or any other benefit.

- 1.2 The details of share holders holding more than 5% shares & transactions during the year are given below: :

Name of the share holder	As on 31.03.2022		As on 31.03.2023	
	No. of shares	% held	No. of shares	% held
Sh. K.N. Tiwari	1,50,020	61.13%	1,40,020	57.05%
Sh. Apporv Garg	20,000	8.15 %	20,000	8.15%
Smt. Preeti Aggarwal	75,393	30.72 %	65,393	26.65%

- 1.3 The reconciliation of the no. of shares outstanding : as given above

- 1.4 Buy back of Equity shares: Pl. refer to note no. 17.12 for details.

**2. RESERVES & SURPLUS**

**(a) CAPITAL RESERVE**

Fixed Assets acquired out of Grant from SIDBI (O/B)

Less: Depreciation charged

As at 31.03.2023	As at 31.03.2022
64,585.00	69,215.00
(3,472.00)	(4,630.00)
<b>61,113.00</b>	<b>64,585.00</b>

**(b) GENERAL RESERVE**

- Balance c/f from previous year

- Transferred from surplus in Income & Exp. a/c

Total (b)

75,599,796.25	68,822,615.03
12,299,573.31	6,777,181.22
<b>87,899,369.56</b>	<b>75,599,796.25</b>

**(c) SURPLUS (IN STATEMENT OF INCOME & EXPENDITURE):**

- Balance c/f from previous year

- Current year surplus / deficit

- Less: - Appropriations

- Transferred to General reserve

Total (c)

12,806,307.76	7,298,639.03
15,664,188.01	12,299,573.31
0	(14,723.36)
(12,299,573.31)	(6,777,181.22)
<b>16,170,922.46</b>	<b>12,806,307.76</b>

**(d) CAPITAL REDEMPTION RESERVE:**

818,040.00

818,040.00

Total (a+b+c+d)

<b>104,949,445.02</b>	<b>89,288,729.01</b>
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Directors



**DISHA INDIA MICRO CREDIT**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

(Amount in Rs.)

**3. LONG TERM BORROWINGS**

**Secured**

	As at 31.03.2023	As at 31.03.2022
- Term Loan from Samunnati Financial Intermediation & Services Pvt. Ltd.	1,483,993.00	12,902,450.87
- Term Loan From Canara Bank (Auto Loan)	158,981.00	479,495.00
- Term Loan from Usha Finanacial Services Pvt. Ltd	734,304.00	-
- Term Loan from Ananya Finance For Inclusive Growth Pvt. Ltd. (Ananya)	1,999,996.00	-
	<b>4,377,274.00</b>	<b>13,381,945.87</b>

- 3.1 Term loans from Samunnati Financial Intermediation & Services Pvt. Ltd. are secured by hypothecation of receivables, personal gurantee of 2 directors of the company and four undated security cheques from the company and two undated cheques from personal account of 2 directors of the company.
- 3.2 Term Loan from Ananya together with all interest etc. are secured by the First chargeon all book debts created out of the loan, Security deposit equal to 10% of loan disbursed, Personal guaranteee of two directors of company & five post dated cheques of equal amount aggregating to amount sanctioned.
- 3.3 Term loan from Canara Bank is secured against vehicle purchased by company from this loan.
- 3.4 Term Loan from Usha Financial is secured by exclusive charge on the book debts/ receivables of the borrower that are equivalent to 110% of the exposure created out of funding by Usha, in addition to execution of demand Promissory note & cash collateral of 10% of loan amount.
- 3.5 Terms of repayment of Term Loans (Secured ) are given below:

Repayment to be made during F.Y.

Sl. No.	Loan from	Balance O/S as on 31.03.23	2023-24	2024-25
1	Canara Bank (Auto Loan)	5,16,435	3,57,454	1,58,981
2	Samunnati Financial Intermediation & Services Pvt. Ltd.	1,76,13,188	1,61,29,195	14,83,993
3	Usha Financial Services Pvt. Ltd.	1,02,23,502	94,89,198	7,34,304
4	Ananya Finance for Inclusive Growth Pvt. Ltd.	1,00,00,000	80,00,004	19,99,996

