



Microfirm Capital Private Limited

Regd. Office: Development House, 3rd Floor
24 Park Street, Kolkata - 700016, Ph: 91 33 44017200/350
CIN: U65999WB1995PTC072612, E-mail: microfirmcapital@gmail.com

BOARDS' REPORT FOR THE FINANCIAL YEAR 2021-2022

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report along with the Audited Financial Statements of the Company for the financial year ended 31st March, 2022. The summarized Financial Statements are given below:

FINANCIAL HIGHLIGHTS

The financial performance of your Company:

Particulars	(Amount in Rs. lacs)	
	2021-22	2020-2021
Total Income	44,085.33	1.47
Total Expenses	175.75	156.44
Profit / (Loss) before Tax & Provision	43,909.58	(154.97)
Less: Provision for Standard Assets	56	-
Less : - Current Tax	887.96	-
- Deferred Tax	(113.42)	-
Profit / (Loss) after Tax	43,079.04	(154.97)
Add : Balance brought Forward	1,034.08	1,191.66
Balance available for appropriation	44,113.12	1,036.69
Less: Appropriations		
- Dividend on Preference Shares*	-	2.61
-Transfer to statutory reserve	8,615.81	-
Balance Carried Forward	35,497.31	1,034.08
Earnings Per share (Nominal Value Rs. 10 each)	3689.54	(13.50)

*Dividend recognized in year ended 31 March 2021 consists of dividend on preference shares for 31 March 2020 and TDS thereon.

STATE OF COMPANY'S AFFAIRS

During the year, the Company has ceased to be the promoter group entity of Poonawalla Fincorp Limited (erstwhile Magma Fincorp Limited) ('PFL') consequent to the change of management and change in control of PFL in accordance with SEBI guidelines. The Stock Exchanges have granted approval for de-tagging of the Company as the Promoter entity of PFL and reclassified the same as a public shareholder. RBI approval in respect of the de-tagging is awaited and is expected to be received shortly.

During the year, the Company sold 2,72,90,736 shares of Poonawalla Fincorp Limited (formerly



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known as Magma Fincorp Limited) thereby earning a profit of Rs. 43,263.64 on sale of such investments.

Total Income of the Company during the year was Rs. 44,085.33 lacs as against Rs. 1.47 lacs in the previous year. During the year under review, the Company has earned a profit of Rs. 43,079.04 lacs as against a loss of Rs. 154.97 lacs in the previous year.

Post the aforesaid change in control and management and sale of shares in PFL, the Company has invested the liquidity in various financial instruments like mutual funds, equities, debt instruments, etc., and intends to continue its business operations as NBFC-Investment and Credit Company (NBFC-ICC) and has applied to RBI for conversion in its status from NBFC-CIC to NBFC-ICC. RBI has advised the Company to make an application in this regard along with the audited statement of accounts. Pursuant to the same, the Company has complied with the requirements applicable to the same being a Systemically Important Non-Deposit taking Non-Banking Financial Company, instead of those applicable to a Core Investment Company.

CHANGES IN THE NATURE OF BUSINESS

During the year there was no change in the nature of principal business or financial activities by the Company except the change in control and management of PFL resulting in reclassification of the Company as the public shareholder and investment of liquidity generated through disinvestment of shares of PFL in public markets across product segments like equities, debt, MFs etc.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND DATE OF THE REPORT

There are no material changes or commitments affecting the financial position of the Company, which have occurred between the end of this financial year and the date of this Report.

DETAILS OF SUBSIDIARY/ ASSOCIATES/JOINT-VENTURE COMPANY

Your Company does not have Subsidiary, Joint Venture or any Associate Company as on 31st March, 2022.

DIVIDEND

Preference: Your Directors are pleased to recommend dividend of Rs.2.59 lacs in respect of both cumulative and non-cumulative preference shares for the financial year 2021-2022 and of Rs. 2.57 lacs in respect of the cumulative preference shares for the financial year 2020-2021, payable to those Shareholders whose names appear in the Register of Members as on 15th June, 2022.

Equity: The directors have decided not to recommend dividend on equity shares and preserve the



Net Worth of the Company for building robust investment portfolio

TRANSFER TO RESERVES

Under section 45-IC(1) of Reserve Bank of India Act, 1934, Non-Banking Financial Companies (NBFCs) are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred a sum of Rs. 8,615.80 lacs out of the profits of the Company to its reserve fund.

DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits from the public falling within the ambit of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

SHARE CAPITAL

During the year under review, there has not been any change in the Share Capital of the Company.

RBI GUIDELINES

Your Company complies with the direction(s), circular(s), notification(s) and guideline(s) issued by the Reserve Bank of India as applicable to your Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company ("NBFC").

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the Master Directions issued by the Reserve Bank of India for Systemically Important Non-Deposit taking Non-Banking Financial Company ("NBFC"), the Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS OUTSTANDING DURING THE FINANCIAL YEAR

Particulars of loans, guarantee and investments outstanding during the financial year is furnished in the notes, 10, 13 and 15 to the financial statements.

RISK MANAGEMENT

The Company has constituted Risk Management Committee ('RMC') in accordance with the RBI guidelines and the terms of reference for RMC include inter alia evaluating the overall risks faced by the NBFC including liquidity risk and such other matter as may be delegated by the Board from time



to time.

The Company has identified the key risks associated with the investment activities having been undertaken post disinvestment of part stake in PFL after change in control and management of PFL and de-tagging of the Company as the Promoter entity and the Company has been building adequate safeguards and controls to manage the risks associated with the relevant business activities.

Major risks, if any identified by the businesses and functions would be systematically addressed through mitigating actions on a continuing basis.

The Company has its Risk Management Policy in place, which aims to enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and threats and capitalize on opportunities.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an adequate system of internal financial control procedures, which commensurate with the size and nature of business. During the year under review such controls were tested and no reportable material weakness in the design and operation were observed.

These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies.

DIRECTORS

During the year under review as a part of internal restructuring, Mr. Mayank Poddar & Mrs. Kalpana Poddar resigned from the office of director with effect from 22nd October, 2021. The Board wishes to place on record its appreciation for the valuable services and guidance given by each of the above during their respective tenures.

None of the directors of the Company are disqualified from being appointed as Director of the Company under Section 164 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief, your Directors make the following statements in terms of Section 134 (5) of the Companies Act, 2013 that:

- a. in the preparation of the annual accounts for the year ended 31 March 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.



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- b. such accounting policies as mentioned in Notes to the annual accounts have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2022 and of the profit of the Company for the year ended on that date;
- c. Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis;
- e. the Company being unlisted, provision of sub clause (e) of section 134(5) is not applicable; and
- f. The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that they were adequate and operating effectively.

MEETINGS OF BOARD OF DIRECTORS AND COMMITTEES

During the Financial year ended 31st March, 2022 Eight meetings (8) of the Board of Directors of the Company were held, the details of which are given below:

The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

All Board meetings were convened by giving appropriate notice to address the Company's specific needs and were governed by a structured agenda.

S No.	Date of Meeting	Names of Director attended	Special Invitee, if any
1	10-04-2021	Mr. Sanjay Chamria, Mr. Mayank Poddar, Ms. Vanita Chamria, Ms. Kalpana Poddar and Mr. Harshvardhan Chamria	N.A
2	31-05-2021	Mr. Sanjay Chamria, Mr. Mayank Poddar, Ms. Vanita Chamria, Ms. Kalpana Poddar and Mr. Harshvardhan Chamria	N.A
3	30-08-2021	Mr. Sanjay Chamria, Mr. Mayank Poddar, Ms. Vanita Chamria, Ms. Kalpana Poddar and Mr. Harshvardhan Chamria	N.A
4	16-10-2021	Mr. Sanjay Chamria, Mr. Mayank Poddar, Ms. Vanita Chamria, Ms. Kalpana Poddar and Mr. Harshvardhan Chamria	N.A



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5	22-10-2021	Mr. Sanjay Chamria, Ms. Vanita Chamria and Mr. Harshvardhan Chamria	N.A
6	10-11-2021	Mr. Sanjay Chamria, Ms. Vanita Chamria and Mr. Harshvardhan Chamria	N.A
7	14-02-2022	Mr. Sanjay Chamria, Ms. Vanita Chamria and Mr. Harshvardhan Chamria	N.A
8	15-03-2022	Mr. Sanjay Chamria, Ms. Vanita Chamria and Mr. Harshvardhan Chamria	N.A

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

The Asset Liability Management Committee met once during the year on 25th October, 2021 to discharge its functions. The composition and attendance details of the members of the Asset Liability Management Committee is given below:

Sl No.	Name of the Members	Category	Number of meetings attended
1.	Mr. Sanjay Chamria	Chairman	1
2.	Ms. Vanita Chamria	Member	1
3.	Mr. Harshvardhan Chamria	Member	1

Since Mr. Mayank Poddar resigned from the office of director, Mr. Harshvardhan Chamria has been inducted as the new member of the committee in the meeting held on 25th October, 2021.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee met once during the year on 25th October, 2021 to discharge its functions. The composition and attendance details of the members of the Risk Management Committee is given below:

Sl No.	Name of the Members	Category	Number of meetings attended
1.	Mr. Sanjay Chamria	Chairman	1
2.	Ms. Vanita Chamria	Member	1
3.	Mr. Harshvardhan Chamria	Member	1

Since Mr. Mayank Poddar resigned from the office of director, Mr. Harshvardhan Chamria has been



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inducted as the new member of the committee in the meeting held on 25th October, 2021.

