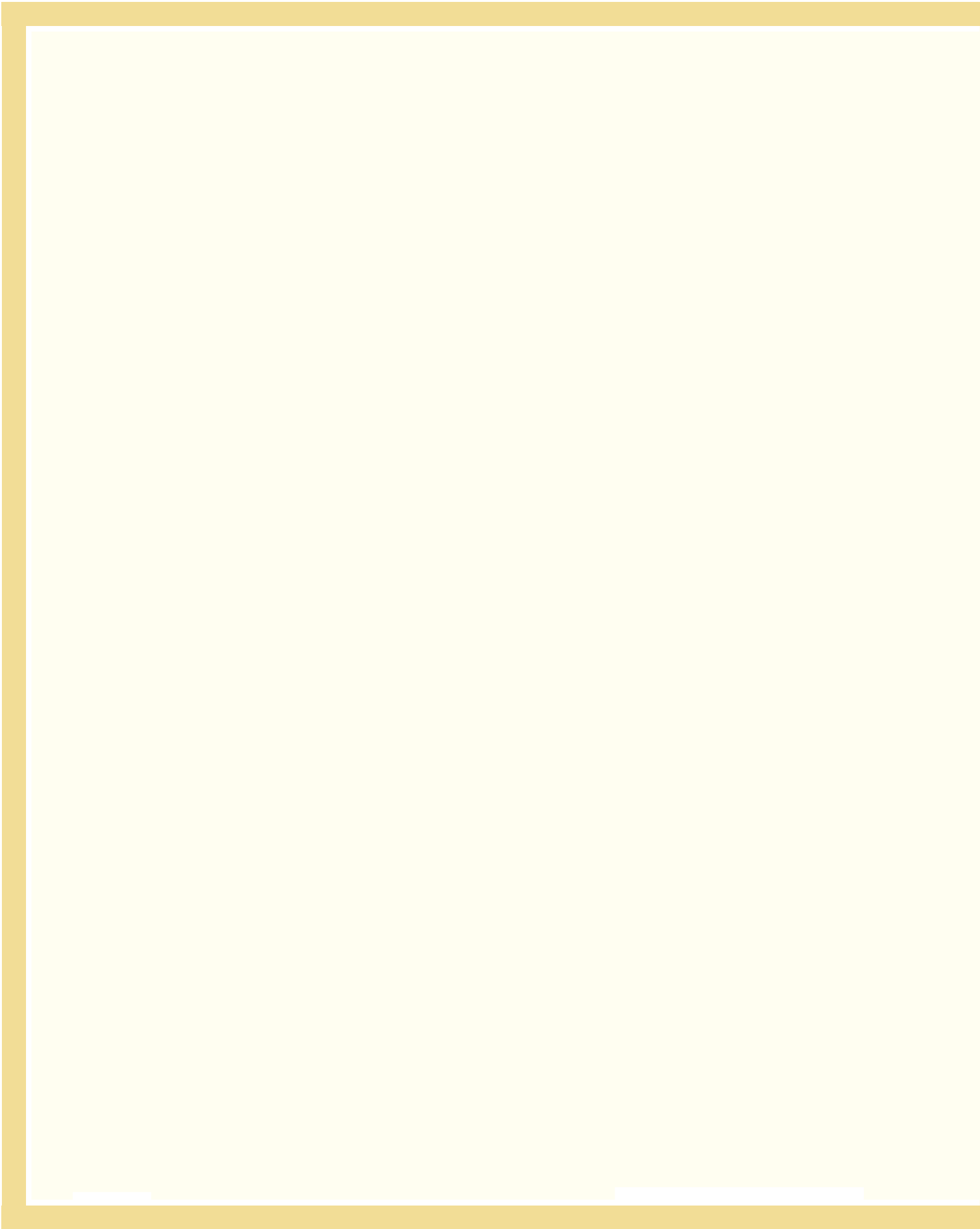




3rd ANNUAL REPORT
OF
NSIC VENTURE CAPITAL
FUND LIMITED

(A Wholly Owned Subsidiary of NSIC)

2022-2023





CIN NO.: U65990DL2020GOI1368828

Chairman

Shri Vipul Goel

(w.e.f. 1st July, 2023)

Ms. Mercy Epao

(w.e.f. 1st January, 2023 to 30th June, 2023)

Shri Gaurang Dixit

(w.e.f. 1st August, 2022 to 31st December, 2022)

Shri P. Udayakumar

(w.e.f. 20th June, 2022 to 31st July, 2022)

Ms. Alka Nangia Arora

(Upto 1st June, 2022)

Chief Executive Director

Shri Saravana Kumar Ananthan

Directors

- Shri Ateesh Kumar Singh
Government Nominee Director
- Dr. Ishita Ganguli Tripathy
Government Nominee Director
(w.e.f. 8th July, 2022)
- Shri Gaurav Gulati, Director
(w.e.f. 14th June, 2023)
- Shri Saravana Kumar Ananthan, Director

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. Vipul Goel, Chairman (DIN: 10229523)

Mr. Vipul Goel is Joint Secretary (ARI Division) in Ministry of Micro, Small and Medium Enterprises, Government of India looking after Khadi & Village Industries Commission, Coir Board and Mahatma Gandhi Institute for Rural Industrialisation (MGIRI). He has been assigned the additional charge of the post of Chairman-cum-Managing Director, NSIC w.e.f. 1st July, 2023.