**4. OTHER CURRENT LIABILITIES:**

**Current maturity of long term debts**

	As at 31.03.2023	As at 31.03.2022
a)Term Loan from Samunnati Financial Intermediation & Services Pvt. Ltd.	16,129,195.00	12,895,701.00
b) Term Loan From Canara Bank (Auto Loan)	357,454.00	368,784.00
c) Term Loan from Usha Finanacial Services Pvt. Ltd	9,489,198.00	3,449,092.00
-d) Term Loan from Ananya Finance For Inclusive Growth	8,000,004.00	
- Security from staff members & others	705,050.00	582,050.00
- Insurance Premium payable	159,921.00	289,279.00
- Interest accrued but not due on borrowings	311,403.00	292,268.00
- Funding from Arohan	-	86,389.30
( to be disbursed to SHGs / JLGs)		
- Instalments payable (agst. BC funding)	717,272.62	275,849.13
- Other payables	928,952.10	658,632.54

<b>Total</b>	<b>36,798,449.72</b>	<b>18,898,044.97</b>
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Directors



**DISHA INDIA MICRO CREDIT**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

**NOTE NO. 6: FIXED ASSETS**

PARTICULARS	ORIGINAL COST		DEPRECIATION			WRITTEN DOWN VALUE			
	As on 1.4.22	Additions/Delition during the year	Total cost	Upto 31.03.22	During the Year		Total upto 31.03.23	Adjusted in 14-15 **	As on 31.3.22
A. TANGIBLE ASSETS									
i) GENERAL									
Car (Bolero -SLX)	763,000		763,000	714,051	10,799	724,850	-	48,949	38,150
Car (Innova - Crysta)	2,174,846		2,174,846	1,467,286	220,971	1,688,257		707,560	486,589
Computers & Printers	2,439,724	139,445	2,579,169	2,248,410	63,403	2,311,813	18,354	172,960	249,002
Furniture and Fixtures	1,166,261	159,059	1,325,320	982,163	61,326	1,043,489	-	184,098	281,831
Generator	84,915		84,915	77,606	1,452	79,058	-	7,309	5,857
Motor Cycles	407,045		407,045	376,634	4,035	380,669	-	30,411	26,376
Electrical Gadgets	1,365,369	195,839	1,561,208	1,131,848	72,592	1,204,440	-	233,521	356,768
Mobile	164,708	7,627	172,335	121,579	18,691	140,270	-	43,129	32,065
Solar Power System	32,400		32,400	20,896	2,978	23,874		11,504	8,526
Air Conditioner	95,303	148,687	243,990	65,856	28,048	93,904	-	29,447	150,086
CCTV Camera	10,809.00		10,809	9,372	897	10,269		1,437	540
TOTAL (i)	8,704,380	650,657	9,355,037	7,215,701	485,192	7,700,893	18,354	1,470,325	1,635,790
ii) AGAINST GRANT:									
Projector	79,990	-	79,990	75990	-	75,990	-	4000	4,000
Laptop/ Computer	200,554	-	200,554	185936	-	185,936	4,589	10029	10,029
Computer Printer	55,956	-	55,956	52362	-	52,362	797	2797	2,797
Photostate Machine	174,427	-	174,427	165706		165,706	-	8721	8,721
Office Furniture/ Infrastructure	216,983		216,983	202524	1,804	204,328	-	14459	12,655
Electrical Equipment	58,725	-	58,725	53558	1,118	54,676	-	5167	4,049
Paper Bowl & Plate Machines	33,221	-	33,221	30466	550	31,016	-	2755	2,205
TOTAL (ii)	819,856	-	819,856	766,542	3,472	770,014	5,386	47,928	44,456
TOTAL (A) (i+ii)	9,524,236	650,657	10,174,893	7,982,243	488,664	8,470,907	23,740	1,518,253	1,680,246

**B. INTANGIBLE**

**i) GENERAL**

Computer Software	806,000	-	806,000	752,814	-	752,814	12,886	40,300	40,300
Software (Window office)	262,450	-	262,450	249,327	-	249,327	-	13,123	13,123
Software (E-Fimo)	808,500	-	808,500	768,075	-	768,075	-	40,425	40,425
Software (HR)	13,000	-	13,000	12,194	156	12,350	-	806	650

