



**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, 2021, 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").

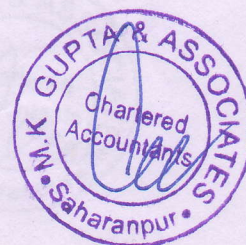
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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.

**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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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.

**For M.K. GUPTA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

Firm Registration No: 001618C

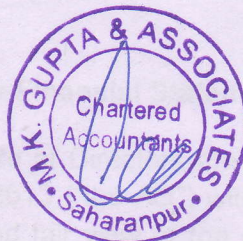
  
**(CA Mahesh Kumar Gupta)**

Proprietor

Membership no. 070783

Place: SULTANPUR - CHILKANA

Dated: 06.09.2021



UDIN: 21070783AAAABC5742



**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, 2021**

		(Amount in Rs.)	
PARTICULARS	Note No.	As on 31.03.2021	As on 31.03.2020
<b>I. EQUITY &amp; LIABILITIES:</b>			
<b>(1) SHARE HOLDERS' FUNDS</b>			
(a) Share Capital	1	2,454,130.00	3,272,170.00
(b) Reserves and Surplus	2	77,008,509.06	70,237,507.84
<b>2. NON CURRENT LIABILITIES:</b>			
(a) Long term borrowings	3	4,118,971.56	6,970,728.00
<b>3. CURRENT LIABILITIES:</b>			
(a) Other current liabilities	4	15,238,425.01	15,281,722.03
(b) Short term provisions	5	5,546,676.00	4,957,413.00
<b>TOTAL</b>		<b>104,366,711.63</b>	<b>100,719,540.87</b>
<b>II. ASSETS:</b>			
<b>1. NON CURRENT ASSETS:</b>			
<b>(a) Property, Plant &amp; Equipments:</b>			
Tangible Assets	6 A	1,926,595.28	2,667,246.28
Intangible Assets	6 B	112,692.00	116,441.00
(b) Other non-current assets	7	18,902,279.99	18,802,399.35
<b>2. CURRENT ASSETS:</b>			
(a) Cash and cash equivalents	8	2,853,670.45	7,561,832.57
(b) Short term loans & advances	9	68,835,892.00	54,092,182.00
(c) Other Current Assets	10	11,735,581.91	17,479,439.67
<b>TOTAL</b>		<b>104,366,711.63</b>	<b>100,719,540.87</b>
Other notes	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: 06.09.2021

UDIN: 21070783AAAABC5742

(K.N. Tiwari) (Riyasat Ali) (Tasneem Bano)  
 DIN:01311641 DIN:08339410 DIN:09214180  
 Managing Directors  
 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, 2021**

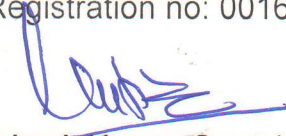
(Amount in Rs.)

PARTICULARS	Note No.	Year ended 31.03.2021	Year ended 31.03.2020
<b>INCOME:</b>			
I. - Revenue from operations	11	36,668,181.80	63,208,658.00
II. - Other income	12	1,785,459.99	3,458,070.55
<b>Total revenue (I + II)</b>		<b>38,453,641.79</b>	<b>66,666,728.55</b>
<b>III EXPENDITURE:</b>			
- Employee benefit expenses	13	18,321,520.42	31,318,979.46
- Finance Costs	14	2,218,196.10	435,500.28
- Depreciation and amortization expense	15	775,855.00	1,160,555.00
- Other expenses	16	10,360,889.05	17,506,316.80
<b>Total expenditure</b>		<b>31,676,460.57</b>	<b>50,421,351.54</b>
<b>SURPLUS BEFORE TAX:</b>		<b>6,777,181.22</b>	<b>16,245,377.01</b>
VI. Tax expense		0	0
VII. Surplus after tax		<b>6,777,181.22</b>	<b>16,245,377.01</b>
<b>IX EARNINGS PER EQUITY SHARE:</b>			
(i) Basic		27.63	49.65
(ii) Diluted		27.63	49.65
<b>Other notes</b>	17		
<b>Significant accounting policies</b>	18		

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

**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: 06.09.2021  
 PLACE: Sultanpur-Chilkana  
 UDIN: 21070783AAAABC5742