AUDIT COMMITTEE

The Audit Committee met twice during the year on 31st May, 2021 and 22nd October, 2021 to discharge its functions. The composition and attendance details of the members of the Audit Committee is given below:

Sl No.	Name of the Members	Category	Number of meetings attended
1.	Mr. Sanjay Chamria	Chairman	2
2.	Ms. Vanita Chamria	Member	2
3.	Mr. Mayank Poddar	Member	1
4.	Mr. Harshvardhan Chamria	Member	1

Since Mr. Mayank Poddar resigned from the office of director, Mr. Harshvardhan Chamria has been inducted as the new member of the committee in the meeting held on 25th October, 2021.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The particulars of contract/arrangements/ transactions entered into by the Company with related parties are mentioned separately in Note No. 23 to the financial statements. The nature of related party transactions does not require any disclosure in AOC-2. Hence the same is not attached with this report. The policy on related party transaction is enclosed as **Annexure A**.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations till the date of this Report.

STATUTORY AUDITORS

M/s. Jainsarawgee & Co, Chartered Accountants, having Registration No. 306087E were appointed as the Statutory Auditors of the Company for a period of 5 years from the conclusion of the 24th AGM (FY 2018-19) till the conclusion of the 29th AGM (FY 2023-24).

STATUTORY AUDITORS' OBSERVATIONS

The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not



call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer on the Company's operations in the F.Y. 2021-22.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of activities carried on by the Company, the requirements for disclosure in respect of conservation of energy, technology absorption in terms of the Section 134 of the Act are not applicable to the Company. However, the Company takes all possible efforts towards energy conservation. The requirement for disclosure with respect to technology absorption does not apply to the Company as the activities in which the Company operates does not require any technology. During the period under review, the Company has not earned any foreign exchange income and also has not incurred any foreign exchange outgo.

FRAUD REPORTING U/S 143(12) BY AUDITOR

The Company has adopted best practices for fraud prevention and it follows confidential, anonymous reporting about fraud or abuse to the appropriate responsible officials of the Company. The Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013.

ANNUAL RETURN

The Company does not have a functional website and therefore, the requirement of uploading the annual return on the website does not apply to the Company.

COST AUDITORS

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable in respect of the business activities carried out by the Company.

INSOLVENCY AND BANKRUPTCY CODE

The Company has neither made any application nor any proceeding was initiated or is pending under the Insolvency and Bankruptcy Code, 2016.

DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

No such instance during the period under review.



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SECRETARIAL STANDARDS

During the year, the Company has duly complied with the applicable Secretarial Standards.

ACKNOWLEDGEMENT AND APPRECIATION

Your Directors wish to place on record their sincere appreciation for the co-operation and support extended by the Members and all the stakeholders of the Company.

On behalf of the Board of Directors

MICROFIRM CAPITAL PVT LTD

Director

Vanita Chamria

Director

DIN: 00423583

MICROFIRM CAPITAL PVT LTD

Director

Sanjay Chamria

Director

DIN: 00009894

Place:

Date:



MANAGEMENT DISCUSSION AND ANALYSIS

We submit herewith the "Management Discussion and Analysis Report" on the business of the Company as applicable to the extent relevant.

COMPANY OVERVIEW

Microfirm Capital Private Limited ('the Company') is a Private Limited Company and was incorporated on 5th July 1995 in India with its registered office "Development House, 3rd floor, 24 Park Street, Kolkata-700016, West Bengal". The Company had received Certificate of Registration on 3rd October 2017 from Reserve Bank of India. The Company is a Non-Banking Financial Company (NBFC), registered with Reserve Bank of India as a Non Banking Financial Company-Core Investment Company-Non Deposit taking -Systemically Important.

INDUSTRY STRUCTURE AND DEVELOPMENT

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises of commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities.

So far, Non-Banking Finance Companies (NBFCs) have scripted a great success story. Their contribution to the economy has grown in leaps and bounds. In terms of financial assets, NBFC(s) have recorded a healthy growth.

INDUSTRY OVERVIEW

Non-banking finance companies form an integral part of the Indian financial system. They play an important role in nation building and financial inclusion by complementing the banking sector in reaching out credit to the unbanked segments of society, especially to the micro, small and medium enterprises (MSMEs), which form the cradle of entrepreneurship and innovation. However, NBFCs operate under certain regulatory constraints, which put them at a disadvantageous position vis-à-vis banks. While there has been a regulatory convergence between banks and NBFCs on the asset side, on the liability side, NBFCs still do not enjoy a level playing field. This needs to be addressed to help NBFCs realize their full potential and thereby perform their duties with greater efficiency.

OPPORTUNITIES AND CHALLENGES

The NBFC sector faced headwinds again when the second wave hit the country by May 2021. With the passing of the second wave, the outlook is brightening again. However, downside risks remain significant.

The NBFC sector is dominated by NBFCs-ND-SI that constitute 85.1 per cent of the total assets of the sector. During the year under review, the balance sheet of NBFCs expanded at a faster rate than a year ago, driven essentially by growth in credit and investments of NBFCs-ND-SI.



FINANCIAL & BUSINESS REVIEW

Total Income of the Company during the year was Rs. 44,085.33 lacs as against Rs. 1.47 lacs in the previous year. During the year under review, the Company has earned a profit of Rs. 43,079.04 lacs as against a loss of Rs. 154.97 lacs in the previous year.

Regulatory Information

Sl. No.	Particulars	Ratio
1.	Debt – Equity ratio	NIL
2.	Debt service coverage ratio (in times)	34.58
3.	Return on Equity	131.87%
4.	Net capital turnover ratio (in times)	0.98
5.	Net profit Ratio	97.72%
6.	Return on capital employed	80.94%
7.	Return on investment	174.23%
8.	Current Ratio	534.86

RISK AND CONCERN

In the financial services sector, it becomes imperative to ensure that profitability does not come at the cost of asset quality. The Company has put in place adequate risk identification, risk management and mitigation processes to keep any such trade-off at bay. The Company has built robust systems and processes to take care of the respective risks associated. It is also constantly gauging the external macroeconomic environment, market conditions, and government policies to ensure that the business is one-step ahead of the industry and monetary cycles, thereby insulating the Company from downtrends and enabling it to ride uptrend.

However, in any business, risks and prospects are inseparable. As a responsible management, the Company's principal endeavor is to maximize returns. The Company continues to take all steps necessary to minimize its expenses through detailed studies and interaction with experts.

HUMAN RESOURCE DEVELOPMENT

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potential of its employees attracting and retaining the best manpower available by providing high degree of motivation. The Company always strives to promote a safe, healthy and happy workplace.



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The Company believes in trust, transparency & teamwork to improve employees productivity at all levels.

CAUTIONARY STATEMENT

The statements in Management Discussion and Analysis Report describe Company's objectives, expectations or predictions which may be forward looking within the meaning of applicable regulations and other legislations. Actual results may differ materially from those expressed in the statement. Important factors that could influence Company's operations include global and domestic financial market conditions affecting the interest rates, availability of resources for the financial sector, changes in regulatory directions issued by the Government, tax laws, economic situation and other relevant factors.

Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis report.

MICROFIRM CAPITAL PVT LTD

Behanria

Director 

MICROFIRM CAPITAL PVT LTD

Deamud

Director



INDEPENDENT AUDITORS' REPORT

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To the Members of **MICROFIRM CAPITAL PRIVATE LIMITED**
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MICROFIRM CAPITAL PRIVATE LIMITED** ("the Company") which comprises the Balance Sheet as at **31st March, 2022**, the Statement of Profit and Loss and the Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March, 2022**, and **Profit** and its cash flows 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Directors' Report (including annexures), but does not include the financial statements and our auditor's 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially 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.

Responsibilities of Management and those charged with Governance for the financial statements for the Financial Statements

The Company's Board of Directors is 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 financial position, financial performance, and cash flows 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 is 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 are 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order to the extent 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 Balance Sheet, the Statement of Profit and Loss, cash flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statement complies 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 written representations received from the directors as at **31st March 2022** taken on record by the Board of Directors, none of the directors as on **31st March 2022** are disqualified from being appointed as a director in terms of Section 164(2) of the Act; and
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. 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 has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 30 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. In our opinion and according to the information and explanations given to us, there is no remuneration paid by the company to its directors during the current year. Since the company has not paid any managerial remuneration during the year, the provisions of section 197 of the Act read with Schedule V to the Act is not applicable to the company

Kolkata

Date: **28.05.2022**

UDIN: **22057051AJXMDX3441**

For JAINSARAWGEE & CO.

Chartered Accountants

Firm Registration No.: 306087E



R. K. Sarawgee

Partner

Membership No.: 057051

MICROFIRM CAPITAL PRIVATE LIMITED

Annexure -A to the Independent Auditor's Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i.) a.) As the Company does not hold any property, plant and equipment and intangible assets, reporting under clause 3(i)(a),(b),(c) & (d) of the Companies (Auditor's Report) Order, 2020 ('Order') is not applicable
- b.) Based on the audit procedure conducted by us and according to the information and explanations given to us, we report that no proceeding has been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rule made there under.
- ii.) a.) The Company does not have any inventory and hence clause 3 (ii)(a) of the Order, is not applicable.
- b.) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- iii.) The Company has made investments and granted unsecured loan to a related party during the year, in respect of which:
- (a) According to the information and explanation given to us the Company has provided loan during the year to a related party detail of which is given below:

Amount (Rs. In Lakhs)

Particulars	Loans
A. Aggregate amount granted / provided during the year.	
• Subsidiaries	-
• Joint Ventures	-
• Associates	-
• Others	14,000
B. Balance outstanding as at balance sheet date in respect of above cases:	
• Subsidiaries	-
• Joint Ventures	-
• Associates	-
• Others	14,000



The Company has not provided any advance in the nature of loans, any guarantee or security to any other entity during the year.