**ii) AGAINST GRANT:-**

Computer Software	333,135	-	333,135	300,068	-	300,068	16,410	16,657	16,657
<b>TOTAL (B) (i)</b>	<b>1,889,950</b>	<b>-</b>	<b>1,889,950</b>	<b>1,782,410</b>	<b>156</b>	<b>1,782,566</b>	<b>12,886</b>	<b>94,654</b>	<b>94,498</b>
<b>TOTAL (B) (ii)</b>	<b>333,135</b>	<b>-</b>	<b>333,135</b>	<b>300,068</b>	<b>-</b>	<b>300,068</b>	<b>16,410</b>	<b>16,657</b>	<b>16,657</b>
<b>TOTAL (B) (i+ii)</b>	<b>2,223,085</b>	<b>-</b>	<b>2,223,085</b>	<b>2,082,478</b>	<b>156</b>	<b>2,082,634</b>	<b>29,296</b>	<b>111,311</b>	<b>111,155</b>

**GRAND TOTAL (A+B)**

	11,747,321	650,657	12,397,978	10,064,721	488,820	10,553,541	53,036	1,629,564	1,791,401
Previous Year figures	11,601,538	145,783	11,747,321	9,509,214	555,507	10,064,721	53,036	2,039,288	1,629,564

Note: \*\* Adjustment in 14-15 shown in above table represent the adjustment of depreciation in retained earnings due to calculations based on basis of useful life as per Companies Act 2013.

Directors

Directors





**DISHA INDIA MICRO CREDIT**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

(Amount in Rs.)

PARTICULARS	As at 31.03.2023	As at 31.03.2022
<b>5. SHORT TERM PROVISIONS:</b>		
a) Provisions for employee benefits	1,008,622.00	2,098,622.00
b) Others (auditors remuneration)	160,000.00	137,000.00
c) Provision for losses in Micro advances (th. Arohan & Avanti)	4,196,765.00	2,259,771.00
<b>Total</b>	<b>5,365,387.00</b>	<b>4,495,393.00</b>
<b>7. OTHER NON - CURRENT ASSETS:</b>		
a) Fixed deposits with Yes Bank, PNB & Canara Bank	20,818,592.00	17,208,867.00
b) Deposits (FLDG) with Usha Financial, Avanti Finance & Ananya Finance(a & b -Pledged - See note no. 17.3)	2,536,124.00	511,466.00
c) Security deposit with others	34,389.00	34,389.00
<b>Total</b>	<b>23,389,105.00</b>	<b>17,754,722.00</b>
<b>8. CASH AND CASH EQUIVALENTS:</b>		
- Cash in hand ( Including cash at Branches)	224,094.00	75,436.00
- Balances with Scheduled Banks(current & saving accounts)	11,701,347.83	3,612,730.00
<b>Total</b>	<b>11,925,441.83</b>	<b>3,688,166.00</b>
<b>9. SHORT TERM LOANS AND ADVANCES:</b>		
(Unsecured but considered good)		
- Micro Finance Advances to poor persons organised in SHGs & JLGs ( secured by personal guarantee of borrowers only)	106,394,216.00	97,198,051.00
Less: Provision for losses in Micro Finance Advances	(1,072,356)	(1,221,615)
- Loans & advances to staff and others (including prepaid expenses)	790,689.00	1,369,253.00
<b>Total</b>	<b>106,112,549.00</b>	<b>97,345,689.00</b>
<b>10. OTHER CURRENT ASSETS:</b>		
(Receivable in cash or in kind or for value to be received, unsecured but considered good)		
a) Interest accrued on FDRs	96,810.00	11,096.00
b) Interest accrued but not due on MFI advances	812,940.00	615,824.00
c) Income tax deducted at source (refundable)	6,114,886.94	4,753,468.05
d) Fees /Commission receivable from Yes Bank, Arohan, Avanti & PLIL	3,311,307.00	1,976,205.00
e) Other Assets	390,245.24	743,509.24
<b>Total</b>	<b>10,726,189.18</b>	<b>8,100,102.29</b>
<b>11. REVENUE FROM OPERATIONS:</b>		
a) Interest on Micro Finances advances	26,261,704.00	16,671,344.00
b) File documentation charges	1,266,321.00	1,102,881.00
c) Fees /Commision from Arohan, Avanti & PLIL on MFI loans & Insurance	30,412,223.36	29,420,235.60
d) Recovery of Bad debts	1,812,510.00	1,838,945.43
<b>Total</b>	<b>59,752,758.36</b>	<b>49,033,406.03</b>