He has been at the helm of policy making and connecting MSMEs at various domestic and International platforms. He is B.Tech. in Electronics & Communication from Harcourt Butler Technological Institute, Kanpur and joined Indian Railway Service of Signal Engineers (IRSSE) – 1992 batch. He has vast working experience in Maintenance, Construction/project of Railway Signalling & Telecom systems, Design & Development of Railway Signalling equipments, handling of EPC contracts, Material Management while posted in various capacities in different Railway Zones/Divisions all over India. He has made substantial achievements in Maintenance/Construction of Railway Signalling and Telecom systems. He has been awarded with GM's Annual Award 2002 for substantial improvement in Maintenance of Signalling system in DDU Division.

He is also the Ex-officio Chairman on the Board of NSIC Venture Capital Fund Ltd (a wholly owned subsidiary of NSIC Ltd.)



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

Mr. 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.

Mr. 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, CAIIB 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 NVFCL 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.



Mr. Gaurav Gulati, Director (DIN: 10144109)

Mr. Gaurav Gulati brings a distinguished professional background, holding the status of Fellow Member of the Institute of Chartered Accountants of India, as well as being a qualified Cost Accountant (ICAI) and Company Secretary (ICSI). In addition to his impressive academic qualifications, Mr. Gulati also holds a Master's degree in Business Administration.

With an extensive professional journey spanning over 25 years, Mr. Gulati has accumulated a wealth of experience from prominent organizations such as NBCC (I) Limited, NTPC, SAIL, and IndusInd Bank, where he has served in various capacities. His expertise encompasses diverse areas, including Finance & Accounts, Contract Management, Financial Management, Internal Audit, Budgetary Controls, Financial Concurrence, and SAP Implementation.

Mr. Gaurav Gulati has appointed as Director (Finance) of NSIC w.e.f. 09th May, 2023. Before joining NSIC (a holding company of NVFCL), he served as Executive Director (Finance) and led the Real Estate vertical at NBCC (I) Limited as Regional Business Group Head.

With his remarkable organizational skills and strategic planning acumen, Mr. Gulati in its present role has been instrumental in instituting vital improvements within NSIC especially strengthening NBFC vertical of the company by formulating and fortifying policies and guidelines for schemes in addition to enhancing internal controls.

Moreover, Mr. Gulati's accomplishments extend beyond his professional career. He has not only been a key member of a team that clinched victory twice in the National Management Games (NMG), a business simulation competition conducted by the All India Management Association (AIMA), but also represented India at the Global Management Challenge (GMC) in Kiev, Ukraine, in th year 2011.

Mr. Gulati's extensive financial acumen, leadership, and strategic capabilities make him a valuable asset to NSIC and his exceptional achievements and dedication contribute significantly to the organization's success and financial stability.

He has also appointed as Director in NSIC Venture Capital Fund Ltd. (a wholly owned subsidiary of NSIC Ltd.).



Chairman's Message



Dear Shareholders,

It is my privilege to welcome you in the 3rd 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, 2023 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 Rs.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 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.

During the year 2022-2023, the company reported its revenue from operations of Rs. 413.12 lakh and earned profit (before tax) amounting to Rs. 405.63 lakh and profit after tax amounting to Rs. 303.66 lakh. For the year, the net worth of the Company was Rs. 975.75 lakh as compared to Rs. 729.17 lakh in the previous year. Earnings per share (EPS) for the financial year ended 31st March, 2023 was Rs. 50.61 as against Rs. 31.17 in the previous year.

I am pleased to inform that the Board of Directors has recommended a dividend of Rs. 91.10 lakh (30% of PAT) for the financial year 2022-2023 subject to the approval of shareholders in this Annual General Meeting.

Till 30th November, 2023, total 48 Daughter Funds have been empanelled with SRI Fund (Mother Fund) and these daughter funds have assisted 382 potential MSMEs by way of commitment of Rs. 5,870 crore in these MSMEs out of which the Daughter Funds have drawdown Rs. 951 crore from SRI Fund. These MSMEs have presence across India including the low-income states in India and aspirational districts. They have helped in creating 54,430 jobs out of which ~20% is women employment.