**FOR DISHA INDIA MICRO CREDIT**

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

   
**(Riyasat Ali) (Tasneem Bano)**  
 DIN:08339410      DIN:09214180  
 Directors





**DISHA INDIA MICRO CREDIT**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

(Amount in Rs.)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
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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	5,000,000.00
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**Issued, Subscribed & paid-up Share Capital**

2,45,413 Equity Shares of Rs.10/- fully paid up	2,454,130.00	3,272,170.00
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(Last year 3,27,217 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: :**

	As on 31.03.2020		Transaction during the year		As on 31.03.2021	
Name of the share holder	No. of shares	% held	No. of shares		No. of shares	% held
Disha Social Organisation	2,47,197	75.55	(2,47,197)		0	0
Sh. K.N. Tiwari	40,010	12.23	1,00,010		1,40,020	57.05
Sh. Rehtu Lal	20,000	6.11	0		20,000	8.15
Sh. Apporv Garg	20,000	6.11	0		20,000	8.15
Smt. Preeti Aggarwal	0	0	65,393		65,393	26.65

(figures in bracket represent reduction in shares due to buy back and transfer)

**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)	75,395.00	85,365.00
Less: Depreciation charged	(6,180.00)	(9,970.00)
	<b>69,215.00</b>	<b>75,395.00</b>

**(b) GENERAL RESERVE**

- Balance c/f from previous year	53,395,278.02	39,627,990.75
- Transferred from surplus in Income & Exp. a/c	16,245,377.01	13,767,287.27
- Transferred to Capital Redemption Reserve	(818,040.00)	

Total (b) **68,822,615.03** **53,395,278.02**

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

- Balance c/f from previous year	16,766,834.82	14,288,745.08
- Current year surplus / deficit	6,777,181.22	16,245,377.01
- Less: Appropriations		
- Transferred to General reserve	(16,245,377.01)	(13,767,287.27)

Total (c) **7,298,639.03** **16,766,834.82**

**(d) CAPITAL REDEMPTION RESERVE:**

(due to buy back of equity shares during the year) Total (d) **818,040.00**

Total (a+b+c+d) **77,008,509.06** **70,237,507.84**



Directors

*Handwritten signatures and names: Anur, Preeti, Tamkeen*



**DISHA INDIA MICRO CREDIT**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

(Amount in Rs.)

**3. LONG TERM BORROWINGS**

**Secured**

	As at 31.03.2021	As at 31.03.2020
- Term Loan from Samunnati Financial Intermediation & Services Pvt. Ltd.	3,298,152.56	5,858,914.00
- Term Loan From Canara Bank (Auto Loan)	820,819.00	1,111,814.00
<b>Total</b>	<b>4,118,971.56</b>	<b>6,970,728.00</b>

3.1 Term loans from Samunnati Financial Intermediation & Services Pvt. Ltd. are secured by hypothecation of receivables, personal guarantee 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 Canara Bank is secured against vehicle purchased by company from this loan.

3.3 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 31.03.21	2021-22	2022-23	2023-24
1	Canara Bank (Auto Loan)	11,54,878	3,34,059	3,65,940	4,54,879
2	Samunnati Financial Intermediation & Services Pvt. Ltd.	1,47,49,598	1,14,51,444	32,98,154	0

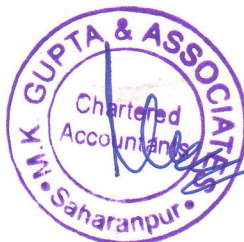
3.4 There is no continuing default as on the date of Balance Sheet in repayment of loans and interest

**4. OTHER CURRENT LIABILITIES:**

**Current maturity of long term debts**

	As at 31.03.2021	As at 31.03.2020
a) Term Loan from Samunnati Financial Intermediation & Services Pvt. Ltd.	11,451,445.00	4,141,086.00
b) Term Loan From Canara Bank (Auto Loan)	334,059.00	329,647.00
- Security from staff members & others	1,861,050.00	1,983,050.00
- Insurance Premium payable	763,949.00	3,878,209.00
- Interest accrued but not due on borrowings	144,837.00	182,192.00
- Funding from Yes Bank & Arohan (to be disbursed to SHGs / JLGs)	-	421,362.00
- Yes Bank & Arohan Instalments payable	63,661.00	3,494,348.81
- Other payables	619,424.01	851,827.22

<b>Total</b>	<b>15,238,425.01</b>	<b>15,281,722.03</b>
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Directors