**Total** **59,752,758.36** **49,033,406.03**

Directors



**DISHA INDIA MICRO CREDIT**  
**NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2023**

		(Amount in Rs.)	
PARTICULARS	As on 31.03.23	As on 31.03.22	
<b>12. OTHER INCOME:</b>			
a) Interest on FDRs with Banks	995,176.00	1,147,836.12	
b) Interest & other income *	604,925.23	654,005.00	
c) Provision for losses on loans reversed	149,259.00	1,278,025.00	
<b>Total</b>	<b>1,749,360.23</b>	<b>3,079,866.12</b>	
* Includes intt.on Bank a/cs, I.tax refund, Security deposit & loan to staff.			
<b>13. EMPLOYEE BENEFIT EXPENSES:</b>			
- Salaries	12,359,555.00	11,282,272.00	
- Bonus	1,250,100.00	1,015,231.00	
- Gratuity	241,672.00	165,505.00	
- Other Allowances	8,200,677.00	4,856,522.00	
- Incentive	1,781,475.00	872,402.00	
- Staff training & meetings	53,888.00	47,789.00	
- Staff welfare, Insurance premium & others	610,213.73	1,035,653.00	
- Employees provident fund, ESI & admn. Exp.	1,570,145.00	1,284,506.00	
<b>Total</b>	<b>26,067,725.73</b>	<b>20,559,880.00</b>	
<b>14. FINANCE COSTS:</b>			
- Interest on term loans	5,697,973.00	2,434,709.31	
- Other borrowing costs (Processing fees etc.)	788,424.00	717,355.00	
<b>Total</b>	<b>6,486,397.00</b>	<b>3,152,064.31</b>	
<b>15. DEPRECIATION AND AMORTIZATION EXPENSE:</b>			
- Depreciation (see note no. 6A)	485,348.00	550,877.00	
- Amortization of intangible assets (see accounting policy no. 3)	485,348.00	550,877.00	
<b>16. OTHER EXPENSES:</b>			
<b>Administration, Establishment &amp; other Expenses:</b>			
- Bad debts	2,723,406.00	7,946,168.00	
- Bank charges	246,857.24	125,989.33	
- Interest on Security	47,211.00	230,050.00	
- Professional & Certification charges	2,076,550.00	2,143,149.00	
- Insurance (Cash, Vehicles & Fidelity)	125,563.00	145,894.00	
- Losses by loot	275,291.00	-	
- Misc. & other expenses	1,056,323.79	742,267.24	
- Payment to Auditors	166,300.00	161,000.00	
- Provision for losses made against MFI advances	1,936,994.00	564,614.00	
- Electricity Exp. (H.O. & Branches)	164,253.00	169,901.00	
- Rent (H.O. & Branches)	1,174,950.00	926,600.00	
- Repair & maintenance	469,336.58	226,763.58	
- Rating & Grading fees (Portfolio Analysis)	470,000.00	300,000.00	
- Stationery & Printed forms etc.	526,852.21	268,859.00	
- Software maintenance	322,640.00	284,140.00	
- Travelling, conveyance & vehicle running (including Directors)	1,015,932.03	1,315,482.38	
<b>Total</b>	<b>12,798,459.85</b>	<b>15,550,877.53</b>	
<b>16.1 PAYMENT TO AUDITORS AS :</b>			
a) Auditors - Statutory Audit fees	150,000.00	135,000.00	
b) Reimbursement of exp.	10,000.00	2,000.00	
c) Other services	6,300.00	24,000.00	
<b>Total</b>	<b>166,300.00</b>	<b>161,000.00</b>	



Directors



## DISHA INDIA MICRO CREDIT

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

#### Note no. 17: OTHER NOTES & DISCLOSURES:

##### 17.1 FORMATION & MICRO FINANCE ACTIVITIES OF THE COMPANY:

The company has been incorporated u/s 25 of the Companies Act, 1956 (Now Section 8 of the Companies Act, 2013) on 9<sup>th</sup> July, 2008. The main objects of the company are to promote Micro Finance Services exclusively to large no. of poor persons, in their villages, towns etc. for income generation; and thus to help them and their families rise out of poverty not with the motive of profit.

##### 17.2 BOOKS & RECORDS:

On the computerization of the accounts of the company and using special software for managing of Micro Finance Advances, printing of sub ledger accounts of the individual borrowers (approximately 18,700 nos.) as on 31.03.23 having small value loans with good volume of transactions), is found to be economically unviable, in the Micro Finance scenario. Therefore, the company is maintaining such sub ledgers / members' cards in electronic form only. As informed, the company has installed foolproof back up system and viewing / printing the same through computers as and when needed at head office of the company. At group level the client cards are prepared manually.

