

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

Amount in ₹

Balance Sheet as at		31-Mar-23	31-Mar-22
	Note No.		
<b>I. SOURCES OF FUNDS</b>			
<b>Reserves and surplus</b>			
Reserves and surplus	1	1,68,039	1,80,799
Capital Reserve		15,62,452	5,556
<b>Total</b>		<b>17,30,491</b>	<b>1,86,355</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>	2		
Gross block		17,40,734	46,600
Less: Accumulated depreciation		1,27,242	41,044
<b>Net block</b>		<b>16,13,492</b>	<b>5,556</b>
<b>Current assets, loans and advances</b>			
Cash and bank balances	3	1,82,570	13,90,986
Others Current Assets	4	83,030	-
<b>Total [A]</b>		<b>2,65,600</b>	<b>13,90,986</b>
<b>Less: Current liabilities and provisions</b>	5	1,48,601	12,10,187
<b>Total [B]</b>		<b>1,48,601</b>	<b>12,10,187</b>
<b>Net Current assets [A-B]</b>		<b>1,16,999</b>	<b>1,80,799</b>
<b>Total</b>		<b>17,30,491</b>	<b>1,86,355</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	12		

As per our report of even date

**for MICRO FINANCE INSTITUTIONS NETWORK**for Ray & Ray  
Chartered Accountants

Firm Registration no. 301072E

**(Samir Manocha)**  
Partner

M. No.: 091479

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

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

Amount in ₹

Receipt & Payment Account (FCRA)	Note No.	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Opening Balance</b>	3		
(a) Cash in Hand		-	-
(b) Bank Balance		13,90,986	13,10,153
<b>RECEIPT</b>			
Grant Received from HSBC		66,62,700	-
<u>Other Income</u>			
-Interest on Saving Bank		55,442	80,833
-Interest on fixed Deposits (Net of TDS)		31,198	-
Travel Reimbursement		1,81,177	-
<b>Total</b>		<b>83,21,503</b>	<b>13,90,986</b>
<b>PAYMENT</b>			
Human Resource Cost	8	3,54,161	-
Professional and Consulting Charges	9	54,32,000	-
Traveling Expenses	10	1,79,272	-
Administration Expenses	11	3,98,153	-
Capital Expenditure	2	16,94,134	-
Advance to Vendors	4	80,558	-
Prepaid Expenditure	4	655	-
<b>Closing Balance</b>	3		
(a) Cash in Hand		-	-
(b) Bank Balance		1,82,570	13,90,986
<b>Total</b>		<b>83,21,503</b>	<b>13,90,986</b>

**Significant Accounting Policies and Notes to Accounts** 12

As per our report of even date

for Ray & Ray  
 Chartered Accountants  
 Firm Registration no. 3010726

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



for MICRO FINANCE INSTITUTIONS NETWORK

*(Signature)*

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

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

Amount in ₹

Income and Expenditure Account		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
	Note No.		
<b>REVENUE</b>			
Grant Utilised - recognised as Income	6	79,18,034	-
Other Income	7	2,36,619	-
Interest on Investments		33,016	80,833
<b>Total</b>		<b>81,87,669</b>	<b>80,833</b>
<b>EXPENDITURE</b>			
Human Resource Cost	8	3,74,994	-
Professional and Consulting Charges	9	54,32,000	-
Traveling Expenses	10	1,79,272	-
Administration Expenses	11	4,82,610	-
Depreciation on Fixed Assets	2	86,198	3,704
<b>Total</b>		<b>65,55,074</b>	<b>3,704</b>
<b>Surplus/Deficit</b>		16,32,595	77,129
<b>APPROPRIATION:</b>			
Transfer to Unutilised Grant		88,458	80,833
Transfer to Capital Reserve		16,30,334	-
<b>Surplus / (Deficit) transferred to Reserve and Surplus</b>		<b>(86,197)</b>	<b>(3,704)</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	12		

for Ray &amp; Ray

Chartered Accountants

Firm Registration no. 301072E

  
(Samir Manocha)