Tameen



**DISHA INDIA MICRO CREDIT**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

(Amount in Rs.)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
<b>5. SHORT TERM PROVISIONS:</b>		
a) Provisions for employee benefits	2,030,330.00	1,905,081.00
b) Others (auditors remuneration)	127,000.00	127,000.00
c) Provision for losses in Micro advances (th. Yes Bank & Arohan)	3,389,346.00	2,925,332.00
<b>Total</b>	<b>5,546,676.00</b>	<b>4,957,413.00</b>
<b>7. OTHER NON - CURRENT ASSETS:</b>		
a) Fixed deposits with Yes Bank, PNB & Canara Bank (Pledged) (See note no. 17.3)	18,867,890.99	18,127,760.35
c) Security deposit with Disha Social Organization	-	620,000.00
d) Security deposit with others	34,389.00	54,639.00
<b>Total</b>	<b>18,902,279.99</b>	<b>18,802,399.35</b>
<b>8. CASH AND CASH EQUIVALENTS:</b>		
- Cash in hand ( Including cash at Branches)	173,205.00	408,280.00
- Balances with Scheduled Banks(current & saving accounts)	2,680,465.45	7,153,552.57
<b>Total</b>	<b>2,853,670.45</b>	<b>7,561,832.57</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)	69,002,787.00	53,695,837.00
Less: Provision for losses in Micro Finance Advances	(805,451.00)	(536,958.00)
	<b>68,197,336.00</b>	<b>53,158,879.00</b>
- Loans & advances to staff and others (including prepaid expenses)	638,556.00	933,303.00
<b>Total</b>	<b>68,835,892.00</b>	<b>54,092,182.00</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	99,035.00	10,750.00
b) Interest accrued but not due on MFI advances	437,013.00	426,614.00
c) Income tax deducted at source (refundable)	6,254,632.67	9,869,352.67
d) Fees /Commission receivable from Yes Bank & Arohan	3,338,672.00	1,976,149.00
e) Other Assets	350,729.24	196,574.00
f) Margdarshak Financial Service Ltd.	1,255,500.00	5,000,000.00
<b>Total</b>	<b>11,735,581.91</b>	<b>17,479,439.67</b>
<b>11. REVENUE FROM OPERATIONS:</b>		
a) Interest on Micro Finances advances	11,303,549.00	5,159,076.00
b) File documentation charges	681,909.00	708,820.00
c) Fees /Commision from Yes Bank & Arohan on MFI Loans	23,046,009.00	57,340,762.00
d) Recovery of Bad debts	1,636,714.80	-
<b>Total</b>	<b>36,668,181.80</b>	<b>63,208,658.00</b>