##### 17.3 FIXED DEPOSITS WITH BANKS & OTHER DEPOSITS:

Fixed deposits & FLDG deposit along with interest accrued thereon are pledged with the respective Financial Institutions (Yes Bank, Arohan Financial Services Ltd., Samunnati Financial Intermediation & Services Pvt. Ltd., Avanti Finance Pvt. Ltd., Ananya Finance For Inclusive Growth Pvt. Ltd. & Usha Financial Services Pvt. Ltd.) against the funds provided by them to the borrowers under Business Correspondent arrangement or Loans granted by them to the Company.

##### 17.4 PROVISION FOR INCOME TAX :

The company, being a charitable company, has been granted exemption u/s 12AA of the Income Tax Act and therefore, no income tax is payable by the company. Therefore, no provision for Income Tax has been made in the accounts. The Income tax returns of the company, upto A.Y. 2022-23 have been processed u/s 143(1) of the Income Tax Act and there is no outstanding demand of Income tax as on date.

##### 17.5 DEATH CLAIMS OF BORROWERS:

The company has taken insurance policies of borrowers against death of borrowers and their beneficiaries. Receipt of such claims has been treated as current liability by the management. Consequently no such receipts and payments are reflected in Income and Expenditure account.

##### 17.6 EARNINGS PER EQUITY SHARE:

	F.Y. 2022-23	F.Y. 2021-22
- Profit/Loss after tax	Rs. 1,56,64,188	Rs. 1,22,99,573
- Total no. of equity shares	2,45,413	2,45,413
- EPS (basic)	Rs. 63.83	Rs. 50.12
- EPS (diluted)	Rs. 63.83	Rs. 50.12

##### 17.7 (A) AGREEMENT WITH AROHAN FINANCIAL SERVICES PVT. LTD:

The company has been acting as "Business Correspondent" (BC) of Arohan Financial Services Ltd. since F.Y. 2017-18, for sourcing microcredit borrowers for Arohan. Funds from Arohan are secured by cash collateral up to 5% of limit, in shape of pledged FDRs and balance 10% by personal guarantee of promoters. Funding by Arohan is also secured by personal guarantee of promoters.



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**(B) AGREEMENT WITH AVANTI FINANCE PVT. LTD:**

During the F.Y. 2021-22, the company has executed an agreement on 30.08.2021 with Avanti Finance Pvt. Ltd., Bengaluru to act as its' Partner (or say "Business Correspondent" (BC) for sourcing microcredit borrowers & other related services. Funds from Avanti are secured by FLDG of 5% of limit, in shape of pledged FDRs and guarantee of payment of all defaults of borrower.

**17.8 CONFIRMATION FROM AROHAN & OTHERS:**

Various figures and balances related to Arohan Financial Services Ltd., Avanti Finance Pvt. Ltd. (like total disbursement made, total repayment of principal and interest, Principal outstanding and overdues as on 31.03.2023) are subject to confirmation of Lenders.

**17.9 RELATED PARTY TRANSACTIONS:**

Mr. Kumar Sambhav Tiwari (son of M.D of Company) being related person, was appointed as Chief Executive (MIS) of the company w.e.f. 01<sup>st</sup> October 2014 (now designated as Fund Raising Manager). Total salary and allowances of Rs 9,60,000/- (Last year Per.8,70,000/-) has been paid to him during the current year. Considering his education & experience, his salary is considered as reasonable by the Management.

**17.10 FIXED ASSETS:**

Pursuant to the enactment of the Companies Act 2013 (the Act), the company has applied the estimated useful life as specified in Schedule II to the Act, Accordingly the unamortized carrying value is being depreciated/ amortized over the revised/ remaining useful life.