Partner

M. No.: 091479



for MICRO FINANCE INSTITUTIONS NETWORK



Dr. Alok Misra

(CEO &amp; Director)

Notes to Audited Financial Statements (FCRA) as at March 31, 2023

NOTE 2: FIXED ASSETS (FCRA)

Amount in ₹

Name of Assets	Rate of Depreciation	GROSS BLOCK					DEPRECIATION *				NET BLOCK	
		As on April 01, 2022	Additions on / before 30th Sept 2023	Additions after 30th Sept 2023	Deductions	As on March 31, 2023	As on April 01, 2022	For the Year	Ded/Adj. during the Year	As on March 31, 2023	As on March 31, 2022	
<b>A: Tangible assets</b>												
Computers	40%	-	-	63,800	-	63,800	-	12,760	-	12,760	51,040	-
<b>TOTAL (A)</b>		-	-	<b>63,800</b>	-	<b>63,800</b>	-	<b>12,760</b>	-	<b>12,760</b>	<b>51,040</b>	-
<b>B: Tangible assets (HSBC)</b>												
Computers	40%	46,600	-	3,42,404	-	3,89,004	41,044	70,703	-	1,11,747	2,77,257	5,556
Office Equipment	15%	-	-	36,470	-	36,470	-	2,735	-	2,735	33,735	-
<b>TOTAL (B)</b>		<b>46,600</b>	-	<b>3,78,874</b>	-	<b>4,25,474</b>	<b>41,044</b>	<b>73,438</b>	-	<b>1,14,482</b>	<b>3,10,992</b>	<b>5,556</b>
<b>B: Work-in-Progress (HSBC)</b>												
Software	40%	-	-	12,51,460	-	12,51,460	-	-	-	-	12,51,460	-
<b>TOTAL (C)</b>		-	-	<b>12,51,460</b>	-	<b>12,51,460</b>	-	-	-	-	<b>12,51,460</b>	-
<b>TOTAL (B+C) (HSBC)</b>		<b>46,600</b>	-	<b>16,30,334</b>	-	<b>16,76,934</b>	<b>41,044</b>	<b>73,438</b>	-	<b>1,14,482</b>	<b>15,62,452</b>	<b>5,556</b>
<b>TOTAL (A+B)</b>		<b>46,600</b>	-	<b>16,94,134</b>	-	<b>17,40,734</b>	<b>41,044</b>	<b>86,198</b>	-	<b>1,27,242</b>	<b>16,13,492</b>	<b>5,556</b>

for Ray & Ray  
Chartered Accountants

Firm Registration no. 301072

*Manocha*

(Samir Manocha)  
Partner

M. No.: 091479



for MICRO FINANCE INSTITUTIONS  
NETWORK

*Alok Misra*

Dr. Alok Misra  
(CEO & Director)

**MICRO FINANCE INSTITUTIONS NETWORK [MFIN]**

Amount in ₹

**Notes to Audited Financial Statements (FCRA)****As at 31st March 2023**      **As at 31st March 2022****NOTE 1: RESERVES AND SURPLUS****Reserves & Surplus**

Opening Balance	1,80,799	1,80,799
Less: Deficit (other than Depreciation)	12,760	-
<b>Total</b>	<b>1,68,039</b>	<b>1,80,799</b>

**Capital Reserves**

Opening balance	5,556	9,260
Add: Addition in Fixed Assets	16,30,334	-
<b>Sub-Total</b>	<b>16,35,890</b>	<b>9,260</b>
Less: Depreciation	73,438	(3,704)
<b>Total</b>	<b>15,62,452</b>	<b>5,556</b>

**NOTE 3: CASH AND BANK BALANCES****Cash In Hand**

-

**Balance with Scheduled banks**

- State Bank of India - FCRA Designated Bank A/c	36,569	-
- RBL Bank - FCRA Utilization A/c	1,46,001	13,90,986
<b>Total</b>	<b>1,82,570</b>	<b>13,90,986</b>