To promote awareness amongst MSMEs, the Fund and Ministry had organized various outreach events which includes Pravah, a LP-GP event, with a goal to facilitate the exchange



of ideas, insights, & experiences. There was another event at Rajkot, Gujarat organized by the Ministry of MSME wherein SRI Fund was discussed as an alternate source of financing amongst the entrepreneurs of Gujarat. BizAmp, an outreach event for SRI Fund was also organized at Dimapur, Nagaland for the MSMEs of the eight north east states of India.

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.

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 also extend my gratitude to all employees associated with NVCFL for their unstinted support.

Place : New Delhi

Date : 11th December, 2023

Sd/-

(Vipul Goel)

Chairman

DIN No. 10229523



Board's Report

Dear Shareholders,

Your Directors are pleased to present the 3rd Board's Report along with the audited financial statement of the Company for the financial year 2022-2023.

1. Operations Overview

NSIC Venture Capital Fund Limited (NVCFL) is a wholly owned subsidiary of NSIC was incorporated as a Special Purpose Vehicle (SPV) company as per the guidelines issued by the Ministry of Micro, Small and Medium Enterprises on 28th August, 2020 to anchor the SRI Fund. Self-Reliant India (SRI) Fund is the first scheme of the NVCFL.

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.

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 Rs.10,000 crore to the Mother Fund in phased manner.

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. The progress made by SRI Fund since its inception upto 31st March 2023, is as follows:

	No. of Daughter Funds	Value
Prelim IC approval received for Daughter Funds	51	Rs. 6,310 crore
Final IC approval received for Daughter Funds	46	Rs. 5,910 crore
Empaneled Daughter Funds	42	Rs. 5,420 crore

During the period under review, total 42 Daughter Funds have been empaneled with SRI Fund (Mother Fund) and these daughter funds have assisted 315 potential MSMEs by way of investing of Rs. 4,187 crore in these MSMEs out of which the Daughter Funds have drawdown Rs. 566 crores from SRI Fund up to 31st March 2023. These MSMEs have presence across India including the low-income states in India and aspirational districts. They have helped in creating 37,500 + jobs out of which ~20% is women employment.

During the year, the fund had organized two outreach events: 1) The event in Bangalore on completion of one year anniversary of the Fund and 2) Pravah, a LP- GP event, with a goal to facilitate the exchange of ideas, insights, and experiences. The events served as a platform to enable interactions between key stakeholders in the MSME ecosystem – the Government, entrepreneurs, and investors and spread awareness about the initiatives undertaken by the Fund. 3) There was another event at Rajkot, Gujarat organized by the Ministry of MSME wherein SRI Fund was discussed as an alternate source of financing amongst the entrepreneurs of Gujarat.



Shri Narayan Tatu Rane, Hon'ble Cabinet Minister of MSME inaugurated the "PARVAH" an event by Self-Reliant India (SRI) Fund on 23rd January, 2023.

2. Financial Overview

During the financial year 2022-23, the company reported its revenue from operations amounting to Rs. 413.12 lakh and the profit (before tax) amounting to Rs. 405.63 lakh.

The summary of audited financial statements of the company for the financial year 2022-23 along with previous financial year, is given as under:-

(Rs. in Lakh except for EPS)

S No.	Particulars	Financial Year ended on 31 st March, 2023	Financial Year ended on 31 st March, 2022
1.	Revenue from Operations	413.12	201.60
2.	Other Income	39.78	69.37

S No.	Particulars	Financial Year ended on 31 st March, 2023	Financial Year ended on 31 st March, 2022
3.	Expenses	47.27	40.03
4.	Profit / (Loss) before Tax	405.63	230.94
5.	Tax Expenses	101.97	40.67
6.	Profit / (Loss) after Tax	303.66	190.27
7.	Net worth	975.75	729.17
8.	Earning per Share (Rs.)	50.61	31.71

3. Dividend

The Board of Directors in its meeting held on 28th August, 2023 has recommended a dividend of Rs. 91.10 lakh (30% of PAT) for the financial year 2022-23. The

dividend recommended is subject to the approval of the shareholders at the Annual General Meeting.



CEO, NVCFCL presented dividend cheque for the year 2022-23 to Shri Vipul Goel, CMD, NSIC. Also present on the occasion were Shri Kartikeya Sinha, Director (P&M) & Shri Gaurav Gulati, Director (Fin), NSIC.

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. **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.

6. **Change in the Nature of Business**

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

7. **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 2022-23.

8. **Share Capital**

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

9. **Management Discussion & Analysis**

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

10. **Human Resource Management**

During the period under review, Shri Saravanakumar Ananthan has joined his duties as Chief Executive Officer and Director on Board of the Company. Further, 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.

11. **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.

12. 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.

13. 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.