**17.11 AGEING ANALYSIS & PROVISION FOR LOSSES ON MICRO CREDIT ADVANCES:**

**17.11.1 PROVISION ON LOANS DISBURSED BY CO. THROUGH ITS OWN / BORROWED FUNDS:**

As generated from the computer software being used by the company and authenticated by the management of the company following is the summary of ageing analysis and provision against losses in Micro Credit advances:-

Ageing Period	As at 31st March 2023				As at 31st March 2022			
	No. of Loans	O/S Balance	Rate	Provision	No. of Loans	O/S Balance	Rate	Provision
Current Loan (with no past dues)	5,162	10,63,05,348	1%	10,63,053	3,797	9,50,83,865	1%	9,50,839
0-30 days past due	8	80,547	10%	8,055	108	9,27,022	10%	92,702
31-60 days past due	1	3,915	15%	587	100	5,50,208	15%	82,531
61-90 days past dues	2	4,406	15%	661	111	6,36,956	15%	95,543
<b>Total</b>	<b>5,173</b>	<b>10,63,94,216</b>		<b>10,72,356</b>	<b>4,116</b>	<b>9,71,98,051</b>		<b>12,21,615</b>



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**17.11.2 ON LOANS DISBURSED BY CO. THROUGH AROHAN'S FUNDS (MANAGAED PORTFOLIO):**

Following is the summary of ageing analysis and provision against losses in Micro Credit advances disbursed out of Arohan's funds:-

Ageing Period	As at 31st March 2023				As at 31st March 2022			
	No. of Loans	O/S Balance	Rate	Provision	No. of Loans	O/S Balance	Rate	Provision
Current Loan (with no past dues)	8,442	25,69,59,519	1%	25,69,595	8,463	19,83,31,403	1%	19,83,314
0-30 days past due	13	2,60,795	5%	13,040	142	18,71,066	5%	93,553
31-60 days past due	2	18,728	10%	1,873	28	3,44,544	10%	34,454
61-90 days past due	-	-	15%	-	-	-	15%	-
<b>Total</b>	<b>8,457</b>	<b>25,72,39,042</b>		<b>25,84,508</b>	<b>8,633</b>	<b>20,05,47,013</b>		<b>21,11,321</b>

**17.11.3 ON LOANS DISBURSED BY CO. THROUGH AVANTI FINANCE FUNDS (MANAGAED PORTFOLIO):**

Following is the summary of ageing analysis and provision against losses in Micro Credit advances disbursed out of Avanti funds:-

Ageing Period	As at 31st March 2023				As at 31st March 2022			
	No. of Loans	O/S Balance	Rate	Provision	No. of Loans	O/S Balance	Rate	Provision
Current Loan (with no past dues)	5,042	16,12,25,708	1%	16,12,257	414	1,48,44,986	1%	1,48,450
0-30 days past due	0	0	5%	0	0	0	5%	0
31-60 days past due	0	0	10%	0	0	0	10%	0
61-90 days past due	0	0	15%	0	0	0	15%	0
<b>Total</b>	<b>5,042</b>	<b>16,12,25,708</b>		<b>16,12,257</b>	<b>414</b>	<b>1,48,44,986</b>		<b>1,48,450</b>

Such provision has been considered sufficient and reasonable by the management of the company.

**17.12 BUY BACK OF SHARES:**

During F.Y.2020-21) the company, as per Section 68 and other relevant provisions / relevant rules of the Companies Act, 2013 has bought back its 81,804, equity shares from its one of major shareholder. All legal compliance have been made in this regard, as per the Companies Act, 2013 and all necessary approvals from MCA have been received.

**17.13** There are no micro and small enterprises to whom the Company owes dues, which are outstanding for more than 45 days on the date of Balance Sheet. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. The Auditors have relied this upon. . Further, as informed no such Interest was due to any supplier during the year and no such interest has been paid.

**17.14** Estimated amount of contracts remaining to be executed on capital account, not provided for Rs. NIL.

**17.15** Claims against the company not acknowledged as debts Rs. NIL.

**17.16** Balances of various Sundry Creditors & other parties are subject to confirmation.



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**17.17 CONTINGENT LIABILITIES:**

For loans disbursed by Arohan to the JLGs through the company to the extent of total loans outstanding of Rs 2572.39 Lacs as on 31.03.2023.

For loans disbursed by Avanti to the JLGs through the company to the extent of total loans outstanding of Rs 1612.26 Lacs as on 31.03.2023.