Directors

Tameen



**DISHA INDIA MICRO CREDIT**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

**NOTE NO. 6: FIXED ASSETS**

PARTICULARS	ORIGINAL COST		DEPRECIATION			WRITTEN DOWN VALUE			
	As on 1.4.20	Additions/Deletion during the year	Total cost	Upto 31.03.20	During the Year	Total upto 31.03.21	Adjusted in 14-15 **	As on 31.3.20	As on 31.3.21
A. TANGIBLE ASSETS									
i) GENERAL									
Car (Bolero -SLX)	763,000		763,000	659,499	32,323	691,822	-	103,501	71,178
Car (Innova - Crysta)	2,174,846		2,174,846	678,730	467,237	1,145,967	-	1,496,116	1,028,879
Computers & Printers	2,363,368	13,136	2,376,504	2,151,646	60,550	2,212,196	18,354	193,368	145,954
Furniture and Fixtures	1,154,761	5,500	1,160,261	843,016	79,702	922,718	-	311,745	237,543
Generator	84,915		84,915	73,534	2,261	75,795	-	11,381	9,120
Motor Cycles	407,045		407,045	363,438	7,753	371,191	-	43,607	35,854
Electrical Gadgets	1,323,593	2,500	1,326,093	978,472	87,432	1,065,904	-	345,121	260,189
Mobile	110,922	16,499	127,421	91,473	9,390	100,863	-	19,449	26,558
Solar Power System	32,400		32,400	11,454	5,423	16,877	-	20,946	15,523
Air Conditioner	95,303		95,303	42,613	13,350	55,963	-	52,690	39,340
CCTV Camera	10,809.00		10,809	224	6,685	6,909	-	10,585	3,900
TOTAL (i)	8,520,962	37,635	8,558,597	5,894,099	772,106	6,666,205	18,354	2,608,509	1,874,038
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
Photostat Machine	174,427	-	174,427	165706	-	165,706	-	8721	8,721
Office Furniture/ Infrastructure	216,983	-	216,983	196803	3,286	200,089	-	20180	16,894
Electrical Equipment	58,725	-	58,725	50017	2,034	52,051	-	8708	6,674
Paper Bowl & Plate Machines	33,221	-	33,221	28918	860	29,778	-	4303	3,443
TOTAL (ii)	819,856	-	819,856	755,732	6,180	761,912	5,386	58,738	52,558
TOTAL (A) (i+ii)	9,340,818	37,635	9,378,453	6,649,831	778,286	7,428,117	23,740	2,667,247	1,926,596
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-Firmo)	808,500	-	808,500	768,075	-	768,075	-	40,425	40,425
Software (HR)	13,000	-	13,000	7,064	3,749	10,813	-	5,936	2,187
TOTAL (B) (i)	1,889,950	-	1,889,950	1,777,280	3,749	1,781,029	12,886	99,784	96,035
ii) AGAINST GRANT:									
Computer Software	333,135	-	333,135	300,068	-	300,068	16,410	16,657	16,657
TOTAL (B) (ii)	333,135	-	333,135	300,068	-	300,068	16,410	16,657	16,657
TOTAL (B) (i+ii)	2,223,085	-	2,223,085	2,077,348	3,749	2,081,097	29,296	116,441	112,692
GRAND TOTAL (A+B)	11,563,903	37,635	11,601,538	8,727,179	782,035	9,509,214	53,036	2,783,688	2,039,288
Previous Year figures	11,181,659	382,244	11,563,903	7,556,654	1,170,525	8,727,179	53,036	3,571,969	2,783,688

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 TO BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in Rs.)

PARTICULARS	As on 31.03.21	As on 31.03.20
<b>12. OTHER INCOME:</b>		
a) Interest on FDRs with Banks	1,245,833.00	2,281,541.78
b) Interest & other income *	539,626.99	1,176,528.77
<b>Total</b>	<b>1,785,459.99</b>	<b>3,458,070.55</b>
* Includes interest on Bank a/cs, Security deposit & loan to staff.		
<b>13. EMPLOYEE BENEFIT EXPENSES:</b>		
- Salaries	10,935,296.00	17,344,645.00
- Bonus	788,674.00	1,365,798.00
- Gratuity	301,714.00	247,211.00
- Other Allowances	3,157,835.00	5,543,163.00
- Incentive	1,148,988.00	2,451,650.00
- Staff training & meetings	76,429.00	127,985.00
- Staff welfare, Insurance premium & others	682,263.42	1,510,756.46
- Employees provident fund, ESI & admn. Exp.	1,230,321.00	2,727,771.00
<b>Total</b>	<b>18,321,520.42</b>	<b>31,318,979.46</b>
<b>14. FINANCE COSTS:</b>		
- Interest on term loans	2,118,196.10	327,643.28
- Other borrowing costs (Loan processing fees etc.)	100,000.00	107,857.00
	<b>2,218,196.10</b>	<b>435,500.28</b>
<b>15. DEPRECIATION AND AMORTIZATION EXPENSE:</b>		
- Depreciation (see note no. 6A)	775,855.00	1,160,555.00
- Amortization of intangible assets (see accounting policy no. 3)	0.00	-
	<b>775,855.00</b>	<b>1,160,555.00</b>
<b>16. OTHER EXPENSES:</b>		
<b>Administration, Establishment &amp; other Expenses:</b>		
- Bad debts	3,578,358.00	5,401,072.00
- Bank charges	131,382.71	675,437.57
- Interest on Security	253,419.00	267,751.00
- Professional & Certification charges	2,028,315.00	1,592,500.00
- Insurance (Cash, Vehicles & fidelity))	159,184.00	196,162.00
- Loss of cash by Loot / Theft	0.00	432,795.00
- Misc. & other expenses	779,439.97	1,368,759.61
- Payment to auditors	127,000.00	127,000.00
- Provision for losses made against MFI advances	732,507.00	3,382,264.00
- Electricity Exp. (H.O. & Branches)	206,083.00	202,320.50
- Rent (H.O. & Branches)	880,300.00	1,610,550.00
- Repair & maintenance	251,656.00	361,911.94
- Stationery & printed forms etc.	274,733.68	567,277.96
- Software maintenance	309,640.00	365,640.00
- Remuneration to Independent Director(s)	0.00	146,000.00
- Travelling, conveyance & vehicle running (including Directors)	648,870.69	1,108,875.22
	<b>10,360,889.05</b>	<b>17,506,316.80</b>
<b>16.1 PAYMENT TO AUDITORS AS :</b>		
a) Auditors - Statutory Audit fees	125,000.00	125,000.00
c) Reimbursement of exp.	2,000.00	2,000.00
<b>Total</b>	<b>127,000.00</b>	<b>127,000.00</b>