**NOTE 4: OTHER CURRENT ASSETS**

Advance to Vendors	80,558	-
TDS Receiveable	1,818	-
Prepaid Expenses	655	-
<b>Total</b>	<b>83,030</b>	<b>-</b>

**NOTE 5: CURRENT LIABILITIES AND PROVISIONS**

Restricted Grant - HSBC (FCRA)	43,311	12,10,187
Provision for Expenses	84,457	-
Salary Payable	20,833	-
<b>Total</b>	<b>1,48,601</b>	<b>12,10,187</b>

**NOTE 6: GRANT UTILISED - Recognised as Income**

Unutilised Grant b/d	12,10,187	11,29,354
Add: Grants Received during the year	66,62,700	-
Add: Interest on Saving Bank Account/Fixed Deposits	88,458	80,833
Less: Grant Unutilised transferred to Current Liabilities	43,311	12,10,187
<b>Total</b>	<b>79,18,034</b>	<b>-</b>



**NOTE 7: OTHER INCOME**

Bank Interest- Saving	55,442	80,833
Bank Interest - FD	33,016	-
Reimbursement of Expenses	1,81,177	-
	<b>2,69,635</b>	<b>80,833</b>

**NOTE 8: HUMAN RESOURCE COST**

Salary	3,74,994	-
	<b>3,74,994</b>	-

**NOTE 9: PROFESSIONAL AND CONSULTING CHARGES**

Professional Charges - Knowledge Partner	54,32,000	-
	<b>54,32,000</b>	-

**NOTE 10: TRAVELING EXPENSES**

Traveling Expenses	1,79,272	-
	<b>1,79,272</b>	-

**NOTE 11: ADMINISTRATIVE EXPENSES**

Miscellaneous Expenses	2,553	-
Office Maintenance	1,62,880	-
Communications Expenses (Telephone / Internet Expenses)	80,517	-
Repair & Maintenance	1,10,034	-
Office Rent	1,26,626	-
	<b>4,82,610</b>	-

for **Ray & Ray**

Chartered Accountants

Firm Registration no. 301072E


**(Samir Manocha)**

Partner

M. No.: 091479

for **MICRO FINANCE INSTITUTIONS  
NETWORK**

**Dr. Alok Misra**

(CEO &amp; Director)

21st December 2023 | Gurugram | New Delhi

# MICRO FINANCE INSTITUTIONS NETWORK [MFIN]

## Note 12: Significant Accounting Policies and Notes to the Accounts:

### A) GENERAL INFORMATION

Micro Finance Institutions 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 so as to strengthen the capacity of institutions engaged in microfinance in general, including those who are members of the Society.

The total number of members, Non-Banking Finance Companies-MFI, as on March 31, 2023, was 56. In addition, the society includes 45 institutions as Associates as per its byelaws, which are Banks, other NBFCs, etc.

### 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 judgements, 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 INSTITUTIONS 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 1<sup>st</sup> April 2022 has been considered to calculate the depreciation for the period from April 2022 to March 2023.
- (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:

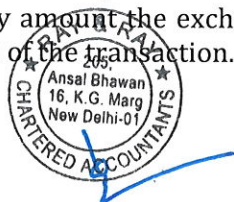
The carrying value of assets at each balance sheet date is reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount 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 provision 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 INSTITUTIONS 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	31-03-2023 (Rs.)	31-03-2022 (Rs.)
Grant from HSBC for Project	66,62,700	NIL
Reimbursement of Traveling Expenses	1,81,177	NIL
Income out of Foreign Receipts (Interest)- HSBC Project	88,458	80,833

- 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.

As our report of even date  
for **Ray & Ray**

Chartered Accountants

Firm Registration No. 301072E

  
(**Samir Manocha**)

Partner

M. No.: 091479



For and on Behalf of Board of Member of  
**Micro Finance Institutions Network**



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



21<sup>st</sup> December 2023 | Gurugram | New Delhi