**ADDITIONAL DISCLOSURES****17.18 PROMOTER'S SHAREHOLDING:**

Shares held by promoters at the end of the year

S.no.	Name	No. of Shares*		%of Total Shares	% change during the year
		As on 31.3.2022	As on 31.03.2023		
1	Sh. K.N. Tiwari	1,40,020	1,50,020	61.13%	+ 4.08 % added

**17.19 TRADE PAYABLES AGEING SCHEDULE:**

Particulars	Outstanding for following periods from due date of payment			
	Less than 1year	1-2 years	2-3 years	More than 3 years
(1) MSME	-	-	-	-
(2) Others	-	-	-	-
(3) Disputed dues-MSME	-	-	-	-
(4) Disputed dues-Others	-	-	-	-

**17.20 TRADE RECEIVABLES AGEING SCHEDULE:**

Particulars	Outstanding for following periods from the date of payment^			
	Less than 6 months	6m to 1 year	1-2 year	2-3 years
(1) Undisputed Trade receivables	--	-	-	-
Considered good				
(2) Undisputed Trade receivables-	-	-	-	-
Considered doubtful				
(3) Disputed Trade Receivables	-	-	-	-
Considered Good				
(4) Disputed Trade Receivable	-	-	-	-
Considered Doubtful				

**17.21 Title deeds of Immovable Property not held in name of the company:**

There is no such property in company as on 31.03.2021 & 31.03.2022. Hence no details are required to be disclosed.

**17.22 DISCLOSURE ON REVALUATION OF ASSETS:**

No revaluation of assets has been done during the year under audit and preceding year.

**17.23 Loans or Advances granted to Promoters, Directors, KMPs and the Related Parties:**

No loan or advances have been granted to such persons during the current year and preceding year. Hence no details are required to be disclosed.

**17.24 CAPITAL WORK-IN PROGRESS (CWIP)**

There is no such capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan.



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**17.25 INTANGIBLE ASETS UNDER DEVELOPMENT:**

There is no case of intangible assets under development. Hence no details are required to be disclosed.

**17.26 DETAILS OF BENAMI PROPERTY HELD:**

No such property is held by the company as on 31.03.2022 & 31.03.2023. Hence no details are required to be disclosed.

**17.27 WORKING CAPITAL/BORROWINGS:**

The company has borrowings from certain Private Finance companies (NBFCs) on the basis of security of current assets. Quarterly returns or statements of current assets, filed by the company, wherever required to be filed, are in agreement with the books of account.

**17.28 WILFUL DEFAULTER & END USE OF FUNDS:**

As informed and confirmed by the Management, the company has not been declared willful defaulter by any Bank or Financial Institute or other Lender. Hence no details are required to be disclosed.

**17.29 BORROWINGS FROM BANKS & FINANCIAL INSTITUTIONS:**

Loans obtained from the NBFCs have been used for the purposes for which same have been taken.

**17.30 SOLVENCY:**

Ratios	Numerator	Denominator	Numerator Amount	Denominator Amount	Current Year Ratios
(a) Current Ratio,	Current Assets	Current Liabilities	12,87,64,180	2,33,93,438	5.50
(b) Debt-Equity Ratio,	Total Debt (Long term)	Total Equity	43,77,274	24,54,130	1.78
(c) Debt Service Coverage Ratio,	EBIDT	Installments for the year	2,18,47,509	2,42,98,686	0.90
(d) Return on Equity Ratio,	Net Income	Equity	1,56,64,188	24,54,130	6.38
(h) Net Capital Turnover Ratio,	ST+LT Debt	Equity+ST+LT Debt	3,83,53,125	4,08,07,255	0.94
(i) Net Profit Ratio,	Net Profit	Total Revenue	1,56,64,188	6,15,02,119	0.25
(j) Return on Capital Employed,	EBIT	Equity+LT Debt	2,13,62,161	68,31,404	3.13
(e) Inventory Turnover Ratio,	COGS	Avg. Inventory	N.A	N.A	N.A
(f) Trade Receivables Turnover Ratio,	Net Annual Credit Sales	Average Trade Receivables	-	-	-
(g) Trade Payables Turnover Ratio,	Net Credit Purchase	Average A/c Payable	-	-	-
(k) Return on Investment	Return	Investment	-	-	-



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**17.31 UTILIZATION OF BORROWED FUNDS AND SHARE PREMIUM:**

The company is a MFI and has borrowed from certain NBFCs for the purpose of further micro – financing. The borrowed fund have been utilized for purpose of further micro- financing to general public. There is no share premium and its utilization.

**17.32 RELATIONSHIP WITH STRUCK OFF COMPANIES:**

As informed and confirmed by the management, there is no relationship of Company with any struck off companies.