Directors

*Rama Sati*  
*Tamcen*



## DISHA INDIA MICRO CREDIT

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

##### 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 19,000 nos. as on 31.03.21 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:

Fixed deposits along with interest accrued thereon are pledged with the respective Financial Institutions (Yes Bank & Arohan Financial Services Ltd.) against the loans provided by them to the borrowers under Business Correspondence arrangement.

##### 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. 2020-21 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. 2020-21	F.Y. 2019-20
- Profit/Loss after tax	Rs. 67,77,181	Rs. 1,62,45,377
- Total no. of equity shares	2,45,413	3,27,217
- EPS (basic)	Rs. 27.63	Rs. 49.65
- EPS (diluted)	Rs. 27.63	Rs. 49.65



Directors

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*[Signature]*



**17.7 (A) AGREEMENT WITH YES BANK:**

The company has been acting as "Business Correspondent" (BC) of Yes Bank Ltd. since Financial year 2011-12, & providing its services for forming and nurturing of Self help groups, collection and evaluation of the loan applications from SHGs, getting release of loan from the Bank and collection of repayment from the SHGs. Funds from Yes Bank are secured by hypothecation of FDRs (FLDGs) of equal to 5% of funds from the Bank.

**(B) 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.

**17.8 CONFIRMATION FROM YES BANK & AROHAN:**

Various figures and balances related to Yes Bank Ltd. & Arohan Financial Services Ltd. (like total disbursement made, total repayment of principal and interest, Principal outstanding and overdues as on 31.03.2021) and balance of FLDGs 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 5,92,500/- 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.



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*Signature*

*Tameen*



## 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:

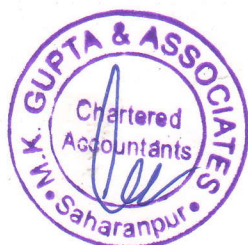
As generated from the computer software being used by the company and authenticated by the management of the company following is the summary of ageing analysis and provision against losses in Micro Credit advances:-

Ageing Period	As at 31st March 2021				As at 31st March 2020			
	No. of Loans	O/S Balance	Rate	Provision	No. of Loans	O/S Balance	Rate	Provision
Current Loan (with no past dues)	3688	6,78,92,498	1%	6,78,924	2560	5,36,95,837	1%	5,36,958
0-30 days past due	34	4,41,615	10%	44,161	0	0	10%	0
31-60 days past due	25	3,09,970	15%	46,496	0	0	15%	0
61-90 days past dues	21	2,39,130	15%	35,870	0	0	15%	0
<b>Total</b>	<b>3768</b>	<b>6,88,83,213</b>		<b>8,05,451</b>	<b>2560</b>	<b>5,36,95,837</b>		<b>5,36,958</b>

### 17.11.2 ON LOANS DISBURSED BY CO. THROUGH YES BANK'S FUNDS (MANAGED PORTFOLIO):

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

Ageing Period	As at 31st March 2021				As at 31st March 2020			
	No. of Loans	O/S Balance	Rate	Provision	No. of Loans	O/S Balance	Rate	Provision
Current Loan (with no past dues)	3,933	9,53,85,072	1%	9,53,851	3,845	7,66,61,546	1%	7,66,615
0-30 days past due	40	6,10,671	5%	30,533	5	25,805	5%	1,290
31-60 days past due	10	1,64,919	10%	16,492	7	66,456	10%	6,646
61-90 days past due	18	1,94,717	15%	29,208	1	31,729	15%	4,759
91-180 days past due	0	0	0	0	2	17,359	20%	3,472
181-365 days past due	0	0	0	0	0	0	25%	0
>365 days past due	0	0	0	0	0	0	25%	0
<b>Total</b>	<b>4,001</b>	<b>9,63,55,379</b>		<b>10,30,084</b>	<b>3,860</b>	<b>7,68,02,895</b>		<b>7,82,783</b>



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**17.11.3 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 2021				As at 31st March 2020			
	No. of Loans	O/S Balance	Rate	Provision	No. of Loans	O/S Balance	Rate	Provision
Current Loan (with no past dues)	10,685	22,31,09,140	1%	22,31,091	13,038	21,36,07,460	1%	21,36,075
0-30 days past due	90	10,26,214	5%	51,311	5	1,07,674	5%	5,384
31-60 days past due	50	6,15,849	10%	61,585	1	10,900	10%	1,090
61-90 days past due	7	1,01,833	15%	15,275	0	0	15%	0
<b>Total</b>	<b>10,832</b>	<b>22,48,53,036</b>		<b>23,59,262</b>	<b>13,044</b>	<b>21,37,26,034</b>		<b>21,42,549</b>

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

**17.12 BUY BACK OF SHARES:**

During the year the company, as per Section 68 and other relevant provisions / relevant rules of the Companies Act, 2013 has proposed buy back of its equity shares (not exceeding 25 % of the issued, subscribed and paid up capital of the company), in month of February 2021. Consequently Disha Social Organisation, the major shareholder of the company, tendered 82,350 equity shares for buy back. Out of this 81,804 shares were accepted for buy back. None of the other shareholders tendered their shares for buy back. 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 As per the Micro, Small Medium Enterprises Development Act, 2006 the entity is required to identify the Micro, Small and Medium suppliers and pay them interest on overdues beyond the specified period irrespective of the terms agreed with the suppliers. As informed by the directors, there is no such supplier / creditor as on date of Balance Sheet. 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.

**17.16 CONTINGENT LIABILITIES:**

For loans disbursed by the YES Bank Ltd to the SHGs/ JLGs through the company: Rs. 48.18 lacs (to the extent of 5% of total outstanding of Rs 963.55 Lacs) as on 31.03.2021 (Total o/s is as per software of company).

For loans disbursed by Arohan to the SHGs through the company: Rs. 337.28 lacs (to the extent of 15% of total outstanding of Rs 2248.53 Lacs) as on 31.03.2021.

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



Directors

*[Signature]* *[Signature]* *[Signature]*



## DISHA INDIA MICRO CREDIT

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

#### 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:

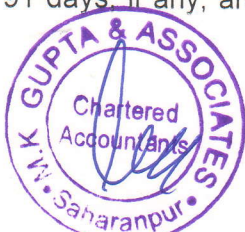
Computer Software is being amortized over a period of 3 years.

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.



Signature: *Anam*  
Signature: *Amna 21 Tameeb*



#### LOANS AGAINST MANAGED PORTFOLIO (THROUGH YES BANK & AROHAN):

For managed portfolio (through Yes Bank & Arohan) 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:

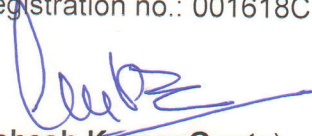
- a) Income from standard / performing Micro Credit advances to SHGs and JLGs is recognised on accrual basis.
- b) Income from non performing Micro Credit advances (including rescheduled accounts if any) is recognised only on receipt basis.
- c) Recovery of loans, provided as Bad debts in earlier years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

#### 5. GRANTS:


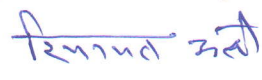

- a) Grants are recognized in the financial statements only when the same are received by the company.
  - b) Grants received are shown as income of company and its utilization is shown as expenses in Income and Expenditure account.
6. Note nos. 01 to 18 are duly authenticated by the management of the company.

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

Chartered Accountants  
Firm Registration no.: 001618C

  
(CA. Mahesh Kumar Gupta)  
Proprietor  
Membership no.: 070783

#### FOR DISHA INDIA MICRO CREDIT

    
(K.N. Tiwari) (Riyasat Ali) (Tasneem Bano)  
Managing Directors  
Director

PLACE: SULTANPUR CHILKANA

DATED: 06.09.2021