- (b) The investments made and the terms and conditions of the grant of the above-mentioned loan provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amount and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us, in respect of loans granted by the Company, there is no amount overdue for more than 90 days at the balance sheet date.
- (e) According to information and explanations given to us none of the loans granted by the Company have fallen due during the year.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- iv.) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not undertaken any transaction in respect of loans, guarantees and securities covered under section 185 of the Act. The Company has complied with section 186(1) of the Act in relation to investments made by the Company. The remaining provisions related to section 186 of the Act do not apply to the Company as it is an NBFC registered with the Reserve Bank of India ('RBI').
- v.) According to the information and explanations given to us, the Company has not accepted any deposits or amounts that are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- vi.) According to the information and explanation given to us, and having regard to the nature of the Company's business / activities, reporting under clause 3(vi) of the Order is not applicable.
- vii.) a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including income tax and cess, goods and service tax with appropriate authorities during the year ended 31st March, 2022. As explained to us, the Company did not have any dues on account of provident fund, investor education and protection fund, Employees' state insurance, sales tax, wealth tax, value added tax, duty of customs and duty of excise. According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax and cess and goods and service tax which were outstanding at the year end, for a period of more than 6 months from the date they become payable.
- b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022, except following:

Name of Statute	Nature of	Amounts	Period to which the	Forum where
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	dues	(Rs. in Lacs)	amount relates	dispute is pending
Income Tax Act, 1961	Income Tax	494.53	A.Y. 2014-15	Commissioner of Income Tax(Appeals), Kolkata

The Company has deposited Rs.74.20 Lakhs (P.Y. Rs.74.20 Lakhs) against the aforesaid demand. Additionally, the income tax department has adjusted Rs.136.56 Lakhs (P.Y. Rs.136.56 Lakhs) out of the income-tax refunds accrued to the Company in respect of the other assessment year .

viii.) According to the information and explanation given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix.) (a) In our opinion and according to the information and explanation given to us, the Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanation given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanation given to us, the Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanation given to us, the Company has not raised any funds on short-term basis. Hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanation given to us, the Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanation given to us, the Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x.) a) According to the information and explanation given to us, the Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi.) a.) According to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

b.) No report under sub-section (12) of the section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under the rule 13 of the Companies (Audit and Auditors) Rules 2014 with the Central Government.



c.) Since the provisions relating to establishment of whistle blower mechanism is not applicable to the Company, the reporting under clause 3(xi)(c) of the Order is not applicable.

- xii.) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii.) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv.) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have internal audit system as per the provisions of the Companies Act, 2013. Hence, reporting under clause 3(xiv)(a) and (b) is not made.
- xv.) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its director or directors of its joint venture or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- xvi.) a. The Company is registered as a "Core Investment Company" under section 45-IA of the Reserve Bank of India Act, 1934 and the company had obtained the certificate of registration issued by Reserve Bank of India on 3rd day of October, 2017. However, on account of reclassification of substantial investment of the Company in Poonawalla Fincorp Limited in the capacity of Promoter shareholder to Public Shareholder, the Company does not intend to continue as an NBFC - Core Investment Company (NBFC-CIC), but, it shall continue its business operations as an NBFC - Investment and Credit Company (NBFC-ICC).

Consequently, vide letter dated December 7, 2021, the Company has made an application to the Reserve Bank of India ('RBI') to reclassify from NBFC-CIC to NBFC-ICC which is pending approval as of the date of signing of these financial statements.

b. According to the information and explanations given to us and on the basis of our examination of the records the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;

c. According to the information and explanations given to us and on the basis of our examination of the records, the company is registered as a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. However, as mentioned above, the Company does not intend to continue as an NBFC - Core Investment Company (NBFC-CIC), but, it shall continue its business operations as an NBFC - Investment and Credit Company (NBFC-ICC) and hence it does not fulfill the criteria of a CIC.

Consequently, vide letter dated December 7, 2021, the Company has made an application to the Reserve Bank of India ('RBI') to reclassify from NBFC-CIC to NBFC-ICC which is pending approval as of the date of signing of these financial statements. .

d. According to the information and explanations given to us and based on the representation received from the management, we report that there is no other core investment company within the group.



- xvii.) The Company has not incurred any cash losses in the current financial year i.e., FY 2021-22 and incurred cash losses during the immediately preceding financial year i.e. F.Y. 2020-21 of Rs.154.97 lakhs.
- xviii.) During the year there was no resignation from Statutory Auditors of the Company.
- xix.) According to the information and explanations given to us and based on the financial ratio, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx.) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- xxi.) According to the information and explanation given to us, the Company is not required to prepare the consolidated financial statements as per the provisions of the Companies Act, 2013. Hence reporting under the clause 3(xxi) is not applicable.

Kolkata

Date: 28.05.2022

UDIN: 22057051AJXMDX3441



For JAINSARAWGEE & CO.

Chartered Accountants

Firm Registration No.: 306087E

R. K. Sarawgee

Partner

Membership No.: 057051

MICROFIRM CAPITAL PRIVATE LIMITED

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MICROFIRM CAPITAL PRIVATE LIMITED** ("the Company") as of **31st March 2022** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being

RAV GEE
Chartered
Accountants
R.K. Joshi

made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March 2022**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Kolkata

Date: **18.05.2022**

UDIN: **22057051AJXMDX3441**

For JAINSARAWGEE & CO.

Chartered Accountants

Firm Registration No.: 306087E



R.K. Sarawgee

Partner

Membership No.: 057051

MICROFIRM CAPITAL PRIVATE LIMITED

Balance Sheet as at 31st March, 2022

(Amount in Rs. lacs)

Particulars		Note No.	As at 31st March, 2022	As at 31st March, 2021
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	3		166.89	166.89
(b) Reserves and Surplus	4		54,089.82	11,010.78
			54,256.71	11,177.67
2 Non-current liabilities				
(a) Long-term borrowings	5		-	1,685.00
(b) Other long term liabilities	6		663.50	-
			663.50	1,685.00
3 Current liabilities				
(a) Other current liabilities	7		6.13	191.89
(b) Short term provisions	8		78.27	-
			84.40	191.89
			55,004.61	13,054.56
II. ASSETS				
1 Non-current assets				
(a) Property, plant & equipment	9		-	-
(b) Non-current investments	10		9,524.17	12,823.14
(c) Deferred tax assets (net)	11		113.42	-
(d) Long-term loans and advances	12		224.93	224.93
			9,862.52	13,048.07
2 Current assets				
(a) Current investments	13		27,695.67	-
(b) Cash and Cash equivalents	14		818.45	6.49
(c) Short term loans & advances	15		16,627.40	-
(d) Other current assets	16		0.57	-
			45,142.09	6.49
			55,004.61	13,054.56
Significant Accounting Policies Notes on Financial Statements	1 & 2 3 to 37			

As per our report of even date attached

For Jainsarawgee & Co.

Chartered Accountants

Firm's Regn. No.: 306087E

R K Sarawgee

Partner

Membership No.: 57051



For and on behalf of the board of directors

[Signature]

Sanjay Chamria

Director

DIN: 00009894

[Signature]

Vanita Chamria

Director

DIN: 00423583

Place : Kolkata

Date: 28th May, 2022

UDIN : 22057051AJXMDX3441

MICROFIRM CAPITAL PRIVATE LIMITED
Statement of Profit & Loss for the year ended 31st March, 2022

(Amount in Rs. lacs)

Particulars		Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I.	Revenue			
	Revenue from operations	17	44,084.86	1.46
	Other Income	18	0.47	0.01
	Total Income		44,085.33	1.47
II.	Expenses			
	Employee benefits expenses	19	2.65	2.40
	Finance costs	20	64.12	152.13
	Other expenses	21	108.98	1.91
	Total Expenses		175.75	156.44
III.	Profit before tax & provision (I-II)		43,909.58	(154.97)
IV.	Provisions			
	Provision for standard assets		56.00	-
	Total provisions		56.00	-
V.	Profit (loss) before Tax (III-IV)		43,853.58	(154.97)
VI.	Tax expenses			
	(1) Current tax		887.96	-
	(2) Deferred tax		(113.42)	-
	Total tax expenses		774.54	-
VII.	Profit (loss) for the year (V-VI)		43,079.04	(154.97)
	Earnings per equity share:			
	Basic and Diluted	22	3,689.54	(13.50)
	Significant Accounting Policies	1 & 2		
	Notes on Financial Statements	3 to 37		

As per our report of even date attached

For Jainsarawgee & Co.
Chartered Accountants
Firm's Regn. No.: 306087E

R K Sarawgee
Partner
Membership No.: 57051



For and on behalf of the board of directors


Sanjay Chamria
Director
DIN: 00009894


Vanita Chamria
Director
DIN: 00423583

Place : Kolkata
Date: 28th May, 2022

UDIN : 22057051AJXMDX3441

MICROFIRM CAPITAL PRIVATE LIMITED
Cash Flow Statement for the year ended 31st March, 2022

(Amount in Rs. lacs)

Particulars	Year ended March 31,2022	Year ended March 31,2021
A. Cash flows from operating activities		
Profit before taxation and after exceptional items	43,853.58	(154.97)
Adjustments for :		
Net gain on sale of investment in equity shares	(43,263.64)	-
Contingent provision against Standard assets	56.00	-
Operating profit before working capital changes	645.94	(154.97)
Adjustments for :		
(Increase) / Decrease in short term loans & advances	(16,627.40)	-
(Increase) / Decrease in other assets	(0.57)	-
Increase / (Decrease) in other current liabilities	(22.26)	56.06
Proceeds / (Repayment) related to borrowings	(1,185.00)	85.00
Dividend paid (Including tax thereon)	-	(2.61)
(Purchase) / Sale of mutual funds units (net)	(22,369.83)	18.04
Cash generated from Operations	(39,559.12)	1.52
Direct taxes paid (net)	(865.70)	-
Net cash (used) in / from operating activities	(40,424.82)	1.52
B. Cash flows from investing activities		
(Purchase) / Sale of Investments (net)	41,236.78	-
Net cash (used) in / from investing activities	41,236.78	-
C. Cash flows from financing activities		
Net cash (used) in / from financing activities	-	-
Net change in cash and cash equivalents	811.96	1.52
Cash and cash equivalents at the beginning of the year	6.49	4.97
Cash and cash equivalents at the end of the year	818.45	6.49
Cash and Cash Equivalents at the end of the year includes		
Cash on hand	4.77	3.29
Balances with bank	322.31	2.93
Cheque in hand	-	0.27
Flexi fixed deposit	491.37	-
Total	818.45	6.49

i) The above cashflow statement has been prepared under the indirect method as setout in AS-3 on "Cash Flow Statement".

ii) As Company is an investment company, dividend received and interest earned are considered as part of cash flow from operating activities. Purchase and sale of investment has been classified into operating and investing activity based on the intention of the Management at the time of purchase of securities or subsequent reassessment of intention and transfers made inter se between long-term and current investments, in accordance with the prudential norms specified by RBI.

As per our report of even date attached

For Jainsarawgee & Co.

Chartered Accountants

Firm's Regn. No.: 306087E

R K Sarawgee

Partner

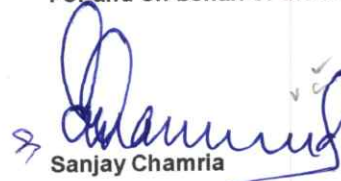
Membership No.: 57051

Place : Kolkata

Date: 28th May, 2022



For and on behalf of the board of directors


Sanjay Chamria
Director

DIN: 00009894


Vanita Chamria
Director

DIN: 00423583

UDIN : 22057051AJXMDX3441

1 General information

Microfirm Capital Private Limited ("the Company") is a Private Limited Company and was incorporated on 5th July 1995 in India with its registered office "Development House, 3rd floor, 24 Park Street, Kolkata-700016, West Bengal". The Company had received Certificate of Registration in October 2017 from Reserve Bank of India. The Company is a Non-Banking Financial Company (NBFC), registered with Reserve Bank of India as a Non Banking Financial Company-Core Investment Company-Non Deposit taking - Systemically Important.

2 Significant accounting policies

2.01 Basis of accounting and preparation of financial statements

Basis of preparation

"The financial statements have been prepared to comply in all material respects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Amendment Rules, 2016 and the guidelines issued by the Reserve Bank of India as applicable to a Non Banking Finance Company. The financial statements have been prepared under the historical cost convention on an accrual basis".

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products/services and time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.02 Use of estimates and Judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.03 Property, plant & equipments

Property, plant & equipments are stated at cost of acquisition inclusive of duties (net of CENVAT and other credits, wherever applicable), taxes, incidental expenses, erection / commissioning expenses and borrowing costs etc. up to the date the assets are ready for their intended use and less accumulated depreciation

Property, plant & equipments retired from active use are valued at net realisable value.

2.04 Depreciation

Depreciation on Property, plant & equipments is provided systematically over its useful life as specified in Schedule II of the Companies Act, 2013 or at rates determined based on the useful life of the assets, whichever is higher. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.



MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

2.05 Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

2.06 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost, but provision for diminution in value is made to recognise a decline other than temporary in the value of such investments.

Any reduction in the carrying amount and any reversals of such reduction are charged or credited to the statement of profit and loss.

2.07 Revenue recognition

Revenue (income) is recognised to the extent it is probable that the economic benefits will flow to the company and when there is no significant uncertainty as to determination/realisation.

Interest

Income from loans is recognised in the Profit & Loss Account on accrual basis as stated therein below, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of the Reserve Bank of India, applicable to Non-Banking Financial Companies.

Dividend

Income from dividend of shares of corporate bodies is accounted when the right to receive the payment is established.

Sale of investments

Profit or Loss on sale of investments is recognised when a binding obligation has been entered into.

All other operating income is accounted for on accrual basis.

2.08 Taxation

Tax expense comprises of current and deferred tax.

Current income-tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred tax is recognized on a prudent basis for timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax asset is recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such asset can be realised against future taxable income. Unrecognised deferred tax asset of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.


N. S. Sarawgee

MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

2.09 Earning per share

Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period are adjusted for the effects of all diluted potential equity shares.

2.10 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.11 Provisioning / Write-off of assets

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance date and adjusted to reflect the current best estimates. The company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016, as amended from time to time.

2.12 Segment Reporting

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the company is predominantly engaged in a single reportable segment of 'Investing activities' during the year.

2.13 Borrowing Cost

Interest on borrowings is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings. Brokerage and other ancillary expenditure directly attributable to a borrowing is amortised over the tenure of the respective borrowing.

2.14 Derivatives

Initial Margin –Equity index/ Stock Futures" representing the initial margin paid and /or additional margin paid over and above the initial margin, for entering into contracts for derivatives which are released on final settlement / squaring – up of the underlying contracts, are disclosed under Short-Term Loans and Advances.

On final settlement or squaring up of contracts for derivative, the realised profit or loss after adjusting the unrealized loss already accounted, if any, is recognised in the statement of profit and loss.

Outstanding derivative contracts are measured at fair value as at each balance sheet date. Fair value of derivatives is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.



MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

3

Share Capital	As at 31st March 2022		As at 31st March 2021	
	Number	Amount (Rs. in lacs)	Number	Amount (Rs. in lacs)
Authorised share capital				
Equity Shares of Rs 10 each	22,50,000	225.00	22,50,000.00	225.00
Preference Shares of Rs 10 each	3,05,00,000	3,050.00	3,05,00,000.00	3,050.00
	3,27,50,000	3,275.00	3,27,50,000.00	3,275.00
Issued, Subscribed & Paid up				
Equity Share Capital				
Equity Shares of Rs 10 each fully paid up	11,67,600	116.76	11,67,600.00	116.76
Preference Share Capital				
7% Redeemable cumulative preference shares (Series III) of Rs 10 each fully paid up (Refer note-3.2 (i))	46,250	4.63	46,250.00	4.63
0.1% Redeemable non-cumulative preference shares (Series VI) of ₹ 10 each fully paid up.(Refer note-3.2 (ii))	75,000	7.50	75,000.00	7.50
0.1% Redeemable non-cumulative preference shares (Series V) of ₹ 10 each fully paid up.(Refer note-3.2(iii))	1,30,000	13.00	1,30,000.00	13.00
8% Redeemable cumulative preference shares (Series XIII) of ₹ 10 each fully paid up. (Refer note- 3.2 (iv))	1,25,000	12.50	1,25,000.00	12.50
10% Redeemable cumulative preference shares (Series XIV) of ₹ 10/- each.(Refer note-3.2(v))	1,25,000	12.50	1,25,000.00	12.50
Total	16,68,850	166.89	16,68,850.00	166.89

3.1 Rights, preferences and restrictions attached to equity shares

The Company has only one class of issued shares i.e. Equity Shares having face value of Rs.10 per share. Each holder of Equity Shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholding.

3.2 Rights, preferences and restrictions attached to preference shares

- 46,250 (Previous Year - 46,250) 7% Redeemable cumulative preference shares of ₹ 10/- each. Allotted at a premium of ₹ 1990/- per share on 30th March 2012. The shares are redeemable at a premium of Rs. 8910/- per share after expiry of 15 years from the date of allotment viz. upto 30/03/2027.
- 75,000 (Previous Year - 75,000) 0.1% Redeemable non-cumulative preference shares of ₹ 10/- each. Allotted at a premium of ₹ 1990/- per share on 27th April, 2012. In financial year ending Mar'21, the company has extended the redemption date by 5 years, i.e. the shares are redeemable after expiry of 15 years from the date of allotment viz. upto 26/04/2027. Pursuant to the extension of the term of RCPS, the redemption premium price has been revised from ₹ 5190/- to ₹ 6435/-.
- 1,30,000 (Previous Year - 1,30,000) 0.1% Redeemable non-cumulative preference shares of ₹ 10/- each. Allotted at a premium of ₹ 1990/- per share on 27th April, 2012. In financial year ending Mar'21, the company has extended the redemption date by 5 years, i.e. the shares are redeemable after expiry of 15 years from the date of allotment viz. upto 26/04/2027. Pursuant to the extension of the term of RCPS, the redemption premium price has been revised from ₹ 5190/- to ₹ 6435/-.
- 1,25,000 (Previous Year - 1,25,000) 8% Redeemable cumulative preference shares of ₹ 10/- each. Allotted at a premium of ₹ 1990/- per share on 26th March 2014. In financial year ending Mar'21, the company has extended the redemption date by 6 years, i.e. the shares are redeemable after expiry of 13 years from the date of allotment viz. upto 25/03/2027. Pursuant to the extension of the term of RCPS, the redemption premium price has been revised from ₹ 4030/- to ₹ 5490/-.
- 1,25,000 (Previous Year - 1,25,000) 10% Redeemable cumulative preference shares of ₹ 10/- each. Allotted at a premium of ₹ 1990/- per share on 30th March 2015. In financial year ending Mar'21, the company has extended the redemption date by 6 years i.e. the shares are redeemable after expiry of 12 years from the date of allotment viz. upto 29/03/2027. Pursuant to the extension of the term of RCPS, the redemption premium price has been revised from ₹ 4035/- to ₹ 5405/-.



MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

- vi) In the event of liquidation of the company, the holders of preference shares will have priority over equity shares in payment of dividend and repayment of capital. During the year ended 31 March 2022, dividend recommended by the board on preference shares for the year ended 31st March, 2022 amounts to Rs.5,16,800/- [Including Rs.2,57,375/- relating to financial year 2020-21 on cumulative preference shares] (Last year Rs. NIL).