**17.33 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR.**

Settlement of two charges of Punjab National Bank amounting to Rs. 2.00 crore each regd. On 27.03.2010 & 29.12.2011 are yet to be registered. As informed it happened due to human error.

**17.34 COMPLIANCES WITH NUMBER OF LAYERS OF COMPANIES:**

There are no such companies. Hence no details are required to be disclosed.

**17.35 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS:**

There is no such scheme approved by any competent authority.

**17.36 UNDISCLOSED INCOME:**

There is no such transaction not recorded in books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

**17.37 CORPORATE SOCIAL RESPONSIBILITY (CSR):** Not applicable

**17.38 CRYPTO CURRENCY OR VIRTUAL CURRENCY:**

The company has not traded or invested in Crypto Currency or Virtual currency during the year.

**17.39** Previous year's figures have been regrouped / reclassified, wherever necessary.



  
**K.N. Tiwari**  
(DIN: 01311641)  
**Managing  
Director**

  
**Riyasat Ali**  
(DIN: 08339410)  
**Director**



## DISHA INDIA MICRO CREDIT

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

#### Note no. 18: SIGNIFICANT ACCOUNTING POLICIES:

##### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under the historical cost convention and assuming the principles of going concern. The statements have been prepared on mercantile system and all income and expenditure having a material bearing on the financial statements are recognized on accrual basis to the extent possible and ascertainable.

##### 2. FIXED ASSETS:

Fixed assets taken over from the Society (Disha Social Organisation), during F.Y. 2008-09, are stated at book value of transfer. The assets acquired by the company are stated at cost of acquisition including expenses related to acquisition.

Fixed assets acquired out of Grant received from SIDBI, in previous years have been charged to Income & Expenditure account under expenditure against Grant head, in respective years. Since the assets are long term assets and property of the company, the same have also been included in Fixed Assets and Capital Reserve in Assets and Liabilities sides of Balance Sheet respectively, in year of receipt. During the F.Y. 2020-21, no asset has been acquired out of grant funds.

##### 3. DEPRECIATION:

###### TANGIBLE ASSETS:

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written down Value (WDV) method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

###### INTANGIBLE ASSETS:

Computer Software is being amortized over a period of 3 years.

Depreciation on assets acquired out of Grant received from SIDBI has not been charged to Income and Expenditure account. To provide for wear and tear and to arrive at fair value of the related assets, the depreciation is reduced from the value of assets and capital reserve in Balance Sheet.

##### 3. CLASSIFICATION OF MICRO ADVANCES PORTFOLIO:

###### LOANS AGAINST OWN/ BORROWED FUNDS:

For loans against own/ borrowed funds, all micro credit advances with no over dues and those overdue up to 30 days are classified as Standard and those with overdue beyond 30 days and up to 90 days are classified as Substandard. Micro credit advances overdue beyond 91 days, if any, are treated as Bad debts and charged to Income and Expenditure a/c.



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#### **LOANS AGAINST MANAGED PORTFOLIO (THROUGH AROHAN & AVANTI):**

For managed portfolio (through Arohan & Avanti) micro credit advances with no over dues and those overdue upto 30 days are classified as Standard and those with overdue beyond 30 days are classified as Sub standard. Details of Provisions in this regard are disclosed at note no. 17.11.

#### **4. REVENUE RECOGNITION:**

- a) Income from standard / performing Micro Credit advances to SHGs and JLGs is recognised on accrual basis.
- b) Income from non performing Micro Credit advances (including rescheduled accounts if any) is recognised only on receipt basis.
- c) Recovery of loans, provided as Bad debts in earlier years or current year, is treated as income in year of receipt.

#### **5. GRANTS:**

- a) Grants are recognized in the financial statements only when the same are received by the company.
  - b) Grants received are shown as income of company and its utilization is shown as expenses in Income and Expenditure account. During the year no grant has been received by the company.
6. Note nos. 01 to 18 are duly authenticated & verified by the management of the company.

#### **FOR M.K. GUPTA & ASSOCIATES**

Chartered Accountants  
Firm Registration no.: 001618C

**(CA. Mahesh Kumar Gupta)**

Proprietor  
Membership no.: 070783

PLACE: SULTANPUR CHILKANA

DATED: 22.08.2023

#### **FOR DISHA INDIA MICRO CREDIT**

  
**(K.N. Tiwari)**  
DIN: 01311641  
Managing  
Director

  
**(Riyasat Ali)**  
DIN: 08339410  
Director