14. 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 2022-23. The Statutory Auditors have given its report on the financial statements of the Company for the financial year 2022-23. The Audited Financial Statements, Cash Flow Statement and the annexures together with the Auditors' Report thereto forms part to the annual report.

There are no adverse comments, observations 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, 2023 shall forms part of the annual report.

15. 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.

16. Annual Return

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

17. 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

18. Board of Directors

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

- a) Shri Vipul Goel has been appointed as Chairman of the Company w.e.f. 06th July, 2023
- b) Shri Gaurav Gulati has been



- appointed as Additional Director of the Company w.e.f. 14th June, 2023.
- c) Ms. Mercy Epao was holding the charge as Chairman and Director till 30th June, 2023.
- d) Shri Gaurang Dixit was appointed as Chairman of the Company w.e.f. 1st August, 2022. He holds the charge of Chairman, NVCFL upto the date of his superannuation i.e. till 31st December, 2022.
- e) Shri Saravana Kumar Ananthan, has been appointed as Director on the Board of Company w.e.f. 19th October, 2022. He is also Chief Executive Officer of the Company.
- f) 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 .
- g) 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.
- h) 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.

During the year 2022-23, seven 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.

19. 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 2022-23, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- Such accounting policies have been prepared 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.

20. Right to Information Act, 2005

During the financial year 2022-23, no RTI application was received under “Right to Information Act, 2005” (RTI).

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

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



22. 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.

Place : New Delhi
Date : 11th December, 2023

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

Sd/-
(Vipul Goel)
Chairman
DIN No. 10229523



Management Discussion & Analysis Report

i. Industry Structure and Recent Developments

India's economy has sustained its growth momentum in financial year 2022-23 on account of its strong macro-economic fundamentals and the prompt policy action by the Government and the RBI. India's real GDP expanded by 7.2 per cent in financial year 2022-23, the highest among major economies, overcoming the obstacles and challenges posed by the COVID pandemic and geopolitical developments including the Russia-Ukraine conflict.

The domestic demand has recovered and moved from strength to strength in financial year 2022-23 bringing the Indian economy to a touching distance of the quarterly output it would have achieved had the pandemic not adversely impacted the same. Post-pandemic, quarterly trajectories of consumption and investment have already crossed their pre-pandemic paths. Further, according to India's Economic Survey, India is to witness GDP growth of 6% to 6.8% in financial year 2023-24¹.

India has approximately 6.3 crore Micro Small and Medium Enterprises (MSMEs) out of which the number of MSMEs registered on the Udyam Registration portal stood at 1.62 crore units. Majority of the registered MSMEs are service enterprises, around 67%, while the remaining 33% is comprised of manufacturing. Also, around 95.88% of the registered enterprises are micro-enterprises, followed by small enterprises at 3.36% and mid-sized enterprises at 32 %.²

Reforms to address the structural challenges faced by MSMEs have been a vital part of the country's Industrial Policy in

the recent years. Support measures were introduced for MSMEs during the pandemic in the form of the Emergency Credit Line Guarantee Scheme (ECLGS) and revision in the definition of MSMEs under the ambit of Aatmanirbhar Bharat, which helped the MSMEs face the crisis shock in a much better way. The ECLGS, in particular, has in the last two years benefited Rs. 1.14 crore MSMEs, which have availed collateral-free loans amounting to Rs. 2.38 lakh crore. Further measures, such as the renewed emphasis on TReDS to address the delayed payments for MSMEs, the inclusion of retail and wholesale traders as MSMEs, and the extension of non-tax benefits for three years in case of an upward change in the status of MSMEs, have created a resilient support system for the MSME sector to grow. The MSMEs have also benefitted from access to digital platforms for their marketing needs and easy payments. With the Open Network for Digital Commerce creating opportunities for MSMEs to access e-commerce technology and diversify their target markets, this trend will likely strengthen further. Moreover, onboarding GSTN as a Financial information provider on the Account aggregator platform will open up avenues for access to credit for MSMEs. Enhancing opportunities and productivity of the MSME sector have large-scale implications for a resilient production ecosystem, thus strengthening the growth prospects of the industry and the economy as a whole.³

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

¹ Source: PIB Economic Survey.

² Source: MSME Industry in India – Market Share, Reports, Growth & Scope | IBEF.

³ Source: <https://www.indiabudget.gov.in/economicsurvey/>



Country. India's 6.3 crore MSME entities are responsible for around.⁴

- 40% of the country's overall industrial output;
- 42% of all exports; and
- almost 33% of the National GDP.

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" 2018⁵ estimates that the overall demand for both debt and equity finance by MSMEs is approximately Rs. 87.7 trillion, which comprises of Rs. 69.3 trillion of debt demand and Rs.18.4 trillion in equity demand.

BSE SME Platform that enables the listing of SMEs from the unorganized sector into a regulated and organized sector, reported that so far, 452 listed SME companies raised Rs. 5,499.96 crore of funding using their platform.⁶

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 2022-23, Emerge saw listing of 54 MSMEs which raised Rs. 1,180.31 crores.⁷ However, these amounts of funds raised are short of the overall requirement of the funding for MSME sector and efforts are continuing to bridge the gap.

iii. Developments in the Sector

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

- Under the Start-up India program, the Government created the Fund of Funds for Start-ups (FFS) to provide funding support for Start-ups, over a period of XIV and XV Finance Commission periods.
- Government created the Fund of Funds scheme for MSMEs so as to channelize 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 sites, especially through Government e-Marketplace (GeM).

The Government has allocated around Rs. 22,140 crore in the Budget for FY 2023-24, for the MSME sector, which is a 42% increase over the previous year. This allocation will go towards implementing various schemes to provide easy and affordable access to credit, technology upgrades and infrastructure development along with several tax incentives and subsidies to help MSMEs.

⁴ Source: <https://www.forbes.com/advisor/in/business/msme-statistics/>

⁵ 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.

⁶ Source: <https://www.bsesme.com/index.aspx>

⁷ Source: <https://nsearchives.nseindia.com/s3fs-public/inline-files/Emerge%20Brochure.pdf>



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 Fund Scheme for MSMEs, to be funded by the Government of India with a contribution of Rs. 10,000 crore, and which was to be leveraged 5 times through private participation raising the fund infusion through the scheme to the tune of Rs. 50,000 crore.

Ministry of MSME (M/o MSME) was nominated as the implementing Ministry and the Fund of Fund was named as Self-Reliant India (SRI) Fund, which 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” is the first scheme of NVCFL which is registered with the Securities and Exchange Board of India (SEBI) on the 1st September, 2021 as a Category II Alternative Investment Fund (AIF). SBICAP Ventures Limited “(Investment Manager)” has been appointed as the Investment Manager, to operate the ‘Fund of Funds’ with the objective to provide growth capital to the MSME sector.

SRI 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 Rs. 10,000 crore provided by the Government of India would be leveraged to Rs. 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;
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.

The progress made by SRI Fund since its inception upto 31st March 2023, is as follows:

	No. of Daughter Funds	Value
Prelim IC approval received for Daughter Funds	51	Rs. 6,300 crore
Final IC approval received for Daughter Funds	46	Rs. 5,910 crore
Empaneled Daughter Funds	42	Rs. 5,420 crore

It is pertinent to mention that deployment of funds in an AIF is in phases as per the demands raised by the empanelled Daughter Funds. The Daughter Funds raised request to drawdown Rs. 566 crores from SRI Fund up to 31st March 2023.



D. Material Developments in Human Resources

During the period under review, Shri Saravana Kumar Ananthan has joined his duties as Chief Executive Officer and Director on Board of the Company. Further, 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.

E. 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 empanelled 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. Procurements should be made through the processes outlined in the procurement policy of NSIC/ NVCFL (as applicable), and deviations, if any should be reported to the Board;
- i) Structuring risks is mitigated by taking appropriate legal advice;
- j) Appropriate insurance policies that cover various risks are being put in place;



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.

F. 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.

G. Outlook

SRI Fund has built a robust pipeline of prospective Daughter Fund seeking funding from SRI Fund. Deployment of funds will be in phases over the investment period of the Daughter Funds.

A new fund platform with various reporting requirements at SRI Fund level (to its contributors) and at Daughter Fund level (to SRI Fund) is being setup and currently all the pre-investment activities conducted by the IM are handled on the Tech Platform by the IM. The Tech platform will be completely deployed, covering all the aspects of the Fund by the end of financial year 2023-24.

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

H. Cautionary Statement

Statements in Management Discussion and Analysis describing the Company’s objectives, projections, expectations, estimates are based on current business environment. Actual results could differ from those expressed or implied based on government policy decisions and future economic environment. The Company assumes no responsibility in any way to modify or revise such statements based on subsequent events or developments.

Place : New Delhi
Date : 11th December, 2023

Sd/-
(Vipul Goel)
Chairman
DIN No. 10229523



Annexure –B to Board’s Report

FORM NO. 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: No Material contracts or arrangements or transactions were entered by the Company with any Related Party, during financial year 2022-23.
2. Details of material contracts or arrangement or transactions at arm’s length basis, during financial year 2022-23:

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 – Rs.60.26 Lakh Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment – Rs. 3.83 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)		Rent Rs.5.93 lakh		

Place : New Delhi
Date : 11th December, 2023

Sd/-
(Vipul Goel)
Chairman
DIN No. 10229523



Report on Corporate Governance

NVCFL is always dedicated to adhere the best practices of Corporate Governance. NVCFL through its first scheme i.e. Self-Reliant India (SRI) Fund are providing growth capital to the Micro, Small and Medium Enterprises (MSMEs), through equity/quasi-equity/equity like structured instruments. A report in line with the requirements of the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) is given below as a part of the Director's Report along with a Certificate issued by a Practicing Company Secretary regarding compliance with the provisions of Corporate Governance.

1. Board of Directors

NVCFL is a wholly owned Company of the National Small Industries Corporation Ltd. (NSIC). The SRI Fund Scheme is the first scheme of NVCFL. 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 March 31, 2023, the Board comprised of the following directors:

Sl. No	Director Identification Number (DIN)	Name of the Director	Designation
1	09331424	Ms. Mercy Epao	Chairman
2	09661006	Dr. Ishita G. Tripathy	Director
3	06789077	Shri Ateesh Kumar Singh	Director
4	09769378	Shri Saravanakumar Ananthan	Director & CEO

Ms. Mercy Epao was holding the charge as Chairman and Director till 30th June, 2023.

In terms of SRI guidelines, Shri Vipul Goel has been appointed as Ex-officio Chairman of the Company w.e.f. 6th July, 2023.

2. Changes in the Composition of Board of Directors

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

- Shri Vipul Goel has appointed as Chairman of the Company w.e.f. 06th July, 2023.
- Shri Gaurav Gulati has been appointed as Additional Director of the Company w.e.f. 14th June, 2023.
- Ms. Mercy Epao was holding the charge as Chairman and Director till 30th June, 2023.
- Shri Gaurang Dixit was appointed as Chairman of the Company w.e.f. 1st August, 2022. He holds the charge of Chairman, NVCFL upto the date of his superannuation i.e. till 31st December, 2022.
- Shri Saravana Kumar Ananthan has been appointed as Director on the Board of Company. He is also Chief Executive Officer of the Company.
- 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.
- 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.
- Smt. Alka Nangia Arora was appointed as Chairman of the Company w.e.f. 23rd September, 2021. She holds the charge as Chairman, NVCFL till 20th June, 2022.



3. Number of Meetings of Board, Directors' Attendance at Board Meetings

During the period under review, seven (7) meetings of the Board of Directors of the Company were held viz. (i) 8th July, 2022, ii) 28th July, 2022, iii) 19th October, 2022,

iv) 16th December, 2022, v) 17th January, 2023 vi) 30th January, 2023 and vii) 16th March, 2023.

During the Financial Year 2022-23, 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, 2023 (other than NVCFL)
		Held during the tenure	No. of Board Meetings attended	Attendance in the AGM held on 16 th December, 2022	
1.	Ms. Mercy Epao	3	3	N.A	NSIC, DSIIDC & ITPO
2.	Shri Gaurang Dixit	4	4	Yes	NSIC
3.	Shri. P. Udayakumar	2	2	N.A	NSIC
4.	Dr. Ishita G. Tripathy	7	7	Yes	Global Innovations & Technology alliance (GITA) w.e.f. 15.3.2022
5.	Shri Ateesh Kumar Singh, Director	7	6	Yes	Nil
6.	Shri Saravana Kumar Ananthan	5	5	Yes	Nil

4. Remuneration of Directors

All the directors, except Shri Saravanakumar Ananthan 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. The details regarding the remuneration paid during the financial year 2022-23 are as follows:-

S. No.	Particulars of Remuneration	Chief Executive Officer Shri Saravanakumar Ananthan w.e.f. 17/10/2022 to 31/03/2023 (Rs. in lakh)
1	Gross Salary (as per provisions contained in section 17(1) of the Income Tax Act, 1961	17.38
2	Stock Option	-
3	Sweat Equity	-
4	Commission as % of profit; others, specify	-
5	Others, please specify (Employer cont. to PF & Pension)	7.40
	Total	24.78

5. 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.

6. 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.

7. 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.

8. General Body Meeting

The details of the Annual general Meetings of the Company held since the incorporation of the Company are as under:

Fin Year	Date	Time	Venue	Special Business (if any)
2021-22	16/12/2022	11.00 a.m.	Registered Office of the Company	a) Regularization of Additional Director, Dr. Ishita G. Tripathy (DIN-09661006) as Director of the Company. b) Regularization of Additional Director, Shri Saravanakumar Ananthan (DIN No.09769378) as Director of the Company.
2020-21	26/11/2021	11.00 a.m.		Regularization of Additional Director, Ms. Alka Nangia arora (DIN- 03165567) as Director of the Company.

No Extraordinary General Meeting of the Members was held during the Financial Year 2022-23.

The Annual General Meeting for the financial year 2022-23 shall be held on 11th December, 2023.

9. 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.

10. 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 : 11th December, 2023

Sd/-
(Vipul Goel)
Chairman
DIN No. 10229523



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members

NSIC Venture Capital Fund Limited

Registered Address: NSIC, Okhla Industrial Estate Phase-III

New Delhi-110 020

We have examined the compliance of conditions of Corporate Governance of **NSIC Venture Capital Fund Limited** having CIN: U65990DL2020GOI368828, for the year ended 31st March, 2023 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/-
(PCS Sanjay Kumar)

Managing Partner

M.No.: 9211

C.P.No.: 7027

UDIN: F009211E001714475

Place: New Delhi

Date: 7th November, 2023



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 31 March 2023, 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 31 March 2023 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 attention to Note 35 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 subject to an independent financial audit, 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 5 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 5 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 final dividend paid by the Company during the year in respect of the dividend declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in Note 37 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is



in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- 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

- vi. As Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from 1 April 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

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

Sd/-
CA D.K. Jain
Partner

Membership No.: 083417
UDIN: 23083417BGXHCJ2856

Place: New Delhi
Date: 28.08.2023



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 2023

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 loan or advance or 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 has provided an unsecured loan to Director of the Company 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 to a director of the Company. The



- Company has advanced an amount of INR 0.12 lakhs during the year on account of recovery towards transport provided to him and such balance of INR 0.12 lakhs remains outstanding as at the close of the reporting period. 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, 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 and grant of advance to Director, 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 INR 0.12 lakhs to Mr. Saravana Ananthan, Director of the Company and a related party, as explained in clause (iii)(a) above. Such advance to related party is recoverable 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 31 March 2023, 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 or preceding financial year.
- (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

Place: New Delhi
Date: 28.08.2023

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

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



ANNEXURE B REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL LIMITED FOR THE PERIOD ENDED 31ST MARCH 2023

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 31 March 2023 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 March 31, 2023, 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

Place: New Delhi
Date: 28.08.2023



ANNEXURE C REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL LIMITED FOR THE PERIOD ENDED 31ST MARCH 2023

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 2023.

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 on behalf of SRI Fund from the Central Government as its contribution to the SRI Fund as per the contribution agreement dated 12 October 2021. The same has been properly accounted for and kept in a separate bank account and utilized for reimbursement of expenses incurred by the Company on behalf of SRI Fund and other expenses and investments to be done by SRI Fund as per SRI Fund's contribution agreement.

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

Sd/-
CA D.K. Jain
Partner

Membership No.: 083417

Place: New Delhi
Date: 28.08.2023



Compliance Certificate

We have conducted the audit of accounts of NSIC Venture Capital Fund Limited for the period ended 31st March, 2023 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: 23083417BGXHCJ2856

Place: New Delhi
Date: 28.08.2023



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

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 31 March 2023. 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.

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 is only one employee in the company, the cost of defined benefit plan and other long term employee benefits and present value of such obligation are determined by independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual. Management believes that the assumption used by the actuary in determination of discount rate, future salary increases, mortality rate and attrition rates are reasonable.



- **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, NVCF 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 De-recognition

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/-
3	Office Equipments	5 Years	19%	5% of original cost
4	Furniture and Fitting	10 Years	9.50%	5% of original cost

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 adjusted in the books of accounts.

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

Employee Benefits include Salaries and Wages, Provident Fund, Pension, Gratuity, leave encashment and other terminal benefits.

(a) Short Term Employee Benefits

Short term employee benefits comprise of employee costs such as salaries, allowances, annual leave and sick leave which are accrued during the year in which the associated services are rendered by employees of the Corporation.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

(b) Post-Employment Benefits and Other Long-Term Employee Benefits

(i) Defined Contribution plan

A defined contribution is a post-employment benefit plan where Corporation pays fixed contributions into different organizations and will have no legal or constructive obligation to pay further amounts. Contributions to Provident Fund, Pension Fund

& Post-retirement medical benefits (PRMB) made by the Corporation are considered as defined contribution plan. Such contributions paid/ payable during the year are recognized as an employee benefit expense in the statement of profit and loss for the year in which the related services are rendered.

The contribution to provident fund is paid to a fund administered through a separate trust and contribution to pension fund is paid to Life Insurance Corporation of India through trust. Regarding PRMB, medical corpus is created as per guidelines of Department of Public Enterprises which is utilized for the payment of premium to the Insurance Company.

(ii) Defined benefits plan

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. Corporation's Liability towards gratuity, leave encashment and other employees' benefits namely Sick leave and T.A. on Retirement, made by the Corporation, are considered under Defined Benefit Plan.

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation at the year-end using the projected unit credit method.

The prescribed disclosure as per the Actuarial Valuation in respect of the above matters is given below:-



Plan Liability

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Present value of obligation as at the end of the period	CY	0.53	1.06	0.28	-
	PY	0	0	0	0

Service Cost

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Current Service Cost	CY	0.53	1.06	0.28	-
	PY	0	0	0	0
Past Service Cost including curtailment Gains/ Losses	CY	0	0	0	0
	PY	0	0	0	0
Gains or Losses on Non -routine settlements	CY	0	0	0	0
	PY	0	0	0	0
Total Service Cost	CY	0.53	1.06	0.28	-
	PY	0	0	0	0

Net Interest Cost

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Interest Cost on Defined Benefit Obligation	CY	0	0	0	0
	PY	0	0	0	0
Interest Income on Plan Assets	CY	0	0	0	0
	PY	0	0	0	0
Net Interest Cost (Income)	CY	0	0	0	0
	PY	0	0	0	0

Change in benefit Obligation

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Present value of obligation as at the beginning of the period	CY	0	0	0	0
	PY	0	0	0	0
Interest Cost	CY	0	0	0	0
	PY	0	0	0	0
Service Cost	CY	0.53	1.06	0.28	-
	PY	0	0	0	0
Past Service Cost including curtailment Gains/ Losses	CY	0	0	0	0
	PY	0	0	0	0



Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Benefits Paid	CY	0	0	0	0
	PY	0	0	0	0
Total Actuarial (Gain)/ Loss on Obligation	CY	0	0	0	0
	PY	0	0	0	0
Present value of obligation as at the end of the period	CY	0.53	1.06	0.28	-
	PY	0	0	0	0

Bifurcation of Actuarial Gain/ Loss on Obligation

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Actuarial (Gain)/ Loss on arising from Change in Demographic Assumption	CY	0	0	0	0
	PY	0	0	0	0
Actuarial (Gain)/ Loss on arising from Change in Financial Assumption	CY	0	0	0	0
	PY	0	0	0	0
Actuarial (Gain)/ Loss on arising from Experience Adjustment	CY	0	0	0	0
	PY	0	0	0	0

Balance Sheet and related analysis

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Present Value of the obligation at end	CY	0.53	1.06	0.28	-
	PY	0	0	0	0
Fair value of plan assets	CY	-	-	-	-
	PY	-	-	-	-
Unfunded Liability / provision in Balance Sheet	CY	(0.53)	(1.06)	(0.28)	-
	PY	0	0	0	0

The amounts recognized in the Income statement

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Total Service Cost	CY	0.53	1.06	0.28	-
	PY	0	0	0	0
Net Interest Cost	CY				
	PY	0	0	0	0
Net Actuarial (gain)/ loss recognized in the period	CY				
	PY	0	0	0	0
Expense recognized in the Income Statement	CY	0.53	1.06	0.28	-
	PY	0	0	0	0



Other Comprehensive Income (OCI)

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Net cumulative unrecognized actuarial gain/ (loss) opening	CY	0	0	0	0
	PY	0	0	0	0
Actuarial gain/ (loss) for the year on PBO	CY	0	0	0	0
	PY	0	0	0	0
Actuarial gain/ (loss) for the year on Asset	CY	0	0	0	0
	PY	0	0	0	0
Unrecognized actuarial gain/ (loss) for the period	CY	0	0	0	0
	PY	0	0	0	0

Change in Net Defined Benefit Obligation

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Net defined benefit liability at the start of the period	CY	-	-	-	-
	PY	-	-	-	-
Acquisition adjustment	CY	-	-	-	-
	PY	-	-	-	-
Total Service Cost	CY	0.53	1.06	0.28	-
	PY	0	0	0	0
Net Interest Cost (Income)	CY	-	-	-	-
	PY	-	-	-	-
Re-measurements	CY	-	-	-	-
	PY	-	-	-	-
Contribution paid to the Fund	CY	-	-	-	-
	PY	-	-	-	-
Benefit paid directly by the enterprise	CY	-	-	-	-
	PY	-	-	-	-
Net defined benefit liability at the end of the period	CY	0.53	1.06	0.28	-
	PY	0	0	0	0

Bifurcation of PBO at the end of year in current and non- current

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Current Liability (Amount due within one year)	CY	0.005	0.07	0.04	0
	PY	0	0	0	0
Non-Current Liability (Amount due over one year)	CY	0.52	0.99	0.24	-
	PY	0	0	0	0
Total PBO at the end of the year	CY	0.53	1.06	0.28	-
	PY	0	0	0	0



Expected contribution for the next Annual reporting period

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Service Cost	CY	1.31	2.57	0.68	-
	PY	0	0	0	0
Net Interest Cost	CY	0.04	0.08	0.02	-
	PY	0	0	0	0
Expected Expense for the next annual reporting period	CY	1.35	2.65	0.70	-
	PY	0	0	0	0

Principal assumptions used for actuarial valuation are:

Particulars	2