3.3 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number	Amount (Rs. in lacs)	Number	Amount (Rs. in lacs)
Equity Shares				
Number of shares at the beginning of the year	11,67,600	116.76	11,07,000.00	116.76
Number of shares at the end of the year	11,67,600	116.76	11,67,600.00	116.76
Preference Shares				
Cumulative Non-Convertible redeemable				
Number of shares at the beginning of the year	2,96,250	29.63	2,96,250.00	29.63
Number of shares at the end of the year	2,96,250	29.63	2,96,250.00	29.63
Preference Shares				
Non Cumulative Non-Convertible redeemable				
Number of shares at the beginning of the year	2,05,000	20.50	2,05,000.00	20.50
Number of shares at the end of the year	2,05,000	20.50	2,05,000.00	20.50

3.4 Details of shareholders holding more than 5% shares in the company:

Name of shareholders	As at 31st March 2022		As at 31st March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares				
Kalpana Poddar	5,83,800	50.00	5,83,800	50.00
Banwarilal Chamria & Others (HUF)	3,94,119	33.76	3,94,119	33.76
Vanita Chamria	1,00,663	8.62	1,00,663	8.60
Sanjay Chamria (HUF)	89,018	7.62	89,018	7.62
Preference Shares				
Cumulative non-convertible redeemable				
Bhiwadi Polypack Limited	27,000	9.11	27,000	9.11
Celica Developers Private Limited	2,20,950	77.29	1,82,700	61.67
Mayank Poddar	21,000	7.09	21,000	7.09
Reliance Corporate Advisory Services Limited	19,300	6.51	19,300	6.51
Unicon Tieup Pvt Limited	-	-	28,750	9.70
Preference Shares				
Non cumulative non-convertible redeemable				
Celica Developers Private Limited	23,850	11.64	23,850	11.64
Magma Consumer Finance Private Limited	51,150	24.95	51,150	24.95
Jaguar Advisory Services Private Limited	1,30,000	63.41	1,30,000	63.41

- 3.5 The company has not allotted any fully paid-up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

3.6 Disclosure of equity shareholding of promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Equity Shares held by promoters					% Change during the year
Promoters Name	As at 31st March 2022		As at 31st March 2021		
	No. of shares	% of total shares	No. of shares	% of total shares	
Kalpna Poddar	5,83,800	50.00%	5,83,800	50.00%	-
Vanita Chamria	1,00,663	8.62%	1,00,663	8.62%	-
Banwarilal Chamria & Others (HUF)	3,94,119	33.76%	3,94,119	33.76%	
Sanjay Chamria (HUF)	89,018	7.62%	89,018	7.62%	
Total	11,67,600	100.00%	11,67,600	100.00%	



MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Equity Shares held by promoters					% Change during the year
Promoters Name	As at 31st March 2021		As at 31st March 2020		
	No. of shares	% of total shares	No. of shares	% of total shares	
Kalpna Poddar	5,83,800	50.00%	5,83,800	50.00%	-
Vanita Chamria	1,00,663	8.62%	1,00,663	8.62%	-
Banwarilal Chamria & Others (HUF)	3,94,119	33.76%	3,94,119	33.76%	
Sanjay Chamria (HUF)	89,018	7.62%	89,018	7.62%	
Total	11,67,600	100.00%	11,67,600	100.00%	

Note: The Promoters have been defined on the basis of persons having control over the affairs of the Company, directly or indirectly.

4

Reserves & surplus	As at 31st March 2022	As at 31st March 2021
	Amount (Rs. in lacs)	Amount (Rs. in lacs)
Capital reserve		
Opening balance	496.78	496.78
Closing balance	496.78	496.78
Capital redemption reserve		
Opening balance	3.93	3.93
Closing balance	3.93	3.93
Securities premium		
Opening balance	9,407.37	9,407.37
Closing balance	9,407.37	9,407.37
General reserve		
Opening balance	2.72	2.72
Closing balance	2.72	2.72
Surplus in the statement of Profit & Loss		
Opening balance	1,034.08	1,191.66
Add: Profit/(loss) for the year	43,079.04	(154.97)
Amount available for appropriation	44,113.12	1,036.69
Appropriations		
Less: Dividend on preference share	-	2.61
Less: Transferred to special reserve as per RBI guidelines	8,615.81	-
Closing balance	35,497.31	1,034.08
Special reserve as per RBI guidelines		
Opening balance	65.90	65.90
Add: Additions during the year	8,615.81	-
	8,681.71	65.90
Total	54,089.82	11,010.78



MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

5	Long term borrowings	As at 31st March 2022	As at 31st March 2021
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	<u>Unsecured</u>		
	Term loan		
	Term loan from a body corporate	-	500.00
	Loan from a body corporate #	-	1,185.00
	Total	-	1,685.00

Explanation

Rate of interest -8%

The aforesaid loan has been fully repaid during the year.

6	Other long term liabilities	As at 31st March 2022	As at 31st March 2021
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Other payable#	663.50	-
	Total	663.50	-

#The other payable denotes amount borrowed including outstanding interest which was converted into advance to be utilized for specific purpose and hence now regrouped/rearranged. The amount does not carry any interest .

7	Other current liabilities	As at 31st March 2022	As at 31st March 2021
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Payable for expenses	2.24	0.51
	Statutory dues	3.89	6.25
	Interest accrued and due on borrowings	-	185.13
	Total	6.13	191.89

8	Short term provisions	As at 31st March 2022	As at 31st March 2021
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Provision for tax (net of advance tax & TDS)	22.27	-
	Provision for standard assets (as per RBI regulation)	56.00	-
	Total	78.27	-

9 Property, Plant & equipments
 Separate sheet attached

10	Non-current Investments	No. of Shares / Debentures /Units		Amount (Rs)	
		2022	2021	2022	2021
	(Other Investments, at cost)				
	I. Investment in Equity Shares of face value Rs 10/- each (unless otherwise stated)				
	(a) Unquoted, fully paid up				
	Magma Consumer Finance Private Limited	11,99,600	11,99,600	24.04	24.04
	<u>Class-B Equity Share</u>				
	Celica Developers Private Limited*	2,15,506	2,15,506	834.06	834.06
	Magma Consumer Finance Private Limited **	78,00,000	-	1,950.00	-
	Total (a)	92,15,106	14,15,106	2,808.10	858.10

* The Class "B" Equity shares in Celica Developers Private Limited are vested with rights relating to voting/dividend/profits/ownership benefits and economic rights in respect to / in relation to the Magma Business of the Company i.e Celica Developers Private Limited.

** The holders of Class "B" Equity share in Magma Consumer Finance Private Limited are collectively entitled to one vote in the meeting of equity shareholders.



MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

Non-current Investments	No. of Shares / Debentures /Units		Amount (Rs)	
	2022	2021	2022	2021
(b) Quoted, fully paid up				
Poonawalla Fincorp Limited (formerly known as Magma Fincorp Limited (Face value-Rs.2)	-	3,40,15,928	-	11,945.95
3M India Limited	36	-	8.49	-
Abbott India Limited	54	-	8.91	-
Aditya Birla Capital Limited	17,536	-	20.43	-
Ajanta Pharma Limited (Face value- Rs.2)	432	-	8.61	-
Asian Paints Limited (Face value- Rs.1)	2,305	-	70.81	-
Astral Limited (Face value- Rs.1)	901	-	18.71	-
Axie Bank Limited (Face value- Rs.2)	2,004	-	21.87	-
Bajaj Finance Limited (Face value- Rs.2)	691	-	47.26	-
Bajaj Finserv Limited (Face value- Rs.5)	95	-	15.15	-
BEML Limited	243	-	4.23	-
Berger Paints India Limited (Face value- Rs.1)	1,837	-	12.55	-
Birla Corporation Limited	1,934	-	24.93	-
BSE Limited (Face value- Rs.2)	2,898	-	20.77	-
C E S C Limited (Face value- Rs.1)	38,932	-	32.23	-
Cartrade Tech Limited	480	-	3.06	-
Cholamandalam Investment And Finance Company Limited (F.V. Rs.2)	2,977	-	19.86	-
Cipla Limited (Face value- Rs.2)	1,695	-	15.86	-
Coforge Limited	253	-	11.93	-
Computer Age Management Services Limited	318	-	8.26	-
Crompton Greaves Consumer Electrical Limited (F.V.Rs.2)	1,500	-	6.24	-
DCM Shriram Limited (Face value- Rs.2)	3,052	-	34.11	-
Divis Laboratories Limited (Face value- Rs.1)	349	-	14.88	-
Dixon Technologies India Limited (Face value- Rs.2)	211	-	9.45	-
Dodla Dairy Limited	705	-	3.09	-
Dr Lal Pathlabs Limited	1,361	-	35.73	-
Eicher Motors Limited (Face value- Rs.1)	143	-	3.86	-
Fine Organic Industries Limited (Face value- Rs.5)	183	-	7.15	-
FSN E-Commerce Ventures Limited (F.V. Rs.1)	604	-	9.36	-
Garware Technical Fibres Limited	316	-	9.53	-
HCL Technologies Limited (Face value- Rs.2)	2,693	-	31.68	-
HDFC Bank Limited (Face value- Rs.1)	12,501	-	169.69	-
HDFC Life Insurance Co. Limited	14,668	-	75.55	-
HDFC Limited (Face value- Rs.2)	4,782	-	99.94	-
Hindalco Industries Limited (F.V. Rs.1)	1,897	-	10.86	-
ICICI Bank Limited (Face value- Rs.2)	26,668	-	189.19	-
ICICI Lombard GIC Limited	10,283	-	126.75	-
ICICI Securities Limited (Face value- Rs.5)	4,735	-	34.07	-
IIFL Finance Limited (Face value- Rs.2)	8,114	-	26.49	-
Indigo Paints Limited	896	-	17.07	-
Info Edge India Limited	140	-	6.52	-
Infosys Limited (F.V. Rs.5)	3,142	-	54.32	-
Intellect Design Arena Limited (F.V. Rs.5)	825	-	5.86	-
Jindal Stainless Hisar Limited (Face value- Rs.2)	813	-	2.72	-
KNR Constructions Limited (F.V. Rs.2)	996	-	3.06	-
Kotak Mahindra Bank Limited (Face value- Rs.5)	1,412	-	25.51	-
L&T Technology Services Limited (F.V. Rs.2)	133	-	6.09	-
Maruti Suzuki India Limited (F.V. Rs.5)	207	-	17.53	-
Mastek Limited (Face value- Rs.5)	1,090	-	29.72	-
Max Financial Services Limited (F.V- Rs.2)	3,720	-	32.46	-
Metropolis Healthcare Limited (F.V. Rs.2)	308	-	7.68	-
Mphasis Limited	514	-	15.65	-
Muthoot Finance Limited	1,355	-	19.51	-
Navin Fluorine International Limited (F.V. Rs.2)	206	-	8.07	-
Nestle India Limited	313	-	56.13	-
Newgen Software Technologies Limited	857	-	4.69	-



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MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

Non-current Investments	No. of Shares / Debentures /Units		Amount (Rs)	
	2022	2021	2022	2021
Oracle Financial Services Software Limited (FV- Rs.5)	892	-	32.59	-
Orient Electric Limited (F.V. Rs.1)	1,117	-	3.74	-
Page Industries Limited	72	-	29.83	-
Persistent Systems Limited	430	-	17.92	-
Phoenix Mills Limited (F.V. Rs.2)	329	-	3.17	-
Pidilite Industries Limited (Face value- Rs.1)	1,142	-	26.75	-
Poly Medicare Limited (F.V. Rs.5)	407	-	3.35	-
Polycab India Limited	1,304	-	31.47	-
Saregama India Limited	238	-	9.82	-
Sequent Scientific Limited (F.V. Rs.2)	3,116	-	3.97	-
State Bank of India (Face value- Rs.1)	6,299	-	33.14	-
Sun Pharmaceutical Industries Limited (F.V.Rs.1)	2,927	-	25.86	-
Sundaram Finance Limited	2,770	-	49.93	-
Suven Pharmaceuticals Limited (F.V. Rs.1)	1,209	-	6.37	-
Tata Communications Limited	1,550	-	19.73	-
Tata Consultancy Services Limited (F.V.- Rs.1)	587	-	21.12	-
Tata Steel Limited	483	-	6.24	-
Titan Company Limited(Face value- Rs.1)	2,095	-	52.30	-
UPL Limited (Face value- Rs.2)	4,647	-	34.29	-
Vedant Fashions Limited (F.V. Rs.1)	508	-	4.66	-
Zee Entertainment Enterprises Limited (F.V.Rs.1)	7,890	-	19.93	-
Total (b)	2,28,185	3,40,15,928	2,020.51	11,945.95
Total I (a+b)	94,43,291	3,54,31,034	4,828.61	12,804.05
II. Investment in Infrastructure Investment Trust				
Quoted, fully paid up				
Powergrid Infrastructure Investment Trust (Face value- Rs.100)	1,66,500	-	199.83	-
Total II	1,66,500	-	199.83	-
III. Investment in Debentures				
Rated Secured Listed Transferable Redeemable Principal Protected,Market Linked Non Convertible Debenture (FV Rs.10,00,000/- each including premium of Rs. 1,50,000)				
Provincial Finance and leasing Co (P) Limited	217	-	2,495.50	-
Total III	217	-	2,495.50	-
IV. Investment in Alternative Investment Fund				
Northern Arc Money Market Alpha Trust	20,00,231	-	2,000.23	-
Total IV	20,00,231	-	2,000.23	-
V. Investment in Mutual Fund Units				
HDFC Liquid Fund Direct Plan - Growth Option	-	477.40	-	19.09
Total V	-	477.40	-	19.09
Grand Total (I+II+III+IV+V)			9,524.17	12,823.14
Aggregate market value of quoted share			2,080.68	37,451.54
Aggregate net asset value of mutual fund			-	19.31
Aggregate market value of Alternative investment fund			2,000.23	-
Aggregate market value of units of Infrastructure Investment Trust			222.94	-
Aggregate market value of debenture			2,497.60	-



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MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

11	Deferred tax assets(net)	As at 31st March 2022	As at 31st March 2021
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Deferred tax assets on account of carried forward business losses	113.42	-
	Total	113.42	-

12	Long-term loans and Advances	As at 31st March 2022	As at 31st March 2021
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Unsecured, considered good Advance payment of taxes & TDS (net of provisions)	224.93	224.93
	Total	224.93	224.93

13	Current investments	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
		No. of Units	No. of Units	Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Other investments (At cost or market price, whichever is lower)				
	I. Investment in quoted equity share				
	Escorts India Limited (Face value- Rs.10) #	27,300	-	499.58	-
	Poonawalla Fincorp Limited (formerly known as Magma Fincorp Limited (Face value-Rs.2)	67,25,192	-	4,807.17	-
	Total (I)	67,52,492	-	5,306.75	-
	II. Investment in mutual fund units				
	HDFC Arbitrage Fund-Wholesale Plan-DP- Growth	3,11,78,698	-	5,000.00	-
	ICICI prudential Equity Arbitrage Fund Direct plan Growth	1,36,97,758	-	4,000.00	-
	Kotak Equity Arbitrage Direct Growth	95,04,280.32	-	3,000.00	-
	SBI Arbitrage Opportunities Fund Direct Plan Growth	1,40,62,758	-	4,000.00	-
	ICICI Prudential Liquid Fund Direct Plan Growth	161.69	-	0.50	-
	IDFC Cash Fund Growth Direct Plan	19.82	-	0.50	-
	Kotak Liquid Direct Plan - Growth	11.85	-	0.50	-
	SBI Liquid Fund Direct - Growth	15.29	-	0.50	-
	HDFC Ultra Short Term Fund Direct Growth	1,62,60,614	-	1,992.74	-
	ICICI Prudential Ultra Short Term Fund Direct Plan Growth	73,02,810.88	-	1,722.82	-
	Kotak Savings Fund Direct Fund Growth	23,42,970.39	-	832.66	-
	SBI Magnum Ultra Short Duration Fund Direct Growth	28,771.28	-	1,388.69	-
	HDFC Index Fund Nifty 50- Plan Direct	1,60,013.40	-	250.00	-
	HDFC Nifty 100 Equal Weight Index-Direct Growth	19,99,900.01	-	200.00	-
	Total (II)	9,65,38,783	-	22,388.92	-
	Grand total (I+II)			27,695.67	-
	Aggregate market value of quoted share			18,744.04	-
	Aggregate net asset value of units of mutual fund			22,532.54	-

Pursuant to the announcement of open offer by the acquirer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 with respect to Escorts India Ltd, the entire investment of the Company in Escorts India Limited (viz. 27,300 shares) were tendered in the said open offer. Out of the entire tender, 19,671 shares were accepted under the open offer post 31 March 2022. The price at which tendered shares have been accepted (viz. INR 2,000 per share) post 31 March 2022 was at an amount which was higher than the cost price and the price as on 31 March 2022. Hence, the said investment has been considered at cost and the adjustment for NRV has not been made.

14	Cash and Cash equivalents	As at 31st March 2022	As at 31st March 2021
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Balances with banks		
	- on current accounts	322.31	2.93
	- Flexi fixed deposit with banks	491.37	-
	Cheque in hand	-	0.27
	Cash on hand	4.77	3.29
	Total	818.45	6.49



MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

15	Short term loans & advances		As at 31st March 2022	As at 31st March 2021
			Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Unsecured, considered good			
	Loan given to a related party (Refer note 23)		14,000.00	-
	Advances recoverable in cash or kind			
	i) Balances with portfolio managers and exchange		2,627.34	-
	ii) Prepaid expenses		0.06	-
	Total		16,627.40	-

16	Other current assets		As at 31st March 2022	As at 31st March 2021
			Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Accrued Interest		0.34	-
	Dividend receivable		0.04	-
	Amount recoverable		0.19	-
	Total		0.57	-



MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

17	Revenue from operations	For the year ended 31st March 2022	For the year ended 31st March 2021
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Interest on loan	490.19	-
	Interest on Investment products	3.82	-
	Net gain on redemption of investment in mutual fund	325.32	1.46
	Net gain on sale of investment in equity shares	43,263.64	-
	Dividend Income	1.87	-
	Miscellaneous Income	0.02	-
	Total	44,084.86	1.46
18	Other Income	For the year ended 31st March 2022	For the year ended 31st March 2021
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Interest on flexi fixed deposit	0.47	-
	Miscellaneous Income	-	0.01
	Total	0.47	0.01
19	Employee benefits expenses	For the year ended 31st March 2022	For the year ended 31st March 2021
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Salary	2.65	2.40
	Total	2.65	2.40
20	Finance costs	For the year ended 31st March 2022	For the year ended 31st March 2021
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Interest on :		
	- Unsecured loans	64.12	151.94
	- on late payment of statutory dues	-	0.19
	Total	64.12	152.13
21	Other expenses	For the year ended 31st March 2022	For the year ended 31st March 2021
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	Bank charges	0.03	0.02
	Depository charges	0.06	0.38
	Filing fee	0.03	0.02
	Legal and Professional charges	52.62	0.95
	Membership fees	-	0.24
	Payments to auditor	0.30	0.25
	Portfolio management expenses:-	-	-
	- related to management fees	2.04	-
	- other miscellaneous expenses	0.28	-
	Miscellaneous expenses	0.01	-
	Rates and taxes	0.08	0.05
	Securities transaction tax	53.53	-
	Total	108.98	1.91



MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

21.1	Payments to auditor	For the year ended 31st March 2022	For the year ended 31st March 2021
		Amount (Rs. in lacs)	Amount (Rs. in lacs)
	For Statutory audit*	0.24	0.20
	Others	0.06	0.05
	Total	0.30	0.25

*Inclusive of goods & service tax

22 Earning per share (EPS)

Particulars		For the year ended 31st March 2022	For the year ended 31st March 2021
Net profit (loss) as per statement of profit and loss	Rs.	43,079.04	(154.97)
Less: Preference dividend including tax on dividend	Rs.	-	2.61
Profit/(loss) for equity shareholders for basic and diluted EPS	Rs.	43,079.04	(157.58)
Weighted average number of equity shares outstanding during the year	Nos.	11,67,600	11,67,600
Nominal value of equity per share	Rs.	10.00	10.00
Basic/diluted earning per share (EPS)	Rs.	3.689.54	(13.50)

23 Disclosures of related party transactions (as identified & certified by the management):

As per Accounting Standard-18- ' Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the names of the related parties are given below :

a) List of related party and their relation:**I. Directors:**

Sanjay Chamria	Key Management Personnel
Vanita Chamria	Key Management Personnel
Harshvardhan Chamria	Key Management Personnel
Mayank Poddar	Director (upto 22/10/2021)
Kalpana Poddar	Director (upto 22/10/2021)

II. Individuals having control or significant influence over the Company and their relative.

Kalpana Poddar
Mayank Poddar

III. Private Company in which director is a director or member.

Magma Consumer Finance Private Limited
Jaguar Advisory Services Private Limited

IV. Enterprises where Individuals having control or significant influence over the Company has also significant influence.

Celica Developers Private Limited
Magma HDI General Insurance Co. Ltd

V. Investment as a Promotor.

Poonawala Fincorp Limited (formerly known as Magma Fincorp Limited) upto 16/03/2022


Jain Sarawgee

MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

Aggregated related party transactions for the year ended 31st March 2022

Name of related party and nature of relationship	Nature of transaction	Transaction value for the year ended 31st March 2022	Outstanding amount as at 31st March 2022	Transaction value for the year ended 31st March 2021	Outstanding amount as at 31st March 2021
A) Individuals having control or significant influence over the Company and their relative					
Mayank Poddar	Loan given	14,000.00	14,000.00	-	-
	Interest Income	490.19	-	-	-
	8% Redeemable cumulative preference shares (Series XIII) issued by MCPL including premium	-	420.00	-	420.00
		-	-	-	-
B) Private Company in which director is a director or member					
Magma Consumer Finance Private Limited	Investment in equity shares	-	24.04	-	24.04
	Investment in Class B equity shares	1,950.00	1,950.00	-	-
	0.1% Redeemable non-cumulative preference shares (Series VI) issued by MCPL including premium	-	1,025.00	-	1,025.00
	Dividend paid (including tds)	-	-	0.01	-
Jaguar Advisory Services Private Limited	0.1% Redeemable non-cumulative preference shares (Series V) issued by MCPL including premium	-	2,600.00	-	2,600.00
	Dividend paid (including tds)	-	-	0.01	-
C) 'Enterprises where Individuals having control or significant influence over the Company has also significant influence.					
Celica Developers Private Limited	Investment in equity shares	-	834.06	-	834.06
	0.1% Redeemable non-cumulative preference shares (Series VI) issued by MCPL including premium	-	477.00	-	477.00
	7% Redeemable non-cumulative preference shares (Series III) issued by MCPL including premium	-	4.63	-	-
	10% Redeemable cumulative preference shares (Series XIV) issued by MCPL including premium	-	2,114.00	-	2,114.00
	Dividend paid (including tds)	-	-	1.68	-
D) Investment as a promoter					
Poonawala Fincorp Limited (Formerly known as Magma Fincorp Limited) *	Investment in equity shares	-	-	-	11,945.95

*M/s Poonawala Fincorp Limited (PFL) (formerly: Magma Fincorp Limited) ceases to be related party w.e.f 16th March 2022 in terms of AS-18, consequent to re-classification of the Company as non-promoter of said PFL as approved by stock exchanges and filing by said PFL with them.

24 Gratuity and post-employment benefits plans

As the number of employee is less than 10, and as such no employee benefits are payable under any statute or otherwise and as such the disclosure requirements under AS - 15 (revised) are not applicable.


 Poonawala Fincorp Limited

MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

- 25 The following additional information, to the extent applicable, (other than what is already disclosed elsewhere) is disclosed in terms of Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016, as amended.

(a1) Capital to Risk Assets Ratio(CRAR)-

Particulars	Current Year	Previous Year
i) CRAR (%)	96.23	
ii) CRAR - Tier I Capital (%)	96.03	
iii) CRAR - Tier II Capital (%)	0.20	Refer note no 34
iv) Amount of subordinated debt raised as Tier-II capital	-	
v) Amount raised by issue of Perpetual Debt Instruments	-	

(a2) Adjusted net worth ratio-

Particulars	Current Year	Previous Year
i) Adjusted net worth		23,889.99
ii) Total Risk Weighted Assets	Refer note no 34	12,823.14
iii) Adjusted net worth ratio (%)		186.30%

(b) Investments

Particulars		(Rs. in lacs)	
		Current Year	Previous Year
1) Value of Investments			
i) Gross Value of Investments			
(a) In India		37,219.84	12,823.14
(b) Outside India,		-	-
ii) Provisions for Depreciation			
(a) In India		-	-
(b) Outside India,		-	-
iii) Net Value of Investments			
(a) In India		37,219.84	12,823.14
(b) Outside India,		-	-
2) Movement of provisions held towards depreciation on investments.			
i) Opening balance		-	-
ii) Add : Provisions made during the year		-	-
iii) Less : Write-off / write-back of excess provisions during the year		-	-
iv) Closing balance		-	-

(c) Derivative

The Company does not have any derivative exposure during the financial year ended 31 March 2022 and 31 March 2021.

(d) Securitisation

The Company does not have exposure to any securitisation transaction during the financial year ended 31 March 2022 and 31 March 2021.

(e) Exposures**(i) Exposure to Real Estate Sector**

The Company does not have any exposure to real estate sector during the financial year ended 31 March 2022 and 31 March 2021.



MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

(ii) Exposure to Capital Market-

(Rs. in lacs)

Particulars	Current Year	Previous Year
	Amount (Rs.)	Amount (Rs.)
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	26,585.36	12,804.05
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	14,000.00	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii) bridge loans to companies against expected equity flows / issues;	-	-
Viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to Capital Market	40,585.36	12,804.05

(iii) Details of financing of parent company products

The Company does not have a parent company and hence this disclosure is not applicable.

(iv) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC .

The Company does not have access to public funds as at the end of the year and hence concentration of credit/ investment norms shall not apply to the Company.

(v) Unsecured Advances

(Rs. in lacs)

Particulars	Current Year	Previous Year
	Amount (Rs.)	Amount (Rs.)
Unsecured Advance	14,000.00	-

The Company has not given any unsecured advances against intangible securities such as charge over the rights, licenses, authority, etc. during the financial year ended 31 March 2022 and 31 March 2021.

(f) Registration obtained from other financial sector regulators - NIL**(g) Details of penalties imposed by RBI and other regulators**

No penalties has been imposed by RBI and other regulators on the Company during the financial year ended 31 March 2022 and 31 March 2021.

(h) Details of Ratings assigned by credit rating agencies and migration of ratings during the year - NIL**(i) Provisions and Contingencies**

(Rs. In lacs)

Break up of 'Provision and Contingencies' shown in the Statement of Profit and Loss	Current Year	Previous Year
	Amount (Rs.)	Amount (Rs.)
Provision for standard assets	56.00	-
Provision made towards income tax (including deferred tax)	774.54	-



MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

(j) Concentration of Advances, Exposures and NPAs**1. Concentration of Advances**

(Rs. in lacs)

Particulars	Current Year	Previous Year
	Amount (Rs.)	Amount (Rs.)
Total advances to twenty largest borrowers	N.A	N.A
Percentage of advances to twenty largest borrowers to total advances	N.A	N.A

2. Concentration of Exposures

Particulars	Current Year	Previous Year
	Amount (Rs.)	Amount (Rs.)
Total exposure to twenty largest borrowers/customers	49,556.41	12,823.13
Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	96.75%	100.00%

3. Concentration of NPAs

Particulars	Current Year	Previous Year
	Amount (Rs.)	Amount (Rs.)
Total exposure to top four NPA accounts	NIL	NIL

4. Sector-wise NPAs :- NIL**(k) Movement of NPAs :- NIL****(l) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)**

Name of the Joint Venture / Subsidiary	Other Partner in the JV	Country	Total Assets
N.A	N.A	N.A	N.A

(m) Off-balance Sheet SPVs sponsored

Name of the SPV Sponsored	
Domestic	Overseas
NIL	NIL

(n) Customer Complaints

1. No. of complaints pending at the beginning of the year - NIL
2. No. of complaints received during the year - NIL
3. No. of complaints redressed during the year - NIL
4. No. of complaints pending at the end of the year - NIL

(o) Asset liability Management

Maturity pattern of certain items of assets and liabilities as on 31.03.2022

(Rs. in lacs)

Particulars	Deposits	Advances	Investments	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 to 7 days	-	-	-	-	-	-
8 to 14 days	-	-	-	-	-	-
15 days to 30 /31 days	-	-	-	-	-	-
Over 1 month upto 2 Month	-	-	11,245.67	-	-	-
Over 2 months upto 3 months	-	-	16,450.00	-	-	-
Over 3 month & up to 6 months	-	14,000.00	-	-	-	-
Over 6 Month & up to 1 year	-	-	-	-	-	-
Over 1 year & up to 3 years	-	-	6,716.07	-	-	-
Over 3 years & up to 5 years	-	-	-	-	-	-
Over 5 years	-	-	2,808.10	-	-	-
Total	-	14,000.00	37,219.84	-	-	-



J. Sarawgee

MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

Maturity pattern of certain items of assets and liabilities as on 31.03.2021

(Rs. in lacs)

Particulars	Deposits	Advances	Investments	Borrowings	Foreign Currency assets	Foreign Currency liabilities
1 to 7 days	-	-	-	-	-	-
8 to 14 days	-	-	-	-	-	-
15 days to 30 /31 days	-	-	-	-	-	-
Over 1 month upto 2 Month	-	-	19.09	-	-	-
Over 2 months upto 3 months	-	-	-	-	-	-
Over 3 month & up to 6 months	-	-	-	-	-	-
Over 6 Month & up to 1 year	-	-	-	-	-	-
Over 1 year & up to 3 years	-	-	11,945.95	1,685.00	-	-
Over 3 years & up to 5 years	-	-	-	-	-	-
Over 5 years	-	-	858.10	-	-	-
Total	-	-	12,823.14	1,685.00	-	-

26 Provisioning / Write-off of assets

Provision for non-performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. Additional provision of 0.40% on Standard assets has also been made during the year, as per a new stipulation of RBI on Standard Assets.

The company also makes additional provision towards loan assets, based on the management's best estimate.

Details of provision towards loan assets is as stated below:

(Rs. in lacs)

Particulars	As on 31.03.2021	Charged to statement of Profit & Loss during the year	As on 31.03.2022
Provision on Standard Assets as per RBI	-	56.00	56.00
Total	-	56.00	56.00

27 Information as required in terms of Paragraph 19 of Non-Banking Financial Company Systemically Important Non Deposit Taking Company (Reserve Bank) Directions, 2016.

(Rs. in lacs)

As at 31st March, 2022

Liabilities side	Amount outstanding	Amount overdue
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
(a) Debentures : -		
Secured	NIL	NIL
Unsecured	NIL	NIL
(Other than falling within the meaning of public deposits)		
(b) Deferred Credits	NIL	NIL
(c) Terms Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits	NIL	NIL
(g) Other loans(Director)	NIL	NIL
(h) Bank Overdraft	NIL	NIL
(i) Loan from Directors & Shareholders	NIL	NIL



MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) : (a) In the form of Unsecured debentures (b) In the form of partly secured debentures, i.e., debentures where there is a shortfall in the value of security (c) Other public deposits	N.A. N.A. N.A.	N.A. N.A. N.A.
Assets side	Amount outstanding	
3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below]: (a) Secured (b) Unsecured	NIL 16,627.34	
4. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities Lease assets including lease rentals under sundry debtors (a) Financial lease (b) Operating lease Stock on hire including hire charges under sundry debtors: (a) Assets on hire (b) Repossessed Assets Other loans counting towards AFC activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	NIL NIL NIL NIL NIL NIL NIL NIL	
5. Break-up of Investments: Current Investments Quoted: (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please specify) Unquoted: (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities Long Term investments: Quoted: (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Alternative Investment Fund & Investment in units fund) Unquoted: (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (to be specify)	5,306.75 NIL NIL NIL NIL NIL NIL NIL 22,388.92 NIL 2,020.51 NIL 2,495.50 NIL NIL 2,200.06 2,808.10 NIL NIL NIL NIL NIL	




MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

6. Borrower group-wise classification of all assets financed as in (3) and (4) above :

Category	Amount net of provisions		
	Secured	Unsecured	Total
Related Parties			
(a) Subsidiaries	NIL	-	-
(b) Companies in the same group	NIL	-	-
(c) Other related parties	NIL	14,000.00	14,000.00
Other than related parties	NIL	2,627.34	2,627.34
Total	NIL	16,627.34	16,627.34

7. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted) :

Category	Market Value / Breakup or fair value or NAV	Book Value (Net of Provisions)
Related Parties		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	3,084.26	2,808.10
(c) Other related parties	NIL	NIL
Other than related parties	48,078.03	34,411.74
Total	51,162.29	37,219.84

8. Other Information

Particulars	Amount
Gross Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	-
Net Non-Performing Assets	
(a) Related Parties	-
(b) Other than related parties	-
Assets acquired in satisfaction of debt	-

28 As per information available with the Company there are no amounts payable or paid during the period which are required to be disclosed as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.



J. Sarawgee

MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

29 Additional Regulatory Information

Ratio	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for variance
Current Ratio (in times)	Total current assets	Total current liabilities	534.86	0.03	1782766.67%	Increase in current assets during the year
Debt-Equity Ratio (in times)	Debt consists of borrowings	Total Equity	-	0.15	-100.00%	Since the Company does not have any debt liability at the end of the financial year
Debt service coverage ratio (in times)	Earning for Debt Services = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt Service = Interest payments + Principal repayments	34.58	-0.05	69260.00%	Since the Company has incurred loss in previous financial year
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	131.87%	-1.38%	9655.80%	Since the Company has earned substantial profits during the current year and as compared to loss in previous financial year.
Trade receivables turnover ratio (in times)	Not Applicable					
Trade payables turnover ratio (in times)						
Net capital turnover ratio (in times)	Revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	0.98	-0.01000	9900.00%	Since the revenue from operation has been substantially increased during the the current year
Net profit ratio (in %)	Profit for the year	Total Income	97.72%	-10542.18%	100.93%	Since the revenue from operation and net profit has been substantially increased during the the current year
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth+Total debt	80.94%	-0.02%	404800.00%	Since the net profit has been substantially increased during the the current year
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	174.23%	0.01%	174.23%	Since the return on investment has been substantially increased during the year



MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

30 Contingent liabilities and commitments (to the extent not provided for)

(Rs. in lacs)

Particulars	As at 31.03.2022	As at 31.03.2021
Claim against the company not acknowledged as debt		
Income tax matter under dispute- CIT (A) Kolkata (A. Y.2014-15)#	494.53	494.53
Total	494.53	494.53

#The Company has deposited Rs.74.20 Lakhs (P.Y. Rs.74.20 Lakhs) against the aforesaid demand. Additionally, the income tax department has adjusted Rs.136.56 Lakhs (P.Y. Rs.136.56 Lakhs) out of the income-tax refunds accrued to the Company in respect of the other assessment year.

31 There are no proceedings that have initiated against the company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

32 Relationship with struck off companies

The Company has not entered into any transactions with the companies struck off under the Companies Act, 2013 or the Companies Act, 1956.

33 The Company have not been declared as wilful defaulter by any bank or financial institution.

34 The MCA wide notification dated 24th March 2021 has amended schedule III to the companies Act, 2013 in respect of certain disclosure which are applicable from 1st April 2021. The company has incorporated the changes as per the said amendment in the above results and has also changed comparative numbers wherever applicable.

35 On account of reclassification of substantial investment of the Company in Poonawalla Fincorp Limited in the capacity of Promoter shareholder to Public Shareholder, the Company does not intend to continue as an NBFC - Core Investment Company (NBFC-CIC), but, it shall continue its business operations as an NBFC - Investment and Credit Company (NBFC-ICC). Consequently, vide letter dated December 7, 2021, the Company has made an application to the Reserve Bank of India ('RBI') to reclassify from NBFC-CIC to NBFC-ICC which is pending approval as of the date of signing of these financial statements. It may also be noted that the disclosures made in these financial statements are in compliance with RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016, to the extent applicable to the Company.

Accordingly, in respect of Note 25(a1), the Company has given disclosure of Capital to Risk Assets Ratio(CRAR) considering the NBFC-ND-SI Directions for the current year (Year ended 31 March 2022). In respect of previous year (Year ended 31 March 2021), considering the operation of Company as a Core Investment Company, the corresponding disclosure have been given in line with the Master Direction DoR(NBFC).PD.003/03.10.119/2016-17 ('CIC Directions') in Note 25(a2) as applicable to Core Investment Company.

36 Previous year's figures have been regrouped/rearranged, wherever necessary.

37 Figures have been rounded off to nearest lakh rupees or decimals thereof.

As per our report of even date attached

For Jainsarawgee & Co.

Chartered Accountants

Firm Registration No. 315082E

R K Sarawgee

Partner

Membership No.: 57051



For and on behalf of the board of directors

Sanjay Chamria

Director

DIN: 00009894

Vanita Chamria

Director

DIN: 00423583

Place : Kolkata

Date: 28th May, 2022

UDIN : 22057051AJXMDX3441

MICROFIRM CAPITAL PRIVATE LIMITED

Notes forming part of financial statement for the year ended 31st March, 2022

Note 9 : Property, plant and Equipments

Property, Plant & equipments	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1st April 2021	Additions	Discarded during the year	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation charge for the year	Adjustment during the year	Balance as at 31st March 2022
Furniture	0.51	-	0.51	-	0.51	-	0.51	-
Plant and equipment	3.74	-	3.74	-	3.74	-	3.74	-
Total	4.25	-	4.25	-	4.25	-	4.25	-

Property, Plant & equipments	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1st April 2020	Additions	Disposals/ Sale	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation charge for the year	Adjustment for sale	Balance as at 31st March 2021
Furniture	0.51	-	-	0.51	0.51	-	-	-
Plant and equipment	3.74	-	-	3.74	3.74	-	-	-
Total	4.25	-	-	4.25	4.25	-	-	-



K. S. W. G. & Co.