



2nd ANNUAL REPORT
OF
NSIC VENTURE CAPITAL
FUND LIMITED

(A Wholly Owned Subsidiary of NSIC)

2021-2022



Empowering MSME for Aatmanirbhar Bharat- an event was organised to mark the 1st anniversary of establishment of SRI Fund at Bengaluru



CIN NO.: U65990DL2020GOI1368828

Chairman	Ms. Alka Nangia Arora (upto 20 th June, 2022) Shri P. Udayakumar (w.e.f. 20 th June, 2022 to 31 st July, 2022) Shri Gaurang Dixit (w.e.f. 1 st August, 2022)
Chief Executive Director	Shri Saravana Kumar Ananthan (w.e.f. 17 th October, 2022)
Directors	<ul style="list-style-type: none">• Shri Gaurang Dixit, Director• Shri Ateesh Kumar Singh Government Nominee Director• Shri Rajib Kumar Sen Government Nominee Director (upto 8th July, 2022)• Dr. Ishita Ganguli Tripathy Government Nominee Director (w.e.f. 8th July, 2022)• Shri Saravana Kumar Ananthan (w.e.f. 19th October, 2022)
Company Secretary	Ms. Nishtha Goyal
Statutory Auditors	M/s. Devinder K. Jain & Associates
Main Bankers	State Bank of India
Registered Office	NSIC Bhawan Okhla Industrial Estate New Delhi-110 020
Corporate Website	www.nvcfl.co.in



Board of Directors



Mr. Gaurang Dixit, Chairman (DIN: 08535482)

Mr. Gaurang Dixit is an Associate member of the Institute of Cost Accountants of India and also a Post Graduate in Business Administration. Mr. Dixit has been given the additional charge of Chairman-cum-Managing Director, NSIC (a holding Company of NVCFL) w.e.f. 1st August, 2022. He has more than 35 years of experience in the area of Finance & Accounts, Internal Audit, Corporate Planning, Vigilance and Commercial Department of

Public and Private Sector Companies. He worked in different capacities at field offices as well as at Corporate Office. He functioned as Head of Finance & Accounts, Corporate Planning, Internal Audit and Administration Division. He was also involved in formulation of policies/ guidelines for new schemes and strengthening the existing schemes. He also handled the work related to raising funds / resources from the Banks, FIs for meeting the funds requirement of the Company.

He was actively involved in the creation of a Special Purpose Vehicle i.e. NSIC Venture Capital Fund Ltd., (a wholly owned subsidiary of NSIC Ltd.) to implement SRI fund (A Fund of Funds Scheme of Govt. of India for MSMEs).

Mr. Gaurang Dixit is also Ex-officio Chairman on the Board of NSIC Venture Capital Fund Limited.



Sh. Ateesh Singh, Government Nominee Director (DIN: 06789077)

Sh. Ateesh Singh, Joint Secretary, Ministry of MSME - Civil Services has over 25 Years of experience in civil administration, policy formulation & implementation, institutional regulation and product development. (1997-2021).

He has served in various capacities in different ministries of Government of India. He has handled issues in the Ministry of MSME, Government of India – policy formulation and execution for MSME credit, negotiations with World Bank, KFW and National Development Bank for financial assistance in the MSME sector in 4 Externally Aided Projects (EAP), roll out of the CHAMPIONS portal for grievance redressal/resolution and handholding, Development and execution of reformulated MSME Scheme on ZED Certification, LEAN processes, Incubation, IPR and Design. He was the part of establishment of 20 new Technology Centres and 100 Extension Centres on PPP mode across the country. He coordinated with the Finance Ministry and RBI to develop block chain processes on Trade Receivables Discounting System (TReDS). He has done innovative product development in fintech bodies in coordination with RBI, State Governments, private sector and Finance Ministry. He dealt matters related to General Administration, Vigilance and Establishment in the Ministry. He was the part of operationalization and management of covidwarriors.gov.in, a portal to provide resources in Covid management to medical service providers across all states and Union Territories.

Sh. Ateesh Singh was appointed as Government Nominee Director in the Board of NSIC Venture Capital Fund Limited (NVFCL), a wholly owned subsidiary of NSIC Ltd. w.e.f. 28th August, 2020.



Dr. Ishita Ganguli Tripathy, Government Nominee Director (DIN: 09661006)

Dr. Ishita Ganguli Tripathy, Additional Development Commissioner, O/o DC(MSME) is an officer of the Indian Economic Service 1999 batch. In the past 23 years, she has worked in Ministry of Finance, Planning Commission, Ministry of Road Transport & Ministry of Commerce and Industry in various capacities. She has a double post graduation in Economics and Population Studies and completed her

PhD from IIT Delhi in Managerial Economics.

Dr. Ishita Ganguli Tripathy was appointed as Government Nominee Director in the Board of NSIC Venture Capital Fund Limited (NVFCL), a wholly owned subsidiary of NSIC Ltd. w.e.f. 8th July, 2022.



Mr. Saravana Kumar Ananthan, Director & Chief Executive Officer (DIN: 09769378)

Mr. Saravana Kumar Ananthan is a Post graduate from IIM-Bangalore, holds degree in B.E., Risk management program from GARP- USA, CAIB from Indian Institute of Bankers and attended Management Development Programme at Merrill Lynch Global Headquarters at New York. He has over 32 years of professional experience in Venture Capital, Private equity, AIF, MSME sector, Finance & Accounts, Risk

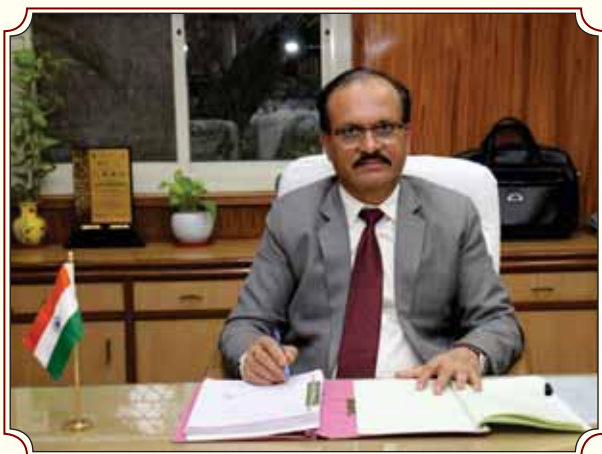
Management, Resource mobilisation, Treasury management and Corporate planning.

Mr. Ananthan is appointed as a CEO of NVCFL w.e.f. 17th Oct., 2022 to implement SRI Fund (a fund of funds scheme of Government of India for MSMEs). He worked as a Senior management professional in ICICI Ventures and ICICI Bank and worked as Chief Investment Officer in SBI Funds Management, LIC Nomura Funds Management, etc.

He was a Consultative working group committee Member of (a) IRDAI on restructuring the investment for life insurance sector in 2011 (b) SEBI on developing the AIF funds and (c) Core investment committee member of American International Assurance (AIA)-Hong Kong between 2010 and 2013. He had received in person the “World Finance” Award for the Best AIF Fund from London Stock exchange in March 2013. “World Finance” i.e. UK based investment publication had distributed above award.



Chairman's Message



Dear Shareholders,

It is my privilege to welcome you in the 2nd Annual General Meeting of “NSIC Venture Capital Fund Limited (NVCFL)”. The Board’s Report of your Company and its audited financial statements along with auditor’s report and comments of the Comptroller & Auditor General of India thereon for the financial year ended on 31st March, 2022 have been with you. I seek your permission to take them as read.

NSIC Venture Capital Fund Limited (NVCFL) was incorporated as a wholly owned subsidiary of The National Small Industries Corporation Limited (NSIC) to execute Fund of Funds scheme of ₹ 10,000 crore i.e. Self-Reliant India (SRI) Fund for MSMEs, as a part of the Atmanirbhar Bharat Package announced by the Hon’ble Finance Minister of India.

SRI Fund has been registered with the regulator, Securities and Exchange Board of India (SEBI) as a Category II Alternative Investment Fund (AIF) on the 1st September, 2021. Subsequently, the Contribution Agreement was executed on the 12th October, 2021 between the Anchor Investor (M/o MSME, Government of India), Sponsor (NSIC), AIF Company (NVCFL) and the Investment Manager (SBICAP Ventures Limited - SVL).

SRI Fund operates in Mother Fund – Daughter Fund structure, wherein, SRI Fund is known as Mother Fund which provides capital commitment to various Daughter Funds (Private Equity Funds registered with SEBI as Cat I or Cat II Fund). As per the scheme approved by the Government of India under Mother Fund – Daughter Funds structure, for each unit invested by SRI Fund, the Daughter Funds are required to invest 4 units. Thus, total 5 units would be invested in MSMEs through Daughter Funds.

The objective of SRI Fund is to provide funding support to the MSMEs through the Daughter Funds, as growth capital in the form of equity or quasi-equity, for enhancing equity/ equity like financing to MSMEs and supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities. This fund is to support MSMEs to make India self-reliant by producing relevant technologies, goods and services.

As mentioned above, NVCFL received the SEBI registration w.e.f. 01st Sept., 2021, therefore, the business activities of the Company commenced w.e.f. 01st Sept., 2021. Accordingly, during the year 2021-2022, the Company reported its revenue from operations of ₹ 201.60 lakh and earned its very first profit (before tax) amounting to ₹ 230.94 lakh and profit after tax amounting to ₹ 190.27 lakh.

As on 31st March, 2022, the net worth of the Company was ₹ 729.17 lakh as compared to ₹ 538.90 lakh in the previous year. Earnings per share (EPS) for the financial year ended 31st March, 2022 was ₹ 31.71 as against ₹ (10.18) in the previous year.

I am pleased to inform that the Board of Directors has recommended a dividend of ₹ 57.08 lakh (30% of PAT) for the financial year 2021-2022 subject to the approval of shareholders in this Annual General Meeting.



Since signing of the Contribution Agreement, meetings of the duly constituted Investment Committee (IC) of SRI Fund are being regularly held. Till 30th November, 2022, 33 Daughter Funds have been empanelled with the SRI Fund commitment of ₹ 4,895 crore approx. ₹ 306 crore, from the SRI Fund contribution, has already been deployed by these daughter funds in 127 MSMEs.

I would like to express my gratitude to Ministry of MSME, SEBI, DPE, NSIC Ltd. (holding Company) for continuous guidance and

support. I would like to place on record my sincere thanks to all our stakeholders for their contribution to this initiative to facilitate and boost the growth of MSMEs. I would also like to thank C&AG, Statutory Auditors and other professionals associated with the Company. I take this opportunity to convey my thanks to my colleagues on the Board of the Company and all officials for their unanimous support. I wish all the Best to NVCFL- SRI Fund for further strengthen the MSMEs and achieve its vision and mission.

Place : New Delhi

Date : 16th December, 2022

Sd/-
(Gaurang Dixit)
Chairman
DIN : 08535482



Board's Report

Dear Shareholders,

Your Directors are pleased to present the 2nd Board's Report along with the audited financial statement of the Company for the financial year 2021-2022.

1. Operations Overview

NSIC Venture Capital Fund Limited (NVCFL) is a wholly owned subsidiary of The National Small Industries Corporation (NSIC), a Mini-Ratna Company of the Government of India under the Ministry of Micro, Small and Medium Enterprises. NVCFL is registered as Category-II Alternate Investment Fund under Securities & Exchange Board of India (Alternative Investment Fund) Regulations, 2012 ('the Regulations') w.e.f. 1st Sept., 2021 for its first scheme Self-Reliant India (SRI) Fund. SRI Fund is a combination of Mother/ Daughter

Funds. The Government of India is the sole anchor investor and provide an initial budgetary support of ₹ 10,000 crore to the Mother Fund in phased manner. Daughter Funds, after being empanelled with the Mother Fund will mobilise funds and for each 4 units of funds so mobilised, they will be eligible to solicit 1 unit of fund, back-ended from the Mother Fund. The entire 5 units will then be available to the Daughter Fund for investment in MSMEs.

The objective of SRI Fund is to provide funding support to the MSMEs through the Daughter Funds, as growth capital in the form of equity or quasi-equity, for enhancing equity/ equity like financing to MSMEs and supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities.



1st AGM of NSIC Venture Capital Fund Limited was held on 26th November, 2021

A Contribution Agreement and Investment Management Agreement for operationalization of Fund was signed on 12th Oct., 2021. This Scheme has the Ministry of MSME, Government of India, NSIC and the NVCFL as its contributors and is treated as a separate 'Association of Person'. Regarding this, appropriate disclosures have been made in Note- 29 of the annual financial statements of the Company.

2. Financial Overview

NVCFL received the Securities & Exchange Board of India (SEBI) registration w.e.f. 1st Sept., 2021. Therefore, the business activities of the Company commenced from the date of SEBI registration i.e. 1st Sept., 2021. Accordingly, the Company reported its revenue from operations of the Company ₹ 201.60 lakh for the year 2021-2022. The Company earned its very first profit (before tax) amounting to ₹ 230.94 lakh and profit after tax amounting to ₹ 190.27 lakh.

The summary of audited financial statements of the Company for the financial year 2021-2022 along with previous financial year, is given as under:-

(₹ in Lakh except for EPS)

S No.	Particulars	Financial Year ended on 31 st March, 2022	Financial Year ended on 31 st March, 2021
1.	Revenue from Operations	201.60	0.00
2.	Other Income	69.37	11.06
3.	Expenses	40.03	69.38
4.	Profit / (Loss) before Tax	230.94	(58.32)
5.	Tax Expenses	40.67	2.78
6.	Profit / (Loss) after Tax	190.27	(61.10)
7.	Net worth	729.17	538.90
8.	Earning per Share (₹)	31.71	(10.18)



NVCFL presented its first dividend cheque for the year 2021-2022 to CMD, NSIC.

3. Dividend

The Board of Directors in its meeting held on 28th July, 2022 has recommended a dividend of ₹ 57.08 lakh (30% of PAT) for the financial year 2021-2022. The dividend recommended is subject to the approval of the shareholders at the Annual General Meeting.

4. Transfer to Reserves in Terms of Section 134 (3) (J) of The Companies Act, 2013

Your Directors do not propose to transfer any amount to the reserves.

5. Material Changes and Commitments, if any, Affecting The Financial Position of The Company Which Have Occurred Between the End of The Financial Year of The Company to Which The Financial Statements Relate and the Date of the Report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this Report.

6. Deposits

Your Company has not accepted any deposit falling within the purview of



Section 73 of the Companies Act, 2013 read with rules made thereunder.

7. Change in The Nature of Business

There has been no change in the nature of business of the Company.

8. Particulars of Loans, Guarantees or Investments under Section 186

During the year under review, your Company has not made any loan or given any guarantee or provided any security and/or made any investments under Section 186 of the Companies Act, 2013 and hence the said provision is not applicable. Further, details of investments made by Company have been mentioned at note. 7 of the Notes to Accounts of the audited financial statements for the year 2021-2022.

9. Share Capital

The Authorized Share Capital of the Company is ₹ 10 crore and paid-up Share Capital of the Company is ₹ 6 crore divided into 6,00,000 equity shares of ₹ 100/- each and the entire paid-up share capital is held by The National Small Industries Corporation Limited (holding Company) and its nominees.

10. Management Discussion & Analysis

A separate report on Management Discussion and Analysis is enclosed as “Annexure- A” to this report.

11. Human Resource Management

Your Company has not appointed any permanent employee during the financial year 2021-2022. However, holding Company i.e. NSIC Ltd. has deployed some of its employees on part-time/full time basis for operational convenience and managing day to day affairs of the Company, who are professionals and having financial expertise.

The Company has not entered into any material, financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms etc. in which they are either directly or through their relatives interested as Directors and/or Partners.

12. Particulars of Employees

None of the employees of the Company were in receipt of remuneration in excess of limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder are not applicable to Government Companies.

13. Conservation of Energy, Technology, Absorption, and Foreign Exchange Earnings and Outgo

Your Company does not have any manufacturing activity, hence there is no outgo on the conservation of energy, technology and absorption. Further, the Company has no foreign exchange earnings and no outgo transactions during the period under review.

14. Particulars of Contracts and Arrangements With Related Parties

The arrangements/transactions during the financial year with related parties were in the ordinary course of business and on arm's length basis. Disclosures of related party transactions and particulars of contracts or arrangements referred to in Section 188(1) of Companies Act, 2013, in prescribed Form AOC-2, as per Rule 8(2) of Companies (Accounts) Rules, 2014, is enclosed as “Annexure- B” to this report.



15. Statutory Auditors

The Comptroller & Auditor General of India has appointed M/s. Devinder K. Jain & Associates, Chartered Accountants as the Statutory Auditors for the financial year 2021-2022. The Statutory Auditors have given its report on the financial statements of the Company for the financial year 2021-2022. The Audited Financial Statements, Cash Flow Statement and the required annexures together with the Auditors' Report thereto forms part to the annual report. There are no adverse comments, observation or reservations in the Statutory Auditors' Report on the Financial Statements of the Company.

The Comments of C&AG on the Company's Financial Statements for the financial year ended 31st March, 2022 shall forms part of the annual report.

16. Internal Financial Control System and Their Adequacy

The Company maintains an adequate system of Internal Control and procedures to effectively control the operations of the Company. The Company has Board approved Standard Operating Procedures (SOP) in order to implement the Investment Process of Self-Reliant India (SRI) Fund in an efficient and transparent manner and in full compliance of the Operating Guidelines issued by the Ministry of MSME. The details are also mentioned in the Management Discussion and Analysis Report enclosed with the report.

17. Annual Return

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at <http://www.nvcfl.co.in/AnnualReport>.

18. Risk Management

The Company has laid down a well-defined Risk Management Policy to identify the risks associated with the SRI Fund (a first scheme of the Company). More details are given in the Management Discussions and Analysis report in the Annual Report. The Risk Management Policy of the Company can be accessed at http://nvcfl.co.in/pdfs/Risk_Mgmt_Policy_30082022.pdf.

19. Board of Directors

The following changes occurred in the Board of Directors of your Company during the Financial Year 2021-2022 and till date:

- a) Shri Gaurang Dixit has been appointed as Chairman of the Company w.e.f. 1st August, 2022.
- b) Dr. Ishita Ganguli Tripathy has been appointed as one of the Government Nominee Director in the Board of NVCF w.e.f. 8th July, 2022 in place of Shri Rajib Kumar Sen.
- c) Shri Rajib Kumar Sen ceased to be director in the Board of NVCF w.e.f. 8th July, 2022.
- d) Shri Vijayendra ceased to be Chairman, NVCF w.e.f. 23rd Sept., 2021.
- e) Smt. Alka Nangia Arora was appointed as Chairman of the Company w.e.f. 23rd Sept., 2021. She holds the charge as Chairman, NVCF till 20th June, 2022.
- f) Shri. P. Udayakumar was appointed as Chairman of the Company w.e.f. 20th June, 2022. He holds the charge as Chairman, NVCF upto the date of his superannuation i.e. till 31st July, 2022.
- g) Shri Saravana Kumar Ananthan, has



been appointed as Additional Director on the Board of the Company w.e.f. 19th October, 2022. He is also Chief Executive Officer of the Company.

During the year 2021-2022, six meetings of the Board of Directors were held. The details of the meetings are given in the Corporate Governance Report which is enclosed as “Annexure- C” to this report.

20. Directors' Responsibility Statement

Pursuant to the requirement of section 134(3)(c) of the Companies Act, 2013, the Directors confirms that:

- In the preparation of the annual accounts for the year 2021-2022, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- Such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- The financial statement have been prepared on a going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

21. Right to Information Act, 2005

During the financial year 2021-2022, one application was received under “Right to Information Act, 2005” (RTI) and the same has been disposed off.

22. Significant and Material Orders Passed by Regulators /Courts/ Tribunals

There are no significant and material orders passed by regulators/court/tribunals impacting the going concern status and operations of your Company in the future.

23. Acknowledgements

Your Directors are grateful to the Ministry of MSME, Government of India, SEBI, MCA, for their direction and support. The Directors also thank NSIC Limited (holding Company) for their continuous support and cooperation. The Company also extend their gratitude to Statutory Auditors, Comptroller & Auditor General of India, Investment Manager, Legal Counsel for their valued contribution. The Directors also sincerely appreciate and thank all the stakeholders of the Company for their valuable contribution and efforts in ensuring sustainable performance of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 16th December, 2022

Sd/-
(Gaurang Dixit)
Chairman
DIN : 08535482



Management Discussion & Analysis Report

A report on the "Management Discussion & Analysis" including on the Company's performance during the financial year 2021-2022 is as follows:

i. Industry Structure and Recent Developments

The last two financial years (2020-2021 and 2021-2022) have been difficult for the world economy on account of the COVID-19 pandemic. Repeated waves of infection resulted in widespread supply-chain disruptions and the production cycles were disturbed more-so in respect of the MSMEs. More recently, run-away inflation, fuelled by the emerging geo-political scenario, has created challenging times for enterprises in general and MSMEs in particular.

Despite the Governments across the globe making concerted efforts to reboot and rekindle their respective economies, the global economic environment still remains uncertain. According to the World Bank's latest Global Economic Prospects report the global economy, is entering what could become a protracted period of feeble growth and elevated inflation, primarily due to the damage from the pandemic and other global crisis.

Outlook for India in the Financial Year 2022-23 continues to be positive. Government of India's Economic Survey 2022 estimates suggest that the Gross Value Addition (GVA) of Industry in India (including mining and construction) is likely to rise by 11.8 per cent in 2021-2022 after contracting by 7 per cent in 2020- 21.

India has approximately 6.3 crore Micro Small and Medium Enterprises (MSMEs)

as on 31st March, 2022 out of which the number of MSMEs registered on the Udyam Registration Portal stood at 1.16 crore units (as on 28th Oct., 2022). Majority of the registered MSMEs are service enterprises, around 64%, while the remaining 36% is comprised of manufacturing. Also, around 95% of the registered enterprises are micro enterprises, followed by small enterprises at 4.5% and mid-sized enterprises at 0.50 %.¹

ii. Significance of Industry Sector (MSME)

The MSME sector, both manufacturing and services, form the backbone of the economy and a major contributor to the socio-economic development of the Country. India's 6.3 crore MSME entities are responsible for around -

- 45% of the country's total manufacturing output;
- 40% of all exports; and
- almost 30% of the national GDP².

In spite of their stellar contribution to the Indian economy, MSMEs in India face several challenges such as keeping pace with rapidly changing technologies, issues with protection of their intellectual property and finally availability and accessibility of sources of finance both Debt and Equity.

IFC's report on "Financing India's MSMEs" 2018³ estimates that the overall demand for both debt and equity finance by MSMEs is estimated to be ₹ 87.7 trillion, which comprises of ₹ 69.3 trillion of debt demand and ₹ 18.4 trillion of equity demand.

BSE SME Platform that enables the listing

¹ Source: MSME Industry in India – Market Share, Reports, Growth & Scope | IBEF, accessed on 13th June, 2022.

² Source: May 2022, May Insider (msme.gov.in) accessed on 15th June, 2022

³ Source: November 2018, International Finance Corporation (IFC) in partnership with Government of Japan, Financing India's MSMEs - Estimation of Debt Requirement of MSMEs in India.



of SMEs from the unorganized sector into a regulated and organized sector, reported that 360 listed SME companies raised ₹ 3,823.96 crore of funding during the past 10 years. BSE IPO index has also increased by more than 13000% during the above period.⁴

On the National Stock Exchange (NSE), Emerge is a new platform for SME companies offering early stage ventures and small quality companies to raise much needed growth capital, mature, and subsequently transit to NSE's main board. In Financial Year 2021-2022 Emerge saw listing of 31 MSMEs which raised ₹ 503.37 crore.⁵

However, these amounts of funds raised are miniscule when compared to overall requirement of the funding for MSME sector.

iii. Developments in the Sector

Recognising the fact that domestic business requires a strong financial stimulus a slew of measures, as under, were announced by the Government of India anticipating to bring back large value investment into the MSME sector:

- The Government of India created the Fund of Funds scheme for MSMEs so as to channelise diverse variety of funds into underserved MSMEs and address the growth needs of viable and high growth MSMEs. This scheme was named the Self-Reliant India (SRI) Fund scheme and was to be administered by The National Small Industries Corporation (NSIC) through a Special Purpose Vehicle namely the NSIC Venture Capital Fund Limited.
- MSMEs are being encouraged to market their products on the e-commerce site, especially through Government e-Marketplace (GeM).

B) Self Reliant India (SRI) Fund

As a part of Atmanirbhar Bharat Package, the Finance Minister, in the Budget speech for 2021-2022, had announced a Fund of Funds (FoF) Scheme for MSMEs, to be funded by Government of India contribution of ₹ 10,000 crore and leveraged 5 times to the tune of ₹ 50,000 crore.

Ministry of MSME (M/o MSME) was nominated as the implementing Ministry and the Fund of Funds, named as Self-Reliant India (SRI) Fund, was to be anchored through a special purpose vehicle (SPV).

NSIC Venture Capital Fund Limited (NVCFL), a wholly owned subsidiary of NSIC and a public limited company under the Companies Act, 2013 is the SPV created to implement the Self-Reliant India (SRI) Fund.

The 'Self-Reliant India (SRI) Fund' ("Fund" or "SRI Fund") is organised as the first scheme of NVCFL. SBICAP Ventures Limited ("Investment Manager"), has been appointed as the Investment Manager after due process to operate the 'Fund of Funds' with the objective to provide growth capital to the MSME sector.

The Fund is to provide funding support to the Daughter Funds for onward provision to MSMEs as growth capital, through equity, quasi-equity and debt, as may be permitted under relevant SEBI guidelines. For every unit of fund provided by SRI Fund to the Daughter Fund, on back-ended basis, the Daughter Fund shall mobilise four units of funds from its own sources. Thus, the corpus of ₹ 10,000 crore provided by the Government of India would be leveraged to ₹ 50,000 crore of funding support to the MSMEs. The objectives of SRI Fund are:

1. Enhancing equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines to MSMEs;

⁴ Source: Introduction (bsesme.com) accessed on 19th June, 2022. & BSE SME Brochure.cdr

⁵ Source: https://archives.nseindia.com/emerge/sme_brochure.pdf accessed on 13th June, 2022



2. Supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities;
3. Supporting enterprises which have the potential to graduate beyond the MSME bracket and become National / International champions; and
4. Supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services.

C) Operational and Financial Performance

The Contribution Agreement for SRI Fund was signed between the Anchor Investor (Govt. of India), Sponsor (NSIC), AIF Company (NVCFL) and the Investment Manager (SBICAP Ventures Ltd.) on the 12th October, 2021.

Immediately after signing the Contribution Agreement, meetings of the duly constituted Investment Committee (IC) of SRI Fund were held on the 14th and 21st October, 2021. Thereafter, ten (10) more meetings of the Investment Committee have been held upto 31st March, 2022.

	No. of Daughter Funds	Value
Prelim IC approval received for Daughter Funds	25	₹ 3,665 crore
Final IC approval received for Daughter Funds	23	₹ 3,465 crore
Empaneled Daughter Funds	20	₹ 3,200 crore

It is pertinent to mention that deployment of fund will be in phases as per demand raised by the empaneled Daughter Funds. The Daughter Funds raised request to drawdown ₹ 177 crore from SRI Fund up to 31st March, 2022 for utilization in the subsequent financial year.

D) Risks, Concerns and Threats

NVCFL and its investment manager has adopted a robust framework for risk assessment, monitoring and management for SRI fund. The framework provides for a risk matrix that lists out all risk categories for a fund, the risk description, likelihood of occurrence of each risk, consequence if the risk actually materialises, risk rating, risk mitigation mechanism and periodicity of monitoring the risk.

Key risks monitored for SRI fund are - commitment risk, deployment risk, portfolio risk, reinvestment risk, compliance risk, concentration risk at Fund level, foreign exchange risk at Fund level, leverage risk at Fund and Daughter Fund level, realisation risk at Fund and Daughter Fund level, strategy risk at Daughter Fund level, reputation risk at Daughter Fund level, environmental, social and corporate governance risks at Fund and Daughter Fund level.

The amount committed to Daughter Funds by SRI Fund is expressed both in absolute amount terms as also as a percentage of the target corpus to be raised by the Daughter Fund, whichever is lower. In the event of an empaneled Daughter Fund being unable to raise the target corpus amount, the drawdown amount will get constrained by the percentage clause and accordingly, the drawdown from SRI Fund would be lower and may not equal the amount of commitment expressed in absolute terms.

NVCFL, in consultation with the Investment Manager and the Legal Advisor has been adopting various control measures to mitigate the risks arising in the operations of the Fund as listed below:

- a) A comprehensive Investment Policy for the Fund has been adopted;
- b) A comprehensive investment process for making investments in Daughter Funds has been approved;
- c) A detailed Standard Operating Procedure (SOP) template has been



prepared and approved by the Board based on which various parties perform their roles and responsibilities in relation to the Fund;

- d) The eligibility criteria for empanelment of Daughter Funds has been developed and approved by the Board;
- e) Maximum exposure in each Daughter Fund has been capped in line with the Operating Guidelines;
- f) Approval of the Board for proposals is sought where conflict of interest is reported;
- g) Independent Auditor has been appointed by CAG;
- h) Independent Auditor should submit reports to the Board;
- i) Structuring risks is mitigated by taking appropriate legal advice.

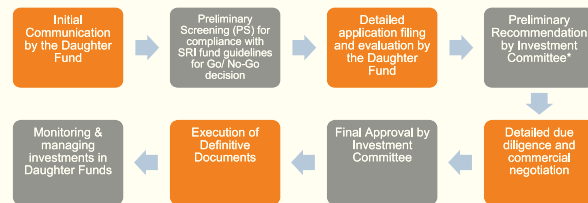
SRI Fund has a robust governance framework overseen by SRI Fund Advisory Board, NVCFL Board and Investment Committee (including independent IC member) with defined roles and responsibilities. Also each Daughter Fund, as required under the side letter is required to develop an Environmental, Social & Governance standards (“ESG”) policy/ framework for its investee companies and ensure that financial risk management and environmental and social safeguard management systems are in place. Further, they are required to report any material breach and on anti-corruption/ anti money laundering, environmental, social & business integrity aspects.

During the period under review, NVCFL continued its work even during COVID-19 pandemic without any disruption. Work from Home, video conferencing and other necessary provisions were made to work

during lockdown restrictions. Further, your Company doesn’t envisage any possibility to which COVID-19 will impact the Company’s business and its results. Your Company will continue to closely monitor any material changes to future economic conditions that may have any financial impact on the Company.

E) Internal Control System and their adequacy

SRI Fund follows a well-defined transparent investment process which is published on NVCFL and SVL website as part of detailed FAQs. The Investment process is depicted in the figure below:



* in case of conflict of interest, to be followed by Board Authorization for such conflict

The final approval of the Investment Committee is provided after considering the findings of detailed due diligence conducted by the independent professional agency - legal due-diligence, Financial due-diligence and Tax due-diligence.

F) Outlook

SRI Fund is building a pipeline of prospective Daughter Funds. Deployment of funds will be in phases over the investment period of the Daughter Funds.

A new fund platform complete with various reporting requirements at SRI Fund level (to its contributors) and at Daughter Fund level (to SRI Fund) is being setup.

To create the intended impact, SRI Fund shall interact with appropriate industry forums and seek their feedback.

Place : New Delhi
Date : 16th December, 2022

Sd/-
(Gaurang Dixit)
Chairman
DIN : 08535482



Annexure B to the Board's Report

FORM – AOC-2

Annual Compliance- Related Party Transactions

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rule, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under their proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

NSIC Venture Capital Fund Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2021-2022.

2. Details of material contracts or arrangements or transactions at arm's length basis; during financial year 2021-2022:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	The National Small Industries Corporation Limited (Holding Company)	Reimbursement of Manpower Support Cost, Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment expenses incurred by the holding Company on behalf of NVCFL. (Exclusive of Taxes)	On-going transaction	Manpower Support Cost – ₹ 28.57 Lakh Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment – ₹ 0.05 Lakh (all amounts on actual basis)	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.	Nil
2.	The National Small Industries Corporation Limited (Holding Company)	Rent paid to NSIC (Exclusive of Taxes)	Agreement(s) for 11 months	Rent ₹ 0.12 Lakh (i.e.1000/- per month plus taxes)		
3.	The National Small Industries Corporation Limited (Holding Company)	Reimbursement of Advertisement & Publicity and Duties & Taxes paid on Company Incorporation (Exclusive of Taxes)	One time transaction	Advertisement & Publicity – ₹ 13.67 Lakh Duties & Taxes paid on Company Incorporation – ₹ 10.83 Lakh (all amounts on actual basis)		

Place : New Delhi

Date : 16th December, 2022

Sd/-
(Gaurang Dixit)
Chairman
DIN : 08535482



Report on Corporate Governance

NVCFL is committed to adopt best practices of Corporate Governance. Self-Reliant India (SRI) Fund is the first scheme of the Company, for providing growth capital to the Micro, Small and Medium Enterprises (MSMEs), through equity/quasi-equity/equity like structured instruments. The details of scheme/ guidelines are available at www.nvcfl.co.in. NVCFL is having a professional and independent Investment Manager to process all the investment proposals in line with the Investment Guidelines laid down in the Fund Documents including the Operating Guidelines. The standards operating system has been prepared and approved by the Board. As per DPE guidelines, a report on the Corporate Governance is given below:-

1. Board of Directors

As per Article 81 of the Articles of Association of Company, the number of Directors of the Company shall not be less than 3 and not more than 15.

In terms of Self-Reliant India Fund guidelines approved by the Ministry of MSME, the Company will have an independent Board with CMD NSIC as its Chairman, two Government Nominee Directors, one NSIC nominated Director and a professional CEO.

As on 31st March, 2022, the Board comprised of the following directors:

Sl. No	Director Identification Number (DIN)	Name of the Director	Designation
1	03165567	Smt. Alka Nangia Arora	Chairman
2	07669981	Shri Rajib Kumar Sen	Director
3	06789077	Shri Ateesh Kumar Singh	Director
4	08535482	Shri Gaurang Dixit	Director

During the year under review and till date, the following changes have taken place in the Board of Directors:-

- a) Shri Gaurang Dixit has been appointed as Chairman of the Company w.e.f. 1st August, 2022.
- b) Dr. Ishita Ganguli Tripathy has been appointed as one of the Government Nominee Director in the Board of NVCFL w.e.f. 8th July, 2022 in place of Shri Rajib Kumar Sen.
- c) Shri Rajib Kumar Sen ceased to be director in the Board of NVCFL w.e.f. 8th July, 2022.
- d) Shri Vijayendra ceased to be Chairman, NVCFL w.e.f. 23rd Sept., 2021.
- e) Smt. Alka Nangia Arora was appointed as Chairman of the Company w.e.f. 23rd Sept., 2021. She holds the charge as Chairman, NVCFL till 20th June, 2022.
- f) Shri. P. Udayakumar was appointed as Chairman of the Company w.e.f. 20th June, 2022. He holds the charge as Chairman, NVCFL upto the date of his superannuation i.e. till 31st July, 2022.
- g) Shri Saravana Kumar Ananthan, has been appointed as Additional Director on the Board of Company w.e.f. 19th October, 2022. He is Chief Executive Officer of the Company.

All the directors are not entitled to any remuneration from the Company, as they are holding the directorship as per their ex-officio positions in the holding Company and/or nominated by the Ministry of MSME.

2. Number of Meetings of Board, Directors' attendance at Board Meetings

During the period under review, six (6) meetings of the Board of Directors of the Company were held viz. i) 28th June, 2021 ii) 19th August, 2021 iii) 23rd September, 2021 iv) 28th October, 2021 v) 22nd November, 2021 and vi) 11th March, 2022.



During the Financial Year 2021-2022, the details of Directors' attendance at the Board

Meetings and number of other Directorship held by Directors are tabled below:

Sl. No	Name of Director	Board Meetings			No. of other Directorships As on March 31, 2022 (other than NVCFL)
		Held during the tenure	No. of Board Meetings attended	Attendance at the AGM held on 26/11/2021	
1.	Shri Vijayendra, Chairman (upto 23.09.2021)	2	2	N.A	N.A
2.	Smt. Alka Nangia Arora, Chairman (w.e.f. 23.09.2021)	4	4	Yes	2
3.	Shri Rajib Kumar Sen, Director	6	5	Yes	1
4.	Shri Ateesh Kumar Singh, Director	6	6	No	-
5.	Shri Gaurang Dixit, Director	6	6	Yes	1

3. Audit Committee Meeting

The Company do not fall under any criteria specified in sub-section (1) of section 177 of the Companies Act, 2013, it is not required to constitute an Audit Committee.

4. Corporate Social Responsibility (CSR)

Since, the Company do not fall under any criteria specified in sub-section (1) of section 135 of the Companies Act, 2013, it is not required to constitute a Corporate Social Responsibility ("CSR") Committee.

5. Particulars of Contracts and Arrangements with Related Parties

The arrangements/transactions during the financial year with related parties were in the ordinary course of business and on arm's length basis. Disclosures of related party transactions and particulars of contracts or arrangements referred to in Section 188(1) of Companies Act, 2013, in prescribed Form AOC-2, as per Rule 8(2) of Companies (Accounts) Rules, 2014, is enclosed with Board report.

6. Details of Compliance with the Requirements of DPE Guidelines on Corporate Governance

The requirements of the DPE Guidelines on Corporate Governance for CPSEs have been duly complied by the Company. In this regard, a certificate from M/s. Kumar Wadhwa & Company, Practicing Company Secretaries, confirming compliance with the conditions as stipulated under DPE Guidelines on Corporate Governance is enclosed as "Annexure- I" to this report.

7. Material Changes and Commitments Affecting The Financial Position of the Company

There have been no material changes and commitments other than disclosed in the report, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Place : New Delhi
Date : 16th December, 2022

Sd/-
(Gaurang Dixit)
Chairman
DIN : 08535482



Annexure I to Report on Corporate Governance

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members

NSIC VENTURE CAPITAL FUND LIMITED

REGD. ADDRESS: NSIC, OKHLA INDUSTRIAL ESTATE PHASE-III
NEW DELHI-110020

We have examined the compliance of conditions of Corporate Governance of The NSIC VENTURE CAPITAL FUND LIMITED, having CIN: U65990DL2020GOI368828 for the year ended 31st March, 2022 as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India.

In our opinion and to the best of our information and according to the explanations given to us by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said Guidelines.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor about efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kumar Wadhwa & Company
Company Secretaries

Sd/-

(Sanjay Kumar)

Managing Partner

M.No.: 9211

C.P.No.: 7027

UDIN: F009211D000955585

Place: New Delhi

Date: 12.09.2022



INDEPENDENT AUDITORS' REPORT

To
The Members of
NSIC Venture Capital Fund Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **NSIC Venture Capital Fund Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flows and for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. ('financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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 its profit including other comprehensive income, its cash flows and the changes in equity for the period 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 Act. 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note 27 of the financial statements which explain the uncertainties and the management's assessment of the financial impact due to the conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

We also draw attention to Note 29 of the financial statements which explain the facts surrounding the establishment of SRI Fund, which is a AIF scheme launched by the Company and is a separate entity, and also explain the presentation in the financial statements of the funds received as contribution to SRI Fund by the respective contributors but such amount was received in the bank account of the Company.

Our opinion is not modified in respect of the above matters

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report 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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 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 statements 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls systems 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 ('Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
 2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) we have 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 appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of changes in equity and Statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the financial statements comply with the Ind AS specified under section 133 of the Act, as applicable.
- (e) In terms of notification no. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 164(2) of the Act are not applicable to the Company being a government company.
 - (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;
 - (g) In terms of notification no. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act are not applicable to the Company being a government company;
 - (h) With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Act, refer to our separate report in Annexure C;
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has not paid or declared any dividend during the reporting period
 - v. (a) The management has represented that, to the best



of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company; or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been

received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party; or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement

for **Devinder K Jain & Associates**
Chartered Accountants
Firm Registration No.: 007799N

Sd/-

CA D.K. Jain

Partner

Membership No.: 083417
UDIN: 22083417ANXVOI6264

Place: New Delhi
Date: 28.07.2022



ANNEXURE A REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS TO THE MEMBERS OF NSIC VENTURE CAPITAL FUND LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2022

Report on Companies (Auditor's Report) Order, 2020 with reference to the aforesaid financial statements

- (i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, property, plant and equipment have been physically verified by the management during the period in accordance with the annual programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not own any immovable property.
- (d) 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 revalued any of its Property, Plant and Equipment and intangible assets during the year
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (ii) (a) According to the information and explanations given to us, the Company's business does not involve any physical inventories and accordingly the requirements of Para 3(ii)(a) of the Order are not applicable to the Company.
- (b) 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 been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company
- (iii) 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 provided any guarantee or security, to companies, firms, limited liability partnership or any other parties during the year.
- The Company has made an investment in a fund and provided an unsecured loan to such fund in respect of which:
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided an advance in nature of a loan to SRI Fund, the first AIF scheme setup by the Company



along with Government of India and the Company's holding Company (The National Small Industries Corporation of India Limited) as the contributors to the SRI Fund. The Company has advanced an amount of ₹ 1.25 lakhs during the year to SRI Fund for the sole purpose of opening a separate bank account of SRI Fund where deposit of such funds was a precondition by the bank and such balance of ₹ 1.25 lakhs remains outstanding. No other loan or advance has been granted to any other party during the year

- (b) In our opinion, the investments made in SRI Fund by the Company and the terms and conditions of the grant of loan to SRI Fund during the year are, prima facie, not prejudicial to the Company's interest.
 - (c) In respect of loan granted by the Company, no specific schedule of repayment of principal and payment of interest has been stipulated
 - (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date
 - (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same party
 - (f) The Company has granted an advance of ₹ 1.25 lakhs in the nature of a loan to SRI Fund, a related party, as explained in clause (iii)(a) above. Such advance to related party is repayable on demand and represents a hundred percent of total loans or advances granted by the Company. No loans or advances have been granted to any promoter and no loans and advances have been granted to any party where terms or period of repayment are not specified.
- (iv) According to the information and explanations given to us, the Company has complied with

the provisions of Section 185 and Section 186 of the Companies Act, 2013 to the extent applicable in respect of loans, investments, guarantees, and security.

- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable to the Company.
 - (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities carried out rendered by the Company. Accordingly, para 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 of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, goods and services tax and other material statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable were in arrears as at 31st March, 2022, for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, good and services tax and cess, duty of customs, excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) According to the information and explanations given to us:
- (a) 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
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet any obligations of subsidiaries, associates or joint ventures
- (f) 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 explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, para 3 (x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the period. Accordingly, para 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, para 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, to the extent applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.
- (b) In our opinion and based on our examination, the Company did not have an internal audit system for the period under audit and accordingly



- no internal audit reports have been considered.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him covered by Section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as it has obtained necessary regulatory approvals from Securities & Exchange Board of India (SEBI) for setting up an Alternate Investment Funds (AIF) vide certificate dated 1 September 2021 and the Reserve Bank of India has specifically exempted (AIFs) from registration with the Reserve Bank of India vide Master Direction – Exemption from provisions of RBI Act, 1934, as updated from time to time. Accordingly, para 3(xvi) is not applicable to the Company
- (xvii) The Company has not incurred any cash losses in the current financial year. In the preceding financial year, the Company had incurred a cash loss of ₹ 61.09 lakhs as per the financial statements
- (xviii) There has been no resignation of the statutory auditors of the Company during the year
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans 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 indicating 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 the 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) In our opinion and according to the information and explanations given to us, the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clause 3(xx) of the Order is not applicable.

for **Devinder K Jain & Associates**
Chartered Accountants
Firm Registration No.: 007799N

Sd/-
CA D.K. Jain
Partner

Membership No.: 083417
UDIN: 22083417ANXVOI6264

Place: New Delhi
Date: 28.07.2022



ANNEXURE B REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2022

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 with reference to the financial statements of NSIC Venture Capital Fund 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 with reference to financial statements 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to the financial statements 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 issued by the ICAI. 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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 with reference to the financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control with reference to the financial statements 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 with reference to the financial statements 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 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 with reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements 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 with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March, 2022, based on the internal control with reference to the financial statements 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.

for **Devinder K Jain & Associates**

Chartered Accountants
Firm Registration No.: 007799N

Sd/-

CA D.K. Jain

Partner

Membership No.: 083417
UDIN: 22083417ANXVOI6264

Place: New Delhi
Date: 28.07.2022



ANNEXURE C REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2022

Report on Directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 ("the Act") with respect to the financial statements of NSIC Venture Capital Fund Limited for the period ended 31st March, 2022.

S No.	Directions	Reply
I	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has a system in place to process all the accounting transactions through IT System. The Company is using Tally software for accounting. Based on audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed / carried outside the IT System.
II	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	As per information and explanations given to us and based on our examination of records, the Company has not accepted any loan from any lender during the period.
III	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per information and explanations given to us and based on our examination of records, the Company has received funds from the Central Government as its contribution to SRI Fund as per the contribution agreement dated 12 th October, 2021. The same has been properly accounted for and kept in a separate bank account and has not been utilized as of the balance sheet date, except for reimbursement of expenses incurred by the Company on behalf of SRI Fund.

for **Devinder K Jain & Associates**
Chartered Accountants
Firm Registration No.: 007799N

Sd/-
CA D.K. Jain
Partner

Membership No.: 083417
UDIN: 22083417ANXVOI6264

Place: New Delhi
Date: 28.07.2022



Compliance Certificate

We have conducted the audit of accounts of NSIC Venture Capital Fund Limited for the period ended 31st March, 2022 in accordance with the Directions/ Sub-Directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions /Sub-Directions issued to us.

for **Devinder K Jain & Associates**
Chartered Accountants
ICAI Firm Registration No.: 007799N

Sd/-
CA D.K. Jain
Partner
Membership No.: 083417
UDIN: 22083417ANXVOI6264

Place: New Delhi
Date: 28.07.2022



NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

Note – 1: COMPANY INFORMATION & BASIS OF ACCOUNTING

A. COMPANY INFORMATION

NSIC Venture Capital Fund Limited ('NVCFL' or 'the Company'), is a public limited company domiciled in India and incorporated on 28th August, 2020 under the provisions of the Companies Act, 2013. The Company is a wholly owned subsidiary of The National Small Industries Corporation Limited ('NSIC'), a Government of India enterprise and its registered office is located at NSIC Bhawan, Okhla Industrial Estate, Phase –III, New Delhi - 110020 (India). With effect from 1st September, 2021 the NVCFL was registered with Securities and Exchange Board of India ('SEBI') and received registration no. IN/AIF2/21-22/0924 as Category II Alternate Investment Fund under Securities & Exchange Board of India (Alternative Investment Fund) Regulations, 2012 ('the Regulations') for its first scheme Self Reliant India (SRI) Fund ("the Scheme" or "Fund"). The Scheme has the Government of India, NSIC and the Company as its contributors and is treated as a separate 'Association of Person'. The objective of the Scheme is to provide funding support to the daughter funds for onward provision of support to MSMEs as growth capital through equity, quasi-equity and debt.

B. BASIS OF ACCOUNTING

I. Statement of compliance

The financial statement will be prepared in accordance with Indian Accounting Standards under the provisions of the Companies Act, 2013 ("Act"). The Ind AS is prescribed under Section 133 of the Act with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

II. Basis of Preparation and Presentation

The Ind AS financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and liability that may be measured at fair value at the end of each reporting date as required under relevant Ind AS. These policies have been applied consistently for all the periods presented in the financial statements.

Though, the Company has been exempted from registration with the Reserve Bank of India as a Non-Banking Finance Companies (NBFC) vide Master Direction – Exemption from provisions of RBI Act, 1934, as updated from time to time, the Company has followed Division III of Schedule III to the Companies Act, 2013 while preparing its financial statements for the period ended 31st March, 2021. Division III is applicable to NBFCs as defined in Companies (Indian Accounting Standards Rules), 2015 which includes venture capital fund companies and the Company had been setup as a venture capital fund Company with the specific purpose of establishing an AIF and was in the process of obtaining requisite approvals from SEBI during the period ended 31st March, 2021. During the year ended 31st March, 2022, the Company has duly received the registration certificate and is an approved AIF.

III. Use of Judgement and Estimates

In preparing the financial statements in conformity with the Company's accounting policies, management is required to make estimates and



assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements, the amount of revenue and expenses during the reported period and notes to financial statements. 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 the accounting estimates is recognized in the period in which the results are crystallized.

IV. Critical Accounting Estimates and Management Judgements

In application of the accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is stated hereunder:

- **Property, Plant and Equipment (PPE) and Intangible Assets:** The residual values and estimated useful life of PPEs and intangible assets are assessed at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operational condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortization.
- **Income Taxes:** Estimates are involved in determining the provisions for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Judgements are made in respect of expected future profitability to assess deferred tax asset.
- **Impairment of Financial assets:** The impairment assessment of financial instruments comprising of trade receivables and Loans & Advances is carried out based on assumptions about risk of default and expected loss. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward-looking estimates at the end of each reporting date.
- **Impairment of Non-financial assets (PPE):** The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement.
- **Defined Benefit Plans and Other long-term employee benefits:** Currently, there are no employees which are on payroll of the Company except two employee which are on deputation basis from holding Company NSIC and all Retirement benefits are provided by NSIC and charged to revenue account on a reimbursement basis.



- **Fair value measurement of financial instruments:** When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses other valuation techniques to determine its fair value. The inputs to apply these techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Provisions and contingencies:** The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.
- **Reimbursement of Expenditure by the Fund:** An amount reimbursed by the Fund for fund expenses which are incurred by the Company on behalf of the Fund, as per the fund documents the Fund will, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, NVCFL is duly reimbursed and it's adjusted in Company books of accounts.

V. Functional and presentation currency

These Ind AS financial Statements are prepared in Indian rupees, the national currency of India and the functional currency of the Company.

NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation and presentation of the financial statements as given below have been applied consistently to all periods presented in the financial statements.

2.1 Property, Plant and Equipment (PPE) – Tangible PPEs

2.1.1 Initial recognition and measurement

- I. Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation, lease terminal adjustment and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use.
- II. When parts of an item of PPE have different useful lives, they are recognized separately by identifying such components.
- III. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use. Borrowing costs (after deducting income on temporary investment of borrowed funds, if any) directly attributable to the specified item of property, plant and equipment, are capitalized to such items.

2.1.2 Subsequent costs

Subsequent expenditure is recognized



as an increase in the carrying amount of the property, plant and equipment when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the property, plant and equipment can be measured reliably. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

2.1.3 Derecognition

Property, plant and equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

2.1.4 Impairment of Property, Plant & Equipment

Property, Plant & Equipment are treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is recognized immediately to Statement of Profit and Loss in the year in which an asset is identified as impaired and the carrying amount of the asset is reduced to its recoverable amount, unless the relevant asset is carried at a revalue amount, where the impairment loss is treated as a revaluation decrease. If there is any indication that previously assessed

impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

2.1.5 Depreciation on Tangible Assets

I) Depreciation is charged on straight-line method as per useful lives specified in part C to schedule II of the Companies Act, 2013 except Mobile phone Instruments.

S. No	Nature of Assets	Useful Life	Rate	Residual Value
1	Computers, Laptops & Processing Units	3 Years	31.67%	5% of original cost
2	Mobile Phone Instruments	3 Years	33.33%	₹ 1/-

II) Depreciation on additions to / deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from/ up to the date on which the asset is available for use/disposal.

III) Assets costing up to ₹ 0.10 Lakh are depreciated fully in the year of purchase, after retaining 5% of original cost as residual value except Mobile phone Instruments where ₹ 1/- is retained as residual value.

IV) Mobile phone Instruments costing over ₹ 0.10 lakh, are depreciated over a period of 3 years considering the estimate of their useful life as per the management, starting from the year in which it is acquired, after retaining ₹ 1/- as residual value.

2.2 Intangible Assets

2.2.1 Initial recognition and measurement

Intangible assets that are acquired by the Corporation have finite useful lives, are recognized at cost as reduced by any cost reimbursed by any entity.



Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Further, if the amount incurred by the Company development of Intangible Assets is fully reimbursed by any entity, then the Intangible Assets is recorded at a nominal value of ₹ 1 in the books of accounts to record its existence.

2.2.2 Subsequent Costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

2.2.3 Intangible Assets Under Development

Expenditure incurred by the Company which are specifically attributable to development of an intangible asset is capitalised as “intangible assets under development” if it is in compliance with Ind AS 38 and is likely to satisfy the recognition and measurement criteria upon completion of development. The Company has incurred expenses on the process of obtaining a regulatory approval from SEBI for operating an AIF and all directly attributable expenses which are likely to result into inflow of economic benefits from have been capitalised and disclosed as intangible assets under development and such asset shall be amortised from the date of receipt of SEBI approval. Further, if any amount incurred by the Company is reimbursed by any entity, the cost of intangible assets under development is adjusted with the amount reimbursed in the books of accounts.

2.2.4 Derecognition

An intangible asset is derecognized

when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

2.3 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. All the items of income/ revenue & expenditure are accounted for on accrual basis where there is certainty as to realization as described hereunder:

2.3.1 Interest Income

Interest income on Fixed Deposit is accrued on time basis, by reference to the principal outstanding and the effective interest rate applicable which is the rate which exactly discounts estimated future cash receipt through the expected life of financial assets to that asset's net carrying amount on initial recognition.

2.3.2 Management Fee

In accordance with the operating guidelines issued by the Government of India and Contribution Agreement signed with the contributors of Fund, an investment management fee ('Management Fee') is receivable by NVCFL. Management Fee receivable by NVCFL as a percentage as specified in the contribution agreement, of the corpus actually placed at the disposal of the fund.

2.3.3 Reimbursement of Expenditure

An amount which are incurred by the Company on behalf of SRI Fund are reimbursed by the Fund as per the fund documents and credited in the profit & loss account.



2.3.4 Allocation of Expenses

The direct and indirect expenses are charged to the statement of profit and loss on accrual basis.

2.4 Employee Benefits

The Company currently does not employ any employee and personnel, requirements are met through staff deputed by NSIC, its holding Company. The salaries, allowance, gratuity, long term retirement benefits and other benefits in respect of employees deputed to the Company are taken care by NSIC and the attributable costs are reimbursed by the Company to NSIC.

2.5 Taxation

Tax expense for the period comprises of current tax and deferred tax. Tax recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity where the tax is also recognized in other comprehensive income or equity.

2.5.1 Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provision of the Income Tax Act, 1961 and any the other applicable tax laws.

2.5.2 Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose.

- I. Deferred tax liabilities are generally recognized for all taxable temporary differences.
- II. Deferred tax assets are generally recognized only to the extent that it is probable

that future taxable profits will be available against which the assets can be utilized.

- III. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.6 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equities shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Parent Company.

2.7 Cash and Cash Equivalents

Cash comprises of cash on hand, cheque / drafts on hand, demand deposits with banks and remittance in transit etc. The Company considers cash equivalents as all short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.8 Cash Flow Statement

Cash flows are reported using indirect method as prescribed in Ind AS-7 "Statement of Cash Flows".

2.9 Provisions and Contingencies

2.9.1 Provisions

A provision is recognised when the Company has a present obligation



(legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.9.2 Contingent Liabilities & Contingent Assets

- I. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.
- II. Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.
- III. Provisions, Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.10.1 Initial Recognition and Measurement

Financial assets and financial liabilities are initially measured at fair value except in case of Trade Receivables which are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset at fair value through profit & loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset at FVTPL are recognized immediately in the statement of profit & loss.

2.10.2 Financial Assets

I. Subsequent Measurement

Financial assets include Cash and Cash Equivalents, Bank Balance other than cash & cash equivalents, Loans & Advances, Receivable Investment and interest accrued but not due etc. Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired.

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- at amortized cost using effective interest rates (EIR)
- at fair value through profit or loss (FVTPL)



- at fair value through other comprehensive income (FVOCI)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date.

A. Financial Assets at Amortized Cost – A financial asset shall be measured at Amortized cost, if both of the following conditions are met:

- a) Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- b) Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using Effective Interest Rate (EIR) method. The EIR method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discount estimated future cash receipts (including all fees paid or received that forms an integral part of the effective interest rate, transaction costs and other premiums and discounts) through the expected life of the financial asset, or where appropriate, a shorter period to the net carrying amount on initial recognition.

The Company cash and cash equivalents & Bank Balance other than cash & cash equivalents falls into this category of financial instruments.

B. Fair value through other comprehensive income (FVTOCI) - A financial asset shall be measured at Fair value through other comprehensive income, if both of the following conditions are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- b) The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.
- c) Fair value movements are recognized in the OCI and accumulated in reserve

Currently, there are no instruments to classify to FVTOCI.

C. Fair value through profit or loss (FVTPL) - A financial asset is measured at FVTPL unless it is measured at amortized cost or FVTOCI, with all changes in the fair value recognized in Statement of P&L.

II. Impairment in Financial Assets

The Company at the end of each reporting year, tests a financial asset



or a group of financial assets (other than financial assets held at fair value through profit or loss) for impairment based on evidence or information that is available without undue cost or effort. Expected credit loss (ECL) is assessed and impairment loss recognized, if the credit risk of the financial asset is significantly increased.

The impairment losses and reversals are recognized in the statement of profit and loss.

Impairment model under Ind AS-109 applies to financial instruments as listed below:

- Financial assets that are debt instruments measured at Amortized Cost e.g. bank balance

III. Derecognition of Financial Assets

Financial assets are derecognized when the contractual right to receive cash flows from the financial assets expires or transfers the contractual rights to receive the cash flows from the asset.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognized in Other Comprehensive Income and accumulated in Equity, is recognized in Statement of Profit and Loss if such gain or loss would have otherwise been recognized in Statement of Profit and Loss on disposal of that financial asset.

2.10.3 Financial Liabilities and Equity Instruments

2.10.3.1 Equity Instruments

An equity instrument is any contract that

evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Entity are recognised at the proceeds received, net of direct issue costs.

2.10.3.2 Financial Liabilities

The Company's financial liabilities include Trade payable and statutory dues payable. All financial liabilities are recognized initially at fair value.

I. Subsequent Measurement

- A. Financial liabilities at Amortized costs –
After initial measurement, such financial liabilities are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings, trade payables and other contractual liabilities.



- B. Financial liabilities at Fair value through statement of Profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. The carrying value of those financial liabilities which are to be discharged within twelve months is considered to be its fair value.

II. Derecognition of Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

2.11 Leases

Company as a Lessor

Currently, there is no lease (Operating or Finance Lease) agreement with the Company as lessor.

Company as a Lessee

The Company has taken office space on lease for which lease rental payments are made. These lease arrangements are usually renewable on mutually agreed terms. The accounting by Lessee as prescribed by Ind AS-116 is as under:

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases), leases with no written agreement and leases for low value underlying assets.

A short-term lease would cover lease agreement for less than 12 months or lease agreements more than 12 months but lessor having a right to cancel at any time by giving some notice period.

The Standard does not specify the threshold for low value assets. However, it includes low value assets viz tablets, personal computers/Laptop and small items of PPE, etc.

For short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/amortization and impairment losses. Right-to-use asset shall be depreciated in accordance with Ind AS-16-Property, Plant and Equipment (PPE).

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020

(CIN No.: U65990DL2020GOI368828)

BALANCE SHEET AS AT 31.03.2022

(₹ in Lakh)

S No.	Particulars	Note No.	As at 31.03.2022		As at 31.03.2021	
ASSETS						
I	Financial Assets					
(a)	Cash and Cash Equivalents	3	329.48		10.50	
(b)	Bank Balances Other Than Cash and Cash Equivalents	4	120.00		50.00	
(c)	Loans & Advances	5	1.25		-	
(d)	Receivable	6				
	(I) Trade Receivables - unbilled		109.42		-	
(e)	Investment	7	322.73		450.00	
(f)	Other Financial Assets	8	7.38	890.26	9.69	520.19
II	Non-Financial Assets					
(a)	Deferred Tax Assets (Net)	13A	11.80		-	
(b)	Property, Plant and Equipment	9	0.68		1.00	
(c)	Other Intangible Assets	9A	#		-	
(d)	Intangible Assets under Development	-	-		16.93	
(e)	Other Non-Financial Assets	10	0.83	13.31	4.90	22.83
	Total Assets		903.57		543.02	
LIABILITIES AND EQUITY						
LIABILITIES						
I	Financial Liabilities					
(a)	Payables	11				
	(I) Trade Payables					
	(i) Total outstanding dues of micro & small enterprises		0.65		0.56	
	(ii) Total outstanding dues of creditors other than micro & small enterprises		77.76		-	
(b)	Other Financial Liabilities	12	43.08	121.49	1.61	2.17
II	Non-Financial Liabilities					
(a)	Current Tax Liabilities (Net)	13	52.91	52.91	1.95	1.95
	Total Liabilities		174.40		4.12	
III	Equity					
(a)	Equity Share Capital	14	600.00		600.00	
(b)	Other Equity	15	129.17	729.17	-61.10	538.90
	Total Equity		729.17		538.90	
	Total Liabilities and Equity		903.57		543.02	

denotes value less than of ₹ 1000

Accompanying notes are integral part of the financial statements **1 to 30**

In terms of our report of even date attached

For Devinder K Jain & Associates

Chartered Accountants

ICAI Firm Registration No.: 007799N

Sd/-
D.K. Jain
Partner

[Membership No. : 083417]

UDIN : 22083417ANXVOI6264

Place : New Delhi
Date : 28.07.2022

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-
P. Udayakumar
Chairman
[Din No.: 03353625]

Sd/-
Gaurang Dixit
Director
[Din No.: 08535482]

Sd/-
Partha Majhi
GM (F & A)

Sd/-
Rajesh Madan
OSD

Sd/-
Nishtha Goyal
Company Secretary
[Membership No.: A22768]



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020

(CIN No.: U65990DL2020GOI368828)

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

01.04.2021 TO 31.03.2022

(₹ in Lakh)

S No.	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
I.	Revenue from operations	16	201.60	-
	Total Revenue from operations		201.60	-
II.	Other Income	17	69.37	11.06
III.	Total Income (I+II)		270.97	11.06
IV.	Expenses			
	Depreciation and Amortisation Expenses	9 & 9A	0.32	0.01
	Other Expenses	18	39.71	69.37
	Total Expenses (IV)		40.03	69.38
V	Profit / (Loss) before Tax (III-IV)		230.94	-58.32
VI	Tax Expense	19		
	Current Tax		55.25	2.78
	Deferred Tax		-11.80	-
	Earlier Years Tax		-2.78	-
	Total Tax Expense (VI)		40.67	2.78
VII	Profit / (Loss) for the Year (V-VI)		190.27	-61.10
VIII	Other Comprehensive Income			
	A) Item that will not be reclassified to profit or Loss		-	-
	B) Item that will be reclassified to profit or Loss		-	-
	Total Other Comprehensive Income (A + B)		-	-
IX	Total Comprehensive Income for the period (VII+VIII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		190.27	-61.10
X	Earning / (Loss) Per Equity Share	20		
	Basic (₹)		31.71	-10.18
	Diluted (₹)		31.71	-10.18
Accompanying notes are integral part of the financial statements		1 to 30		

In terms of our report of even date attached
For Devinder K Jain & Associates
Chartered Accountants
ICAI Firm Registration No.: 007799N

Sd/-
D.K. Jain
Partner
[Membership No. : 083417]
UDIN : 22083417ANXVOI6264

Place : New Delhi
Date : 28.07.2022

For and on behalf of the Board of Directors
NSIC Venture Capital Fund Limited

Sd/-
P. Udayakumar
Chairman
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Sd/-
Gaurang Dixit
Director
[Din No.: 08535482]

Sd/-
Partha Majhi
GM (F & A)

Sd/-
Rajesh Madan
OSD

Sd/-
Nishtha Goyal
Company Secretary
[Membership No.: A22768]



NOTE - 3 : CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance with Banks:		
In Current Account	15,562.07	10.50
Less: Amount Received on behalf of Self Reliant India (SRI) Fund (refer note 29)	-15,234.37	327.70
Cheques, Drafts on Hand		1.78
Total	329.48	10.50

3.1 There are no repatriation restriction w.r.t. cash and cash equivalents as at the end of the reporting periods presented above.

NOTE - 4 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Term Deposits (Maturity more than 3 months but not exceeding 1 year)	120.00	50.00
Total	120.00	50.00

4.1 Balances with banks in deposit accounts earns interest at fixed rate based on daily bank deposit rates for a period ranging from one day to 365 days.

NOTE - 5 : LOANS & ADVANCES

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
To Related parties / Promoters / Directors / KMPs		
Advance to Self Reliant India (SRI) Fund	1.25	-
Total	1.25	0.00

5.1 Loans & Advances are valued at Amortised Cost.

NOTE - 6 : RECEIVABLES

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Trade Receivable		
Unsecured, considered good (refer note 24)	109.42	-
Total	109.42	0.00

6.1 Trade receivable are due from Fund in which Chairman and Director & CEO are a investment committee member.

6.2 Trade receivables ageing schedule.



Outstanding for following periods from due date of payment

Sr. No	Particulars	Less than 6 months	6 months – 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
1	Undisputed trade receivables considered good	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
2	Undisputed trade receivables significant increase in credit risk	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
3	Undisputed Trade receivables credit impaired	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
4	Disputed Trade receivables considered good	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
5	Disputed Trade receivables significant increase in credit risk	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
6	Disputed Trade receivables credit impaired	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
7	Unbilled Trade Receivables						109.42
							(-)
	Total	-	-	-	-	-	109.42
		(-)	(-)	(-)	(-)	(-)	(-)

Previous period amounts disclosed in (brackets)

NOTE - 7 : INVESTMENT

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
At amortised cost		
Term Deposits with maturity more than 1 year	313.82	450.00
Investment in SRI Fund (refer note 24 & 29)	8.91	-
Total	322.73	450.00

7.2 The Investment in AIF in Fund as per the fund document in which Chairman and Director & CEO are a investment committee member.

NOTE - 8 : OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Interest Accrued on Fixed Deposits	7.38	9.69
Total	7.38	9.69

NOTE - 9 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Computers, Laptops & Processing Units	Mobile	Total
For the year ended 31.03.2022			
Gross Carrying Amount			
Opening Balance	0.87	0.14	1.01
Additions during the year	-	-	-
Disposals during the year	-	-	-
Gross carrying value as at 31.03.2022	0.87	0.14	1.01



Particulars	Computers, Laptops & Processing Units	Mobile	Total
Accumulated depreciation and impairment			
Opening Balance	-	0.01	0.01
Depreciation Expenses for the year	0.28	0.04	0.32
Disposals during the year	-	-	-
Accumulated depreciation and impairment as of 31.03.2022	0.28	0.05	0.33
Net carrying amount as at 31.03.2022	0.59	0.09	0.68

(₹ in Lakh)

Particulars	Computers, Laptops & Processing Units	Mobile	Total
For the period ended 31.03.2021			
Gross Carrying Amount			
Opening Balance	-	-	-
Additions during the year	0.87	0.14	1.01
Disposals during the year	-	-	-
Gross carrying value as at 31.03.2021	0.87	0.14	1.01
Accumulated depreciation and impairment			
Opening Balance	-	-	-
Depreciation Expenses for the year	#	0.01	0.01
Disposals during the year	-	-	-
Accumulated depreciation and impairment as of 31.03.2021	-	0.01	0.01
Net carrying amount as at 31.03.2021	0.87	0.13	1.00

denotes value less than of ₹ 1000

NOTE - 9A : OTHER INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Business Licence	Total
For the year ended 31.03.2022		
Gross Carrying Amount		
Opening Balance	-	-
Additions during the year	#	#
Disposals during the year	-	-
Gross carrying value as at 31.03.2022	#	#
Accumulated amortisation and impairment		
Opening Balance	-	-
Amortisation Expenses for the year	-	-
Disposals during the year	-	-
Accumulated amortisation and impairment as of 31.03.2022	-	-
Net carrying amount as at 31.03.2022	#	#



(₹ in Lakh)

Particulars	Business Licence	Total
For the period ended 31.03.2021		
Gross Carrying Amount		
Opening Balance	-	-
Additions during the year	-	-
Disposals during the year	-	-
Gross carrying value as at 31.03.2021	-	-
Accumulated amortisation and impairment		
Opening Balance	-	-
Amortisation Expenses for the year	-	-
Disposals during the year	-	-
Accumulated amortisation and impairment as of 31.03.2021	-	-
Net carrying amount as at 31.03.2021	-	-

denotes value less than of ₹ 1000

NOTE - 10 : OTHER NON - FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance with Government Authorities	0.83	4.90
Prepaid Expenses	-	-
Total	0.83	4.90

NOTE - 11 : PAYABLES

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Trade Payables		
(i) Total outstanding dues of micro & small enterprises	0.65	0.56
(ii) Total outstanding dues of creditors other than micro & small enterprises	77.76	-
Total	78.41	0.56

Note : There are no Micro, Small and Medium Enterprises, to whom the Company owe amount which are outstanding for more than 45 days during the year. The information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company regarding the status of the supplier. Further, no interest is outstanding to be paid to any such parties. Provision for statutory audit fee has been classified as dues to micro and small enterprise as the audit firm is a micro enterprise, however no dues are overdue since the actual payment shall become payable upon issuance of invoice on completion of audit.



11.1 Trade Payable Ageing Schedule.

Outstanding for following periods from due date of payment							
Sr. No	Particulars	Less than 6 months	6 months – 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
1	MSME	-	-	-	-	-	-
		(0.10)	(-)	(-)	(-)	(-)	(0.10)
2	Others	77.76	-	-	-	-	77.76
		(-)	(-)	(-)	(-)	(-)	(-)
3	Disputed dues – MSME	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
4	Disputed dues – Others	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)
5	Unbilled dues- MSME						0.65
							(0.46)
6	Unbilled dues- Others						-
							(-)
	Total	77.76	-	-	-	-	78.41
		(0.10)	(-)	(-)	(-)	(-)	(0.56)

Previous period amounts disclosed in (brackets)

NOTE - 12 : OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Statutory Dues Payable	43.08	1.61
Total	43.08	1.61

NOTE - 13 : CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Income Tax	55.25	2.78
Less : Income Tax Paid	-2.34	-0.83
Total	52.91	1.95

NOTE - 13A : DEFERRED TAX ASSETS / (LIABILITIES) (NET)

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred Tax Assets		
- Unamortised expenditure as per income tax provisions	11.81	-
Gross deferred tax assets (a)	11.81	-
Deferred Tax Liabilities		
- Depreciation and amortisation	0.01	-
Gross deferred tax liabilities (b)	0.01	-
Net deferred tax asset recognised (a-b)	11.80	-
Total	11.80	-



NOTE - 14 : EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Authorised Share Capital		
10,00,000 Equity Shares of ₹ 100 each	1000.00	1000.00
Total	1000.00	1000.00
(b) Issued, Subscribed & Paid-up-Share Capital		
6,00,000 Equity Shares of ₹ 100 each	600.00	600.00
Total	600.00	600.00

(c) Reconciliation of number of shares outstanding at the beginning and at the end of the year :

(₹ in Lakh)

Particulars	As at 31.03.2022		As at 31.03.2021	
	No of Shares	Amount	No of Shares	Amount
Balance at the beginning of the year	600000	600.00	-	-
Add/(less) : Issued during the year	-	-	600000	600.00
Balance at the end of the year	600000	600.00	600000	600.00

(d) Equity Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of equity shares held are as under :

(₹ in Lakh)

Particulars	As at 31.03.2022		As at 31.03.2021	
	No of Shares	% of Total Paid up Equity Share Capital	No of Shares	% of Total Paid up Equity Share Capital
The National Small Industries Corporation Limited (NSIC)	600000*	100	600000*	100
Total	600000	100	600000	100

*Includes 6 shares held by others as nominees of the Company.

(e) Details of shares held by holding Company

Particulars	As at 31.03.2022	As at 31.03.2021
The National Small Industries Corporation Limited (NSIC)	600000*	600000*
Total	600000*	600000*

*Includes 6 shares held by others as nominees of the Company.

(f) Terms and rights attached to equity shares :

The Company has only one class of equity shares having par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



(g) Bonus Shares :

There are no bonus shares issued since inception.

(h) Details of promoter and promoters group:

Shares held by promoter and promoters group at the end of the year (₹ in Lakh)

Particulars (Name of Promoter & Promoter Group)	As at 31.03.2022		As at 31.03.2021		Percentage of change during
	No of shares	% of total shares	No of shares	% of total shares	
The National Small Industries Corporation Limited (NSIC)	600,000	100%	600,000	100%	0%
Total	600,000	100%	600,000	100%	0%

NOTE - 15 : OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Retained earnings / Accumulated Loss		
Balance at the beginning of the period	-61.10	-
Profit / (Loss) for the period	190.27	-61.10
Balance as at the end of the period	129.17	-61.10

NOTE - 16 : REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Management Fee from SRI Fund	178.24	-
Interest income	23.36	-
Total	201.60	-

NOTE - 17 : OTHER INCOME

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Interest earned on term deposits kept with bank	-	11.06
Reimbursement of expenses incurred on behalf of SRI Fund (refer note24)	69.37	-
Total	69.37	11.06



NOTE - 18 : OTHER EXPENSES

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Manpower Support Cost #	31.32	15.94
Recruitment Expenses	4.21	14.84
Advertisement and Publicity #	-	26.03
Legal & Professional Fees	1.20	0.06
Travelling, Conveyance & Vehicle Charges #	0.77	0.57
Payment to auditors - statutory audit Fees*	0.51	0.50
Entertainment #	0.50	0.10
Printing & Stationery Expenses #	0.46	0.29
Website and Webportal expenses	0.29	0.12
Rent Paid #	0.14	0.07
Communication Expenses#	0.11	-
Miscellaneous Expenses	0.20	0.02
Duties & Taxes paid on Company Incorporation #	-	10.83
Total	39.71	69.37

* No other payment made to statutory auditor other than statutory audit fees.

Refer Note No. 24

NOTE - 19 : TAX EXPENSES

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Current Tax		
Current Tax on taxable income for the period	55.25	2.78
Total Current Tax	55.25	2.78
Adjustment of Previous Year Taxes		
Excess Provision of Income Tax written back	-2.78	
Total Earlier Years Taxes	-2.78	
Deferred Tax credit		
Origination of temporary differences	-11.80	-
Total Deferred Tax credit	-11.80	-
Total	40.67	2.78

The Income Tax expense comprises of Current Tax and Deferred Tax. Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with Income Tax Act, 1961 and Excess or Shortfall if any, is adjusted on finalization of assessments. Section 115BAA has been inserted in the Income Tax Act, 1961 to give the benefit of a reduced corporate tax rate for the domestic companies. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% from the Financial Year 2019-20 (AY 2020-2021) onwards if such domestic companies adhere to certain conditions specified. The Company has availed the benefit of the same in the current period and Tax Provision has been made accordingly in the books of accounts.



ANNEXURE- 19.1 : RECONCILIATION OF ESTIMATED TAX EXPENSE AT STATUTORY RATE TO INCOME TAX EXPENSE REPORTED IN STATEMENT OF PROFIT AND LOSS

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Profit / (Loss) Before Tax	230.94	-58.32
Enacted Income Tax Rate in India applicable to the Company	25.17%	25.17%
Computed Tax Expenses	58.12	-
Tax effect of:		
Expenses that are deductible in determining taxable profit	-3.05	-
Expenses that are not deductible in determining taxable profit	0.17	2.78
Current Tax Provision	55.24	-
Excess Provision of Income Tax written back	-2.78	-
Deferred tax credit	-11.80	-
Tax Expense recognised in Statement of Profit & Loss	40.67	-

NOTE - 20 : EARNING PER SHARE

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
A. Net Profit / (Loss) attributable to equity shareholders	190.27	-61.10
B. Weighted average number of equity share for basic earning per share	6,00,000	6,00,000
Effect of dilution*		
C. Weighted average number of equity share for diluted earning per share	6,00,000	6,00,000
Earning per share (Basic) (₹) (A/B)	31.71	-10.18
Earning per share (Diluted) (₹) (A/C)	31.71	-10.18

*The Company did not have any potentially dilutive securities during the reporting periods

NOTE - 21 : SEGMENT REPORTING

The Company has been setup for financial & investing activities and presently operates in a single business and geographical segment.

NOTE - 22 : CONTINGENT LIABILITIES & COMMITMENTS

- (A) The Company does not have any Contingent liability as on 31st March, 2022.
- (B) Commitments towards legal advisor expense for future period is ₹ 175.89.

NOTE - 23 : EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.



NOTE - 24 : RELATED PARTY DISCLOSURES

A. Names of related parties and nature of relationship:

Description of relationship	Name of the related party
Holding Company	The National Small Industries Corporation Limited
1 st AIF Scheme of NVCFL (refer note 29)	Self Reliant India (SRI) Fund
Key Management Personnel (KMP)	Smt. Alka Nangia Arora (Chairperson)
	Shri Gaurang Dixit (Director & CEO)
	Smt. Nishtha Goyal (Company Secretary)

B. Names of related parties and nature of transaction during the year:

(₹ in Lakh)

Name of the Related Party	Nature of Transactions	Period ended 31.03.2022
Holding Company	Reimbursement made for expenses incurred by related party on behalf of the Company	
	– Manpower Support Cost	28.57
	– Rent Paid	0.12
	-- Travelling, Conveyance & Vehicle Charges	0.05
	Reimbursement received for payment made by Company on behalf of related party	1.78
SRI Fund	Advance given	1.25
	Expenses incurred on behalf of Fund	109.42
	Investment made	8.91
	Management Fee charged	178.24
	Reimbursement received for expenditure incurred by Company on behalf of Fund	194.97

(₹ in Lakh)

Name of the Related Party	Nature of Transactions	Period ended 31.03.2021
Holding Company	Equity Proceeds Received	600.00
	Reimbursement made for expenses incurred by related party on behalf of the Company	
	– Manpower Support Cost	15.94
	– Rent Paid	0.07
	– Advertisement and Publicity	13.67
	– Duties & Taxes paid on Company Incorporation	10.83
	– Other Exp. (i.e. Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment)	0.82
	Advance availed	1.00
	Advance repaid	1.00



C. Details of balances outstanding for related party transactions:

(₹ in Lakh)

Name of the Related Party	Nature of Transactions	As at 31.03.2022
Holding Company	Trade Payables	33.33
	Contribution to equity	600.00
SRI Fund	Advance availed	1.25
	Unbilled Trade Receivable	109.42
	Investment	8.91

(₹ in Lakh)

Name of the Related Party	Nature of Transactions	As at 31.03.2021
Holding Company	Contribution to equity	600.00

D. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. All values above (Note No. 24 [B]) are without GST where applicable.

NOTE - 25 : LEASES

As per Ind - AS 116 Leases, it is optional to apply the recognition principles as laid down in the standard in the case of short term leases and low value assets. Since the only lease contract of the Company is for a period less than 12 months and is of immaterial value, Company has opted to not apply the recognition principles as stated in Ind AS 116.

Amount recognised in the Statement of Profit & Loss

During the period ended 31.03.2022, lease rent in the nature of operating lease of ₹ 0.14 lakh (Inc Taxes) has been recognised in the statement of profit & loss. There is no contractual lease payment commitment beyond the tenure of 11 months.

NOTE - 26 : FINANCIAL INSTRUMENTS – FAIR VALUE

I. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objectives of the Company's capital management are safety and security of share capital and maximize the shareholder wealth. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews the capital structure for return on capital to shareholders. The Company does not have any debts as on 31.03.2022.

II. Financial Risk Management

The Company's principal financial liabilities comprise trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include cash and cash equivalents, other bank balance, Loans & Advances, Trade Receivables, Investment and other financial assets that derive directly from its operations.

The Company exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the manage these risks. The Company's financial risk activities are continue monitor by the management and that financial risk are identified, measured and managed in accordance with the higher management decisions and policies.



a) Market Risk

Market risk is the risk that fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk currency risk, interest rate risk and equity price risk. The impact of equity price risk is not material. The Company does not have any borrowings and foreign currency transaction, therefore not exposed to interest risk & currency risk as well.

b) Credit Risk Management

Credit risk is the risk that counter party will not meet its obligations under the financial instruments and customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables, investments, other balances with banks and advances. Credit risk arising from trade receivables and Advances are reviewed periodically and based on past experience and history. Credit risk arises from investment and other balances with banks is limited and there is no collateral held against these because the counter parties are bank with high credit ratings assigned by the credit rating agencies and Company also have risk management policy for review investment. The Company also not acquired any credit impaired assets. There is no modification in any financial assets.

c) Liquidity Risk Management

The Company manages liquidity risk by maintaining banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted payments.

(₹ in Lakh)

Contractual maturities of financial liabilities 31.03.2022	1 Year or Less	1 – 3 Years	More than 3 Years	Total
Borrowings	0.00	0.00	0.00	0.00
Trade Payables	78.41	0.00	0.00	78.41
Other Financial Liabilities	43.08	0.00	0.00	43.08
Contractual maturities of financial Assets 31.03.2022	1 Year or Less	1 – 3 Years	More than 3 Years	Total
Cash and Cash Equivalents	329.48	0.00	0.00	329.48
Bank Balances Other Than Cash and Cash Equivalents	120.00	0.00	0.00	120.00
Loans & Advances	1.25	0.00	0.00	1.25
Trade Receivable	109.42	0.00	0.00	109.42
Investment	0.00	313.82	8.91	322.72
Other Financial Assets	7.38	0.00	0.00	7.38



(₹ in Lakh)

Contractual maturities of financial liabilities 31.03.2021	1 Year or Less	1 – 3 Years	More than 3 Years	Total
Borrowings	0.00	0.00	0.00	0.00
Trade Payables	0.56	0.00	0.00	0.56
Other Financial Liabilities	1.61	0.00	0.00	1.61
Contractual maturities of financial Assets 31.03.2021	1 Year or Less	1 – 3 Years	More than 3 Years	Total
Cash and Cash Equivalents	10.50	0.00	0.00	10.50
Bank Balances Other Than Cash and Cash Equivalents	50.00	0.00	0.00	50.00
Loans & Advances	0.00	0.00	0.00	0.00
Trade Receivable	0.00	0.00	0.00	0.00
Investment	0.00	450.00	0.00	450.00
Other Financial Assets	9.69	0.00	0.00	9.69

A. Classification of Financial Assets and Financial Liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lakh)

Financial Assets and Liabilities as at 31.03.2022	Note No.	Carrying Amount			Total
		Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	
Financial Assets					
Cash and cash equivalents	3	-	-	329.48	329.48
Bank balances other than cash and cash equivalents	4	-	-	120.00	120.00
Loans & Advances	5	-	-	1.25	1.25
Trade Receivable	6	-	-	109.42	109.42
Investment	7	-	-	322.73	322.73
Other Financials Assets	8	-	-	7.38	7.38
Financial Liabilities					
Payables					
Trade Payables	11	-	-	78.41	78.41
Other Financials Liabilities	12	-	-	43.08	43.08



(₹ in Lakh)

Financial Assets and Liabilities as at 31.03.2021	Note No.	Carrying Amount			Total
		Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	
Financial Assets					
Cash and cash equivalents	3	-	-	10.50	10.50
Bank balances other than cash and cash equivalents	4	-	-	50.00	50.00
Loans & Advances	5	-	-	-	-
Trade Receivable	6	-	-	-	-
Investment	7	-	-	450.00	450.00
Other Financials Assets	8	-	-	9.69	9.69
Financial Liabilities					
Payables					
Trade Payables	11	-	-	0.56	0.56
Other Financials Liabilities	12	-	-	1.61	1.61

(₹ in Lakh)

Financial Assets and Liabilities as at 31.03.2022	Note No.	Fair Value			Total
		Level - 1	Level - 2	Level - 3	
Financial Assets					
Cash and cash equivalents	3	-	-	329.48	329.48
Bank balances other than cash and cash equivalents	4	-	-	120.00	120.00
Loans & Advances	5			1.25	1.25
Trade Receivable	6			109.42	109.42
Investment	7			322.73	322.72
Other Financials Assets	8	-	-	7.38	7.38
Financial Liabilities					
Payables					
Trade Payables	11	-	-	78.41	78.41
Other Financials Liabilities	12	-	-	43.08	43.08



(₹ in Lakh)

Financial Assets and Liabilities as at 31.03.2021	Note No.	Fair Value			Total
		Level - 1	Level - 2	Level - 3	
Financial Assets					
Cash and cash equivalents	3	-	-	10.50	10.50
Bank balances other than cash and cash equivalents	4	-	-	50.00	50.00
Loans & Advances	5	-	-	-	-
Trade Receivable	6	-	-	-	-
Investment	7	-	-	450.00	450.00
Other Financials Assets	8	-	-	9.69	9.69
Financial Liabilities					
Payables					
Trade Payables	11	-	-	0.56	0.56
Other Financials Liabilities	12	-	-	1.61	1.61

B. Fair Value Hierarchy

The Company measure fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level – 1 : Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level – 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level – 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

C. Financial instruments valued at carrying value

The carrying amounts of cash equivalent including other current bank balances, other receivables and other financial liabilities including trade and other payables, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

NOTE - 27 : IMPACT OF COVID-19 PANDEMIC

The novel corona virus COVID-19 pandemic continues to spread rapidly across the globe including India. The COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. Various Governments have introduced a variety of measures to contain the spread of the virus.



Due to uncertainty around the course of the COVID-19 pandemic, we do not have visibility into the extent to which it will impact the Company's business and its results and it will depend upon on future developments. The impact of global health pandemic may be different from that estimated as at the date of approval Company's Financial Statements and the Company will continue to closely monitor any material changes to future economic conditions that may have any financial impact on the Company.

NOTE - 28 : NON-CURRENT ASSETS HELD FOR SALE

No assets have been classified as held for sale in accordance with Ind AS-105.

NOTE - 29 : ESTABLISHMENT OF SRI FUND

The Company had been setup for implementing the Government of India's scheme for developing the MSME sector – the Self Reliant India Fund. While the Company obtained approval from SEBI as an Category-II Alternate Investment Fund, the SRI fund was always intended to be a scheme which was only to be administered by the Company but had a distinct identity of its own. After deliberations with its legal advisors, the Company was advised to setup SRI Fund as an 'Association of Persons' as per the provisions of the Income-tax Act, 1961 whereby the contributors to the fund i.e. the Government of India, NSIC and the Company shall be the members in accordance with the terms of the contribution agreement dated 12th October, 2021. While the Company was in the process of executing this regulatory structure, the Govt. of India transferred an amount of ₹ 18,034.58 Lakh (Including remittance in Transit of ₹ 2500.00 Lakh) during the year ended 31st March, 2022 (previous year NIL) in a separate bank account maintained by the Company for SRI Fund as their contribution to SRI Fund. An amount of ₹ 1.78 Lakh (previous year NIL) and ₹ 8.91 Lakh (previous year NIL) was also transferred by NSIC and the Company to such separate bank account as their respective contribution to SRI Fund. Since the amount has been received in the bank account of the Company but has been intended solely for SRI Fund which is a separate entity, the balance amount of ₹ 15,234.37 Lakh (after adjustment of expenditure of SRI Fund) is considered to be held in trust by the Company on behalf of SRI Fund. Accordingly, the funds held in trust on behalf of SRI Fund have been netted off against cash and cash equivalents of the Company and not presented as a separate liability. The Company intends to transfer the entire balance to a separate bank account of SRI Fund once such account is setup.

NOTE - 30 : ADDITIONAL DISCLOSURES

Willful Defaulter

The Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.

Relationship with struck off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Compliance with number of layers of companies

The Company registered as a Government of India Company and the provisions regarding the restriction on the number of layers under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable.

Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

Utilisation of Borrowed funds and Share premium

(A) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:



- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Undisclosed Income

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

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

Analytical ratios

The Company has been exempted from the applicability of NBFC regulations issued by the Reserve Bank of India due to specific regulatory exemptions granted to Alternative Investment Funds (AIFs). The CRAR and Liquidity Coverage ratios are not applicable to the Company.

For Devinder K Jain & Associates

Chartered Accountants

ICAI Firm Registration No.: 007799N

Sd/-

D.K. Jain

Partner

[Membership No. : 083417]

UDIN : 22083417ANXVOI6264

Place : New Delhi

Date : 28.07.2022

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-

P. Udayakumar

Chairman

[Din No.: 03353625]

Sd/-

Partha Majhi

GM (F & A)

Sd/-

Rajesh Madan

OSD

Sd/-

Gaurang Dixit

Director

[Din No.: 08535482]

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020

(CIN No.: U65990DL2020GOI368828)

STATEMENT OF CASH FLOW FOR THE PERIOD 01.04.2021 TO 31.03.2022

(₹ in Lakh)

S. No.	Particulars	For the Period ended 31 March 2022	For the Period ended 31 March 2021
	Cash Flow From Operating Activities:		
	Profit / (Loss) before Tax	230.94	-58.32
	Net loss Before Adjustments:		
	Depreciation	0.32	0.01
	Interest Earned on Term Deposits	-	-11.06
	Recognition of income tax recoverable for previous year	0.83	-
	Operating loss before Working Capital Changes	232.09	-69.37
	Movement in Working Capital		
	(Increase)/Decrease in Loans & Advances	-1.25	-
	(Increase)/Decrease in Trade Receivable	-109.42	-
	(Increase)/Decrease in Other Financial Assets	2.31	-
	(Increase)/Decrease in Other Non - Financial Assets	4.07	-4.90
	Increase/(Decrease) in Trade Payables	77.85	0.56
	Increase/(Decrease) in Other Financial Liabilities	41.47	1.61
	Cash (utilised in)/ generated from Operations	247.12	-72.10
	Income Tax Paid	-2.34	-0.83
I	Net cash generated from / (utilised in) Operating Activities	244.78	-72.93
	Cash Flow From Investment Activities:		
	Purchase of property, plant and equipment	-	-1.01
	Intangible Assets - Business License	#	-
	Expenditure on intangible assets under development	-	-16.93
	Amount Reimbursed for Intangible Assets Under Development	16.93	-
	Investment in Term Deposits - (Maturity more than 3 months but not exceeding 1 year)	-70.00	-50.00
	Investment in Term Deposits - (Maturity more than 1 year)	136.18	-450.00
	Investment in AIF - SRI Fund	-8.91	-
	Interest received on Term Deposits	-	1.37
II	Net cash (utilised in)/ generated from Investing Activities	74.20	-516.57
	Cash Flow From Financing Activities:		
	Proceeds from Issue of shares	-	600.00
III	Net Cash (utilised in)/ generated from Financing Activities	-	600.00
	Net (Decrease)/ Increase in Cash and Cash Equivalents (I+II+III)	318.98	10.50
	Cash and cash equivalents at the beginning of the period	10.50	-
	Cash and cash equivalents at end of the period	329.48	10.50

denotes value less than of ₹ 1000

The above statement has been prepared using the 'indirect method' as prescribed in Ind AS 7 - Statement of Cash flow.

Components of cash and cash equivalents are disclosed in Note 3.

Accompanying notes are integral part of the financial statements 1 to 30.

In terms of our report of even date attached

For Devinder K Jain & Associates

Chartered Accountants

ICAI Firm Registration No.: 007799N

Sd/-

D.K. Jain

Partner

[Membership No. : 083417]

UDIN : 22083417ANXVOI6264

Place : New Delhi

Date : 28.07.2022

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-

P. Udayakumar

Chairman

[Din No.: 03353625]

Sd/-

Partha Majhi

GM (F & A)

Sd/-

Rajesh Madan

OSD

Sd/-

Gaurang Dixit

Director

[Din No.: 08535482]

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020
(CIN No.: U65990DL2020GOI368828)

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01.04.2021 TO 31.03.2022

I. Equity Share Capital

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Shares having face value of ₹ 100/-		
Balance at the beginning of the period	600.00	-
Changes in equity share capital during the year	-	600.00
Balance at the end of the period	600.00	600.00

II Other Equity

(₹ in Lakh)

Particulars	Retained Earnings	Other Comprehensive Income	Total
Balance at beginning of period as at 01.04.2021	-61.10	-	-61.10
Profit / (Loss) for the period	190.27	-	190.27
Comprehensive Income for the period	-	-	-
As at 31.03.2022	129.17	-	129.17
Balance at beginning of period as at 01.04.2020	-	-	-
Profit / (Loss) for the period	-61.10	-	-61.10
Comprehensive Income for the period	-	-	-
As at 31.03.2021	-61.10	-	-61.10

For Devinder K Jain & Associates
Chartered Accountants
ICAI Firm Registration No.: 007799N

Sd/-
D.K. Jain
Partner
[Membership No. : 083417]
UDIN : 22083417ANXVOI6264

Place : New Delhi
Date : 28.07.2022

For and on behalf of the Board of Directors
NSIC Venture Capital Fund Limited

Sd/-
P. Udayakumar
Chairman
[Din No.: 03353625]

Sd/-
Partha Majhi
GM (F & A)

Sd/-
Rajesh Madan
OSD

Sd/-
Gaurang Dixit
Director
[Din No.: 08535482]

Sd/-
Nishtha Goyal
Company Secretary
[Membership No.: A22768]



**COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER
SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF NSIC VENTURE CAPITAL FUND LIMITED FOR
THE YEAR ENDED 31ST MARCH, 2022**

Comments	Management's Replies
<p>The preparation of financial statements of NSIC Venture Capital Fund Limited for the year ended 31st March, 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28th July, 2022.</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NSIC Venture Capital Fund Limited for the year ended 31st March, 2022 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.</p> <p>Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.</p>	Statement of Fact
<p>The Company was formed in pursuance of the decision of the Government of India to set-up an MSME Fund in the name of Self-Reliant India (SRI)¹ Fund to develop and promote the MSME sector. The Scheme guidelines for SRI Fund</p>	<p>SEBI AIF Regulations allow an AIF to be organized in the form of a Company, LLP or a trust and therefore, the SRI Fund had to be set up as one of these three entities. Therefore, it was considered prudent to establish the AIF as a Company</p>

1. A Fund of Funds (FoF) created to address severe shortage being faced by Micro Small and Medium Enterprises in securing growth capital. The anchor investor of the fund is the Government of India.



<p>provided, inter alia, that (i) the Mother Fund (SRI Fund) will be anchored by a SPV having 100 per cent equity from NSIC, (ii) SPV will apply to SEBI for registering the Mother Fund as a Category I or II Alternate Investment Fund, (iii) A Management fee of 1 per cent may be permitted to the SPV which will be payable in respect of corpus actually placed at the disposal of the Mother Fund. Thus, the SPV (NSIC Venture Capital Fund Limited) was to get the SRI Fund registered as an Alternative Investment Fund with the SEBI and to manage it, for which it was to receive a Management Fee. However, instead of registering the SRI Fund, NSIC Venture Capital Fund Limited has got itself registered as a Category-II Alternative Investment Fund with the SEBI. The SRI Fund is a Scheme of the Alternative Investment Fund thus registered.</p>	<p>on account of higher governance standards applicable to a Company compared with a trust or an LLP and it was decided to register NVCFL as an AIF. Further, AIF Regulations also allow AIFs registered with SEBI to float schemes (irrespective of their constitution). Accordingly, NVCFL is operating the SRI Fund which is a scheme of an AIF floated in accordance with the provisions of the AIF Regulations. This structure is as mandated by the government and in compliance with SEBI Regulations and was approved by SEBI at the time of grant of license.</p> <p>Further, again clarification is being sought from SEBI w.r.t. structure of the Fund keeping in view the observations made by CAG. If required, opinion will be sought from the 'The Institute of Chartered Accountants of India' regarding accounting of the NVCFL and SRI Fund.</p>
<p>A.1 STATEMENT OF PROFIT & LOSS A.1.1 Revenue from Operations (Note-16)- ₹ 201.60 lakh</p> <p>Above includes ₹ 1.78 crore on account of management fee received for managing SRI Fund. As per approved operating guidelines of Self-Reliant Fund (SRI Fund), a Management Fee of 1 per cent may be permitted to SPV (NVCFL). The management fee will be payable in respect of corpus actually placed at the disposal of the Mother Fund. Government of India (GOI) released ₹ 155.34 crore during the year (inclusive of management fee) and the same was placed at the disposal of Mother Fund. Accordingly, management fee of ₹ 1.53 crore (excluding GST) should have been recognized as income instead of ₹ 1.78 crore. Further, as management fee is an expense to the Company, the same amount of management fee should also have been recognized as expense.</p> <p>Non-booking of expenditure has resulted in understatement of expenditure by ₹ 1.53 crore, overstatement of income by ₹ 0.25 crore and overstatement of profit for the year by ₹ 1.78 crore.</p>	<p>Revenue from Operations of ₹ 201.60 lakh includes Management Fee from SRI Fund ₹ 178.24 lakh and ₹ 23.36 lakh as Interest income on Investment made in Fixed Deposits with Bank.</p> <p>As per clause no 3.1.1 of contribution agreement, (a) stated that "In accordance with the guidelines issued by the Government of India for the purpose of establishment of the Fund, the following fees (in aggregate referred to as "Fees") shall be chargeable to the Fund: Management Fee – NVCFL shall be entitled to charge a management fee at the rate of 1% (one percent) of the corpus actually placed at the disposal of the Fund ("Management Fee")." Further, as per clause 3.1.6 the above Fees shall be paid from (i) Capital Contributions drawn down by the Fund from the Contributor, and/ or (ii) from the income and receipts of the Fund. Accordingly, Payment of Management Fee to NVCFL will be on receipt of Capital Contributions from the Contributors pursuant to drawdown.</p> <p>Further, total amount invested by Anchor investor i.e. MOSME is ₹ 17824.25 Lakh (without Management fees) and ₹ 18034.58 Lakh (with Management fees and GST) out of which ₹ 15534.58 lakh was received during the year and balance ₹ 2500 lakh though sanctioned on 31.03.2022 but received</p>



	<p>on 2.04.2022. The entire amount of ₹ 18034.58 Lakh was sanctioned during the year. Therefore, the management fees of ₹ 178.24 Lakh have been booked as income in NVCF on accrual basis and corresponding expenditure has been shown in the books of SRI Fund.</p> <p>Thus, there is no understatement of expenditure and overstatement of income and profit.</p>
<p>A.1.2 Other Income (Note-17) - ₹ 69.37 lakh</p> <p>The above pertains to expenses incurred by the Company during previous year in respect of SRI Fund, however, in the current year the same has been treated as reimbursement of expenses on behalf of SRI Fund and booked as income.</p> <p>The Company also incurred an expenditure of ₹ 16.93 lakh during previous year on legal charges and fee paid to SEBI for registering the Company as Category-II AIF and was considered as 'Intangible Assets under development' which is not correct as the amount pertains to fee paid for registration and not for the license and therefore the same should have been accounted for as expenditure. The same has also been claimed from SRI Fund during current year.</p> <p>As SRI Fund is not a separate entity, the Company needs to book the entire expenditure in respect of SRI fund as Company's expenditure.</p> <p>Incorrect booking of the expenditure incurred in respect of SRI Fund as other income has resulted in overstatement of income by ₹ 69.37 lakh, understatement of expenses by ₹ 16.93 lakh and overstatement of profit for the year by ₹ 86.30 lakh.</p>	<p>NVCF was incorporated on 28.08.2020 and SRI Fund PPM was initially filled with SEBI on 02.01.2021 and SEBI approval was received only on 01.09.2021. Accordingly, after approval received from SEBI the Contribution Agreement signed with the contributors on 12.10.2021.</p> <p>NCVFL has incurred ₹ 69.37 Lakh (Financial Year 2020-2021) expenses on SRI Fund which was not in existence as on 31st March, 2021. Further, as per the PPM "To the extent that the Investment Manager or NVCF incurs any of the Fund expenses on behalf of the Fund, the Fund will within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, ensure that the Investment Manager or NVCF is duly reimbursed."</p> <p>As already explained above, expenses incurred in previous year that were expensed off earlier and are now to be reimbursed by SRI Fund to NVCF have been shown as other income.</p> <p>Expenditure of ₹ 16.93 Lakh- Expenses specifically attributable to obtaining SEBI license was capitalised to intangible asset under development in previous year. There is no need for treating such expenses as prior period expenses in the current financial year and the amount of ₹ 16.93 Lakh reimbursed by the SRI Fund which was direct expenses related to obtaining SEBI Registration and booked as Intangible Assets under Development in Financial Year 2020-2021. The same has been reimbursed by the SRI Fund as per the contribution agreement. Since the expenditure has been reimbursed by SRI fund, there is no understatement of expenses by ₹ 16.93 lakh.</p> <p>There is no overstatement of income and understatement of expenses.</p>



A1.3 Other expenses (Note No. 18): ₹ 39.71 lakh
Above does not include an expenditure of ₹ 1.09 crore incurred by the Company during the year in relation to SRI Fund, as detailed below:

Head of Account	Amount (₹ in crore)
Legal & Professional Charges paid to Khaitan & Co.	0.54
SEBI Charges for registering AIF	0.10
Meeting Expenses	0.01
Management/ Operating fee paid to SBICAP	0.42
Advertisement	0.02
Total	1.09

However, the above amount spent in relation to SRI Fund was shown as receivables from SRI fund being a non-existent entity. As the expenditure was incurred by the Company, this should have been shown as 'Expenses relating to SRI Fund' in the accounts of NVCFL.

Non-recognition of expenditure has resulted in understatement of expenditure and overstatement of trade receivable-unbilled by ₹ 1.09 crore. Consequently, profit for the year has also been overstated to the same extent.

B.1 BALANCE SHEET

B.1.1. Assets-Financial Assets

Cash and Cash Equivalents (Note-3) ₹ 329.48 lakh

NSIC Venture Capital Fund Limited (NVCFL) with 100 per cent equity from National Small Industries Corporation Limited (NSIC) was incorporated on 28 August 2020 to anchor the Self-Reliant Fund (SRI Fund). Government of India (Gol) released ₹ 180.34 crore (₹ 155.34 crore till 31st March, 2022 and ₹ 25 crore on 2 April 2022) to the Company towards contribution to SRI Fund. NSIC, being the sponsor to SRI fund has also contributed ₹ 0.02 crore during the year. The Company issued units to the Gol and NSIC towards the contributions made by them. The Company is maintaining separate bank account for SRI fund. The Company is also maintaining another bank account for transactions other than SRI fund and balance of ₹ 3.28 crore was available as on 31st March, 2022. While disclosing the Cash

NVCFL was incorporated on 28.08.2020 and SRI Fund PPM was initially filled with SEBI on 02.01.2021 and SEBI approval was received only on 01.09.2021. Accordingly, after approval received from SEBI, the Contribution Agreement signed with the contributors on 12.10.2021.

NVCFL has incurred ₹ 109.43 Lakh (Financial Year 2021-2022) expenses on SRI Fund which is set off as on 31st March, 2022 for correct position of annual accounts. Further, as per the PPM "To the extent that the Investment Manager or NVCFL incurs any of the Fund Expenses on behalf of the Fund, the Fund will, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, ensure that the Investment Manager or NVCFL is duly reimbursed."

Accordingly, expenses incurred in current year on behalf of SRI Fund have been shown as receivable rather than expensed off.

In view of the above, there is no understatement of expenditure and overstatement of trade receivable –unbilled.

SRI Fund is a scheme of the Company, NVCFL with a separate bank account and is recognized as a distinct Association of Persons by the Income Tax Department for tax purposes. SEBI AIF Regulations allows an AIF to be organized in the form of a Company, LLP or a trust. Further, AIF Regulations also allow AIFs registered with SEBI to float schemes (irrespective of their constitution). Accordingly, NVCFL is operating the SRI Fund which is a scheme of AIF floated in accordance with the provision of the AIF Regulations. This structure is a mandate by the government and in compliance with SEBI Regulations.

Once SRI Fund has been launched as a scheme, as per SEBI Regulations, it is mandatory that the assets



and Cash Equivalents in the Balance Sheet, bank balance in both the accounts should have been shown whereas the Company adjusted the funds received from Gol/ NSIC from the total bank balance and the balance in Bank account meant for transactions other than SRI fund has only been shown.

Incorrect adjustment of funds released by Gol and NSIC has resulted in understatement of bank balance by ₹ 152.34 crore², remittance in transit by ₹ 25 crore and understatement of Liabilities -Unit Capital for SRI Fund by ₹ 177.34 crore.

Consequently, this has also resulted in understatement of net cash generated from Financing activities by ₹ 152.34 crore and Cash and Cash Equivalents to the same extent in Cash Flow Statement.

of each scheme should be segregated and accounted for separately since the beneficiary of these assets of a scheme is not the AIF itself but the contributors to the Scheme. Thus, it is mandatory for SRI Fund accounts to be maintained separately from the NVCFL which is a subsidiary of NSIC. Reflecting assets of SRI Fund as assets of NVCFL would be wrong as it is not the legal or beneficial owner of these assets. As, it is a beneficial interest holder only to the extent of its contribution to SRI Fund, the same is reflected through the units held by it in the SRI Fund.

Further, since SRI Fund as a scheme is distinct from NVCFL and it comprises of the three entities coming together for a specific purpose with a common management, it by default constitutes an Association of Person (AOP). Such a constitution is not by choice but by the very nature of the relationship between the Contributors. This status is also recognized by the tax authorities on the basis of the Contribution Agreement entered into between the entities.

Given, the above it is only a true and fair representation of accounts where NVCFL's accounts are distinct from that of SRI Fund and any move to consolidate SRI Fund accounts with that of NVCFL would be against the basic structure of an AIF and its schemes and also an untrue recording of assets, liabilities.

Accordingly, funds received from Govt of India towards SRI Fund have been deducted from the bank balance of NVCFL. Depiction of the same in the balance sheet of NVCFL is as under

Note : 3 Cash and Cash Equival Amount (In Indian Rupees)

Particulars	As at 31.03.2022
Balance with Banks:	
In Current Account	1,55,62,06,643
Less: Amount Received on Cheques, Drafts on Hand	-1,52,34,36,649 3,27,69,994 1,78,243
Total	3,29,48,237

2. After deducting expenses incurred in respect of SRI Fund.



	<p>Thus, there is no understatement of bank balances by ₹ 152.34 crore and 'Remittance in Transit' by ₹ 25.00 crore and understatement of Liabilities – unit capital for SRI Fund by ₹ 177.34.</p> <p>It is evident from the above that adjustment of fund released by the Government of India and NSIC has been undertaken in the correct manner as the SRI Fund and NVCFL are two distinct entities and hence the same have not be consolidated.</p> <p>It is also pertinent to mention that the above does not have any impact on the results / profitability as well as state of affairs of the Company as on 31st March, 2022.</p>
<p>Comment on Independent Auditor Report</p> <p>C.1 Independent Auditor's Report dated 28 July 2022</p> <p>(i) The impact of above comments, on the profits of ₹ 1.90 crore as depicted in the Statement of Profit and Loss of the Company, works out to 196.32 per cent³ and impact of above comments would lead to loss amounting to ₹ 1.83 crore. Further, the Financial Statements are not in agreement with books of accounts as balance of one bank account of the Company (designated for receiving SRI Fund) has not been shown in financial statements of the Company.</p> <p>Hence, the financial statements of the Company do not represent "true and fair view" and it was not proper on the part of the Independent Auditor to have provided the assurance that the financial statements presented a "true and fair view".</p> <p>(ii) A reference is invited to S No. III of Annexure C of Independent Auditor's Report, wherein it has been stated that, "the Company has received funds from Central Government as its contribution to SRI Fund as per the Contribution Agreement dated 12 October 2021. The same has been properly accounted for and kept in separate bank account and has not been utilized as of the balance sheet date, except for reimbursement of expenses incurred by the Company on behalf of SRI Fund".</p>	<p>SRI Fund is a scheme of the Company, NVCFL with a separate bank account and is recognized as a distinct Association of Persons by the Income Tax Department for tax purposes. SEBI AIF Regulations allows an AIF to be organized in the form of a Company, LLP or a trust. Further, AIF Regulations also allow AIFs registered with SEBI to float schemes (irrespective of their constitution). Accordingly, NVCFL is operating the SRI Fund which is a scheme of AIF floated in accordance with the provision of the AIF Regulations. This structure is an mandate by the government and in compliance with SEBI Regulations.</p> <p>Once SRI Fund has been launched as a scheme, as per SEBI Regulations it is mandatory that the assets of each scheme should be segregated and accounted for separately since the beneficiary of these assets of a scheme is not the AIF itself but the contributors to the Scheme. Thus, it is mandatory for SRI Fund accounts to be maintained separately from the NVCFL which is a subsidiary of NSIC. Reflecting assets of SRI Fund as assets of NVCFL would be blatantly wrong as it is not the legal or beneficial owner of these assets. Yes, it is a beneficial interest holder only to the extent of its contribution to SRI Fund which is reflected through the units held by it in the SRI Fund.</p> <p>Hence, the financial statements of the Company represent "true and fair view"</p>

3. $3.73/1.90 * 100$ (₹ 3.73 crore = ₹ 1.78 crore plus ₹ 0.86 crore plus ₹ 1.09 crore)



<p>The above statement is not correct to the extent that fund received from Government of India towards contribution for SRI Fund has not been accounted for as per terms of sanction order and operating instructions of SRI Funds (as commented at issue no. B.1.1).</p>	<p>However, clarification is being sought from SEBI w.r.t. structure of the Fund keeping in view the observations made by CAG. Opinion may be taken from the 'The Institute of Chartered Accountants of India' (ICAI), if required, regarding accounting of the NVCFL and SRI Fund.</p>
<p>For and on behalf of the Comptroller and Auditor General of India</p> <p>Sd/- S. Ahladini Panda Principal Director of Audit (Industry and Corporate Affairs)</p> <p>Place: New Delhi Date: 24th November, 2022</p>	<p>For and on behalf of The NSIC Venture Capital Fund Limited</p> <p>Sd/- Gaurang Dixit (Chairman)</p> <p>Place: New Delhi Date: 16th December, 2022</p>



NSIC VENTURE CAPITAL FUND LIMITED

(A wholly owned subsidiary of NSIC Ltd.)

CIN: U65990DL2020GOI368828

NSIC Bhavan, Okhla Industrial Estate,
New Delhi – 110 020

Website: www.nvcfl.co.in

No.SIC/SEC/NVCFL/2nd AGM/2022

Dated: 16th December, 2022

NOTICE

Notice is hereby given that the 2nd Annual General Meeting (AGM) of NSIC Venture Capital Fund Limited (NVCFL or “the Company”) will be held on 16th December, 2022 at 3.30 p.m. at the registered office of the Company at NSIC Bhavan, Okhla Industrial Estate New Delhi – 110 020 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited financial statement of the Company for the financial year ended 31st March, 2022 along with the Reports of the Board of Directors and Auditors thereon and also the comments of the Comptroller & Auditor General of India.
2. To declare dividend for the Financial Year ending 31st March, 2022.
3. To authorize the Board of Directors of the Company in terms of the provisions of Section 142 of Companies Act, 2013 to fix remuneration of the Statutory Auditors of the Company for the financial year 2022-23 and to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company appointed

by Comptroller & Auditor General of India for the financial year 2022-2023.”

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution(s):

4. **Regularization of Additional Director, Dr. Ishita G. Tripathy (DIN– 09661006) as Director of the Company**

“**RESOLVED THAT** in accordance with the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013, Dr. Ishita G. Tripathy (DIN-09661006) who was appointed as an Additional Director w.e.f. 8th July, 2022, be and is hereby appointed as Director of the Company.”

5. **Regularization of Additional Director, Shri Saravanakumar Ananthan (DIN No. 09769378) as Director of the Company**

“**RESOLVED THAT** in accordance with the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013, Shri Saravanakumar Ananthan (DIN-09769378) who was appointed as an Additional Director w.e.f. 19th October, 2022 be and is hereby appointed as Director of the Company.”

By Order of the Board of Directors

Place: New Delhi
Date: 16th December, 2022

Sd/-
(Nishtha Goyal)
Company Secretary



NOTES:

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the business under Item Nos. 4 and 5 of the accompanying Notice, is annexed hereto.

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and such proxy need not be a member of the Company.
2. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to Company Secretary at the Registered Office

of the Company prior to the date of the Annual General Meeting, so that the information required can be made available at the time of the meeting.

3. The Statutory Register maintained as per Companies Act, 2013, will be available for inspection by the Members at the Registered Office of the Company at the time of AGM of the Company at the venue of the Meeting.
4. Blank proxy form is sent herewith.
5. The instrument appointing proxy, duly stamped completed and signed, should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH THE SECRETARIAL STANDARD (SS-2) ON GENERAL MEETINGS

ITEM NO. 4

In terms of the guidelines of Self Reliant India (SRI) Fund (i.e. First scheme of NVCFL) approved by the Ministry of MSME, the Company shall have an independent Board that includes two Government Nominee Directors. The Government of India, Ministry of MSME vide letter No.1(64)/I&F/ Guidelines/2020-21 Part-II-1206-1207 (C.No. 4019058) dated 23rd June, 2022 has nominated Dr. Ishita G. Tripathy, Additional Development Commissioner, O/o DC (MSME), Ministry of MSME as a Government Nominee Director in the Board of NVCFL in place of Shri Rajib Kumar Sen.

Accordingly, Dr. Ishita G. Tripathy was appointed as an Additional Director w.e.f. 8th July, 2022 as per the provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company up to the date of this Annual General Meeting. Accordingly, appointment of Dr. Ishita G. Tripathy as Director may be considered by the shareholders at this AGM.

The Board of Directors of your Company recommends her appointment as a Director for

approval by the shareholders of the Company.

None of the Directors, Key Managerial Personnel and/or their relatives, except Dr. Ishita G. Tripathy is in any way, interested or concerned, financial or otherwise in passing of the said resolution as set out at item no. 4 of the Notice.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days/ time up to the date of the Meeting.

In view of the above, it is requested to grant consent to the Ordinary Resolution as set out at item no. 4 of this Notice.

ITEM NO. 5

In terms of the guidelines of Self Reliant India (SRI) Fund (i.e. First scheme of NVCFL) approved by the Ministry of MSME, the Company shall have an independent Board that includes a professional CEO (Chief Executive Officer). Shri Saravanakumar Ananthan has joined his duty on 17th Oct. 2022 as CEO, NVCFL. He was appointed as an Additional Director w.e.f. 19th October, 2022 as per the



provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company up to the date of this Annual General Meeting. Accordingly, appointment of Shri Saravanakumar Ananthan as Director may be considered by the shareholders at this AGM.

He holds 1 equity Share of ₹ 100/- of the Company as nominee of NSIC Limited (holding Company). The Board of Directors of your Company recommends his appointment as a Director for approval by the shareholders of the Company.

None of the Directors, Key Managerial Personnel and/or their relatives, except Shri Saravanakumar

Ananthan is any way, interested or concerned, financial or otherwise in passing of the said resolution as set out at item no. 5 of the Notice.

Shri Saravanakumar Ananthan is interested in this resolution to the extent of his appointment as a Director.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days/ time up to the date of the Meeting.

In view of the above, it is requested to grant consent to the Ordinary Resolution as set out at item no. 5 of this Notice.