

RAY & RAY

CHARTERED ACCOUNTANTS

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Auditor's Certificate

We have audited the account of MICRO FINANCE INDUSTRY NETWORK (erstwhile MICRO FINANCE INSTITUTIONS NETWORK), having its registered office situated at Suite 202, Subishi Plaza Complex, H. No. 1-111/3/C, Kondapur, Hyderabad, Telangana – 500084, having Registration No. 368140033 dated 05-06-2023 in Hyderabad, for the financial year ending **31st March 2025** and examined all relevant books & vouchers and certify that according to audited accounts.

- i) The brought forward foreign contribution at the beginning of financial year was **Rs. 6,30,924.**
- ii) Foreign contribution of/worth **Rs. 2,29,19,600** was received by the association during the financial year **2024-2025.**
- iii) Interest accrued on foreign contribution and other receipts derived from foreign contribution or interest thereon of/worth **Rs. 1,98,806** was received by the association during the financial year **2024-2025.**
- iv) The balance of unutilized foreign contribution with the association at the end of financial year **2025** was **Rs. 5,42,855.**
- v) Certified that the association has maintained the accounts of foreign contributions and records relating thereto in the manner specified in sec. 19 of the Foreign Contribution (Regulation) Act 2010, (42 of 2010) read with the rule 17 of the Foreign Contribution (Regulations) Rules, 2011.
- vi) The information in this certificate and in the enclosed Balance Sheet and statement of Receipts & Payment and Income & Expenditure is correct as checked by us.
- vii) The association has utilized the foreign contribution received for the purpose(s) for which it is registered under Foreign Contribution (Regulation) Act, 2010 (42 of 2010).

"We have examined all relevant books and records, and I hereby certify the following activities/project wise and location wise details of receipt and utilisation of foreign contribution: -

Sl. No.	Name of project/ activity	Address/ location	Previous balance		Receipt during the year		Utilised		Balance	
			in cash	in kind	In cash	in kind	in cash	in kind	in cash	in kind
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Scaling up of Payment solutions For enabling microfinance Borrowers repay digitally	Gurgaon, Haryana 122003	6,30,924	-	2,31,18,406	-	2,32,06,475	-	5,42,855	



RAY & RAY

CHARTERED ACCOUNTANTS

I have examined all relevant books and records, including the items mentioned in column 8 of FC-4, and to the best of my knowledge and belief MICRO FINANCE INDUSTRY NETWORK (erstwhile MICRO FINANCE INSTITUTIONS NETWORK) has not violated any provisions of the Foreign Contribution (Regulation) Act, 2010 or rules made thereunder or notifications issued thereunder.

Place: New Delhi
Date: 22.12.2025

For RAY & RAY
Chartered Accountants
Firm Registration no. 301072E



(Samir Manocha)

Partner

Membership no. 091479
UDIN- 25091479HQGGIR5061



MICRO FINANCE INDUSTRY NETWORK [MFIN]**Audited Financial Statements (FCRA)****Balance Sheet as at**

Amount in ₹

31-Mar-25 31-Mar-24**I. SOURCES OF FUNDS**

Note No.

RESTRICTED FUNDS**General Funds**

Reserves and surplus

1 1,09,504 1,47,107

Designated Funds

Capital Reserve

2 7,17,718 11,96,197

CURRENT LIABILITIES

Payables & Other Current Liabilities

3 5,36,779 5,33,141

Total**13,64,001 18,76,445****II. APPLICATION OF FUNDS****NON-CURRENT ASSETS****PROPERTY PLANT & EQUIPMENTS AND INTANGIBLE ASSETS**

Property Plant & Equipments

4 1,91,342 2,25,653

Intangible Assets

6,00,701 10,01,168

7,92,043 12,26,821**Current assets, loans and advances**

Cash and bank balances

5 5,42,855 6,30,924

Others Current Assets

6 29,103 18,700

Total [A]**5,71,958 6,49,624****Total****13,64,001 18,76,445****Significant Accounting Policies and Notes to Accounts**

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As per our report of even date

for **Ray & Ray**

Chartered Accountants

Firm Registration no. 301072E

(Samir Manocha)

Partner

M. No.: 091479

**for MICRO FINANCE
INDUSTRY NETWORK****Alok Misra****Dr. Alok Misra
(CEO & Director)**

22nd December 2025 | Gurugram | New Delhi

MICRO FINANCE INDUSTRY NETWORK [MFIN]**Audited Financial Statements (FCRA)***Amount in ₹***Income and Expenditure Account****For the year ended on March 31, 2025** **For the year ended on March 31, 2024****Note No.****INCOME****Income out of Restricted Funds**

Grant Utilised - Recognised as Income	7	2,30,15,824	1,80,76,484
<u>Other Income</u>			
Interest on Saving Bank Account	8	1,03,450	2,787
Interest on Fixed Deposits		95,356	3,99,849
Total		2,32,14,630	1,84,79,120

EXPENDITURE

Employee Benefit Expenses	9	18,00,000	16,46,359
Professional and Consulting Charges	10	1,83,41,572	1,52,51,400
Traveling Expenses	11	5,68,876	1,47,673
Administration Expenses	12	14,64,486	10,31,568
Conference & Meeting Expenses		8,40,892	-
Depreciation & Amortization	4	5,16,080	3,86,671
Total		2,35,31,907	1,84,63,671

Surplus/Deficit**(3,17,276)** **15,449****APPROPRIATION:**

Transfer to Unutilised Grant	1,98,806	4,02,636
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Surplus / (Deficit) transferred to Reserve and Surplus**(5,16,082)** **(3,87,187)****Significant Accounting Policies and Notes to Accounts****13***for Ray & Ray**Chartered Accountants**Firm Registration no. 301072E***(Samir Manocha)***Partner**M. No.: 091479***for MICRO FINANCE INDUSTRY NETWORK***Dr. Alok Misra***Dr. Alok Misra**
(CEO & Director)

22nd December 2025 | Gurugram | New Delhi

MICRO FINANCE INDUSTRY NETWORK [MFIN]**Audited Financial Statements (FCRA)**

		Amount in ₹	
Receipt & Payment Account (FCRA)		For the year ended on March 31, 2025	For the year ended on March 31, 2024
	Note No.		
Opening Balance	5		
(a) Cash in Hand		-	-
(b) Bank Balance		6,30,924	1,82,570
RECEIPT			
Grant Received from HSBC		2,29,19,600	1,79,98,200
<u>Other Income</u>			
-Interest on Saving Bank Account		1,03,450	2,787
-Interest on fixed Deposits (Net of TDS)		95,356	3,88,858
Total		2,37,49,330	1,85,72,415
PAYMENT			
Employee Benefit Expenses	9	18,00,000	16,67,192
Professional and Consulting Charges	10	1,83,41,572	1,52,51,400
Traveling Expenses	11	6,69,232	31,284
Administration Expenses	12	14,57,183	9,85,724
Conference & Meeting Expenses		8,40,892	-
Capital Expenditure	4	81,302	-
Advance to Vendors	6	16,294	-
Prepaid Expenditure	6	-	5,891
Closing Balance	5		
(a) Cash in Hand		-	-
(b) Bank Balance		5,42,855	6,30,924
Total		2,37,49,330	1,85,72,415

Significant Accounting Policies and Notes to Accounts 13

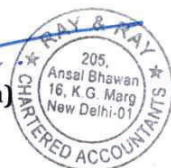
As per our report of even date

for **Ray & Ray**

Chartered Accountants

Firm Registration no. 301072E

(Signature)
(Samir Manocha)
 Partner
 M. No.: 091479

for **MICRO FINANCE INDUSTRY
NETWORK**

(Signature)
Dr. Alok Misra
 (CEO & Director)



22nd December 2025 | Gurugram | New Delhi

MICRO FINANCE INDUSTRY NETWORK [MFIN]

Notes to Audited Financial Statements (FCRA) as at March 31, 2025

NOTE 4: FIXED ASSETS (FCRA)

Amount in ₹

Amount in ₹												
Name of Assets		GROSS BLOCK					DEPRECIATION *				NET BLOCK	
	Rate of Depreciation	As on April 01, 2024	Additions on / before 30th Sept 2024	Additions after 30th Sept 2024	Deductions	As on March 31, 2025	As on April 01, 2024	For the Year	Ded/Adj. during the Year	As on March 31, 2025	As on March 31, 2025	As on March 31, 2024
A: Tangible assets												
Computers	40%	63,800	81,302		-	1,45,102	33,176	44,770	-	77,946	67,156	30,624
TOTAL (A)		63,800	81,302	-	-	1,45,102	33,176	44,770	-	77,946	67,156	30,624
B: Tangible assets (HSBC)												
Computers	40%	3,89,004	-	-	-	3,89,004	2,22,650	66,542	-	2,89,192	99,812	1,66,354
Office Equipment	15%	36,470	-			36,470	7,795	4,301	-	12,096	24,374	28,675
TOTAL (B)		4,25,474	-	-	-	4,25,474	2,30,445	70,843	-	3,01,288	1,24,186	1,95,029
C: Intangible assets (HSBC)												
Software	40%	12,51,460	-	-	-	12,51,460	2,50,292	4,00,467	-	6,50,759	6,00,701	10,01,168
TOTAL (C)		12,51,460	-	-	-	12,51,460	2,50,292	4,00,467	-	6,50,759	6,00,701	10,01,168
TOTAL (B+C) (HSBC)		16,76,934	-	-	-	16,76,934	4,80,737	4,71,310	-	9,52,047	7,24,887	11,96,197
TOTAL (A+B+C)		17,40,734	81,302	-	-	18,22,036	5,13,913	5,16,080	-	10,29,993	7,92,043	12,26,821



MICRO FINANCE INDUSTRY NETWORK [MFIN]

Amount in ₹

Notes to Audited Financial Statements (FCRA)

As at 31st March 2025 As at 31st March 2024

RESTRICTED FUNDS**NOTE 1: General Funds****Reserves & Surplus**

Opening Balance	1,47,107	1,68,039
Add: Surplus/Deficit (other than Depreciation)	- 37,603 -	20,932
Total	1,09,504	1,47,107

NOTE 2: Designated Funds**Capital Reserves**

Opening balance	11,96,197	15,62,452
Add: Addition in Fixed Assets	-	-
Sub-Total	11,96,197	15,62,452
Less: Depreciation	4,78,479	3,66,255
Total	7,17,718	11,96,197

NOTE 3: CURRENT LIABILITIES AND PROVISIONS

Restricted Grant - HSBC (FCRA)	4,70,245	3,67,663
TDS Payable	556	2,445
Expenses Payable	65,978	1,63,033
Total	5,36,779	5,33,141

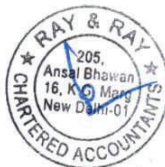
NOTE 5: CASH AND BANK BALANCES**Cash In Hand****Balance with Scheduled banks**

- State Bank of India - FCRA Designated Bank A/c	1,66,870	6,18,300
- RBL Bank - FCRA Utilization A/c	3,75,985	12,624
Total	5,42,855	6,30,924

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NOTE 6: OTHER CURRENT ASSETS

Advance to Vendors	16,294	-
TDS Receivable	12,809	12,809
Prepaid Expenses	-	5,891
Total	29,103	18,700



		Amount in ₹	
Notes to Audited Financial Statements (FCRA)		Year ended 31/03/2025	Year ended 31/03/2024
NOTE 7: GRANT UTILISED - RECOGNISED AS INCOME			
Unutilised Grant b/d		3,67,663	43,311
Add: Grants Received during the year		2,29,19,600	1,79,98,200
Add: Interest on Saving Bank Account/Fixed Deposits		1,98,806	4,02,636
Less: Grant Unutilised transferred to Current Liabilities		4,70,245	3,67,663
Total		2,30,15,824	1,80,76,484
NOTE 8: OTHER INCOME			
Bank Interest- Saving		1,03,450	2,787
Bank Interest - Fixed Deposits		95,356	3,99,849
		1,98,806	4,02,636
NOTE 9: EMPLOYEE BENEFIT EXPENSES			
Salary Expense		18,00,000	16,46,359
		18,00,000	16,46,359
NOTE 10: PROFESSIONAL AND CONSULTING CHARGES			
Professional Charges - Funds for Specific Purpose		1,83,17,972	1,52,27,800
Professional Charges - Others		23,600	23,600
		1,83,41,572	1,52,51,400
NOTE 11: TRAVELING EXPENSES			
Boarding Charges		2,62,559	64,908
Lodging Charges		2,71,886	43,365
Cab Charges		34,431	39,400
		5,68,876	1,47,673
NOTE 12: ADMINISTRATIVE EXPENSES			
Miscellaneous Expenses		1,359	649
Office Maintenance		2,90,857	1,09,923
Communications Expenses (Telephone / Internet Expenses)		63,489	92,006
Repair & Maintenance		4,00,781	1,64,161
Office Rent		7,08,000	6,64,830
		14,64,486	10,31,568



MICRO FINANCE INDUSTRY NETWORK [MFIN]

Note 13: Significant Accounting Policies and Notes to the Accounts:

A) GENERAL INFORMATION

Micro Finance Industry Network (MFIN) having its registered office in Hyderabad, Telangana and its head office in Gurugram, Haryana was established on December 14, 2009 as a Society under the Telangana Societies Registration Act 2001. The Society is also recognized as a "Self-Regulatory Organisation" (SRO) for NBFC-MFIs by the Reserve Bank of India since June 16, 2014. The primary activities and objectives of the Society are to liaise and work in unison with the relevant regulatory authorities regulating the business of microfinance, to promote microfinance and develop best practices, conduct research and training to strengthen the capacity of institutions engaged in microfinance in general, including those who are members of the Society.

According to the Society's byelaws, all regulated institutions including Banks, Small Finance Banks, NBFCs, NBFC-MFIs, etc., which have microfinance portfolios in its balance sheet and registered with Reserve Bank of India (RBI), are eligible to be the members of the Society. The total number of members as on 31st March 2025, was 78. In addition, the Society includes 23 institutions as Associates as per its bye-laws.

B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1) Basis of preparation of financial statements:

The financial statements that comprise of the Balance Sheet, Statement of Income and Expenditure together with Notes, are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with applicable Accounting Standards issued by The Institute of Chartered Accountants of India. The financial statements are prepared under the historical cost convention on a going concern basis using the accrual method unless otherwise stated. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, unless otherwise stated.

2) Use of estimates:

(i) The preparation of financial statements is in conformity with Indian GAAP which requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

3) Revenue recognition:

The Revenue is recognized as follows:

(i) Funds received for special projects/activities

Grant Received for Projects: The Society receives funds from both local and foreign sources which are restricted in nature with regard to its utilization as per donor agreements. As such, the restricted funds received during the year are in the first instance credited directly under the "Restricted Grant" account in the Balance Sheet and are thereafter transferred to the Income & Expenditure Account to the extent of related expenditure (including payment for capital assets/capital work in progress) incurred during the year. The balance amount along with income generated out of Restricted Grant is carried forward in the Restricted Grant account under the current liabilities in the Balance Sheet for use in future periods.

(ii) Other Income

Interest income from banks is recognized based on a proportionate lapse of time as applied to the amount outstanding and the rate applicable.

4) Fixed Assets:

- (i) All fixed assets have been shown at cost less accumulated depreciation. The cost comprises of purchase price and all incidental costs related to acquisition and installation.
- (ii) Fixed Assets including capital work in progress procured out of specific project funds are considered as part of total fund utilization for those projects for the purpose of recognition of



MICRO FINANCE INDUSTRY NETWORK [MFIN]

income for those specific projects. Simultaneously, these are also recognized as part of fixed assets with corresponding credit to the capital reserve.

5) Depreciation:

- (i) Depreciation has been provided on assets based on written down value method at the rates prescribed under the Income Tax Act 1961. Written Down Value as of 1st April 2024 has been considered to calculate the depreciation for the period from April 2024 to March 2025.
- (ii) Depreciation on assets purchased out of specific project funds has been recognized as expenses during the year which is then adjusted against the balance of capital reserve to represent the depreciated cost of such assets.

6) Valuation of Investments:

All investments are held at cost and are valued at market price or cost, whichever is lower. Any diminution in value in respect of all investments, other than long term investments (which are held to maturity or withdrawn before maturity), is provided in the accounts, while appreciation is accounted for when realized.

7) Employee Benefits:

Short Term Employee Benefit is recognized as an expense in the Statement of income and expenditure in the year in which related service is rendered. Performance pay is recognized as an expense in the year when the performance is analyzed against the parameters and approved by the board.

Post-employment and other long-term employee benefits are provided for in the Accounts in the following manner:

- (i) Provident Fund contribution: Contributions are made with the Provident Fund Commissioner as per the provision of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.
- (ii) Gratuity: Maintained as a defined benefit retirement plan and contribution is made to the Life Insurance Corporation of India. Provision/ write back, if any, is made on the basis of the present value of the liability as at the Balance Sheet date determined by actuarial valuation following the Projected Unit Credit Method.
- (iii) Leave Encashment: Encashment of leave is done in the year of entitlement and no leave can be carried forward for encashment in the future.

8) Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Income and Expenditure on a straight-line basis over the lease term.

9) Impairment of fixed assets:

The carrying value of assets at each balance sheet date is reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is an indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the statement of income and expenditure.

10) Taxes on Income:

In respect of other income, provision for taxation is made as per applicable rates and provisions of the Income Tax Act 1961.

11) Foreign currency transactions:

- (i) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.



MICRO FINANCE INDUSTRY NETWORK [MFIN]

- (ii) Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.
- (iii) Exchange differences arising on the settlement of monetary items or on reporting society's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

12) Prior period adjustments, extraordinary items, and changes in Accounting Policies:

Prior period adjustments, extraordinary items and changes in accounting policies having material impact on the financial affairs of the Society are disclosed.

13) Provision and contingent liabilities:

Society creates a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

14) Events after the Balance Sheet:

Events occurring after the date of the Balance Sheet, which affects the financial position to a material extent, are taken cognizance of.

C) NOTES TO ACCOUNTS:

1) Foreign Currency:

(i) Income in Foreign Currency:

Particulars	31-03-2025 (Rs.)	31-03-2024 (Rs.)
Grant from HSBC for Project	2,29,19,600	1,79,98,200
Income out of Foreign Receipts (Interest)- HSBC Project	1,98,806	4,02,636

- 2) **Capital Reserve:** The fixed assets including capital work in progress purchased out of specific project funds are considered as part of utilization during the year for the purpose of revenue recognition as per the revenue recognition policy of the Society in respect of those funds. The cost of these assets (net of depreciation thereon) is then transferred to this fund from the statement of income and expenditure to reflect the depreciated value of assets procured out of the specific project fund.
- 3) The registration under section 12A of the Income Tax Act 1961 was valid till 31st March 2025. The Society applied for renewal of registration under section 12A of the Income Tax Act 1961 which was rejected by the assessing officer on 18th August 2025. The Society has filed an appeal with the Income Tax Appellate Tribunal (ITAT) against the order on 22nd September 2025 which was pending to be heard. The management is confident of a favourable order and has complied with all rules and regulations applicable to Charitable Institutions.

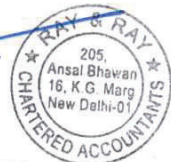
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Chartered Accountants
Firm Registration No. 301072E

(Samir Manocha)

Partner

M. No.: 091479

22nd December 2025 | Gurugram | New Delhi



For and on Behalf of Board of Member of
Micro Finance Industry Network

Alok Misra

Dr. Alok Misra
(CEO & Director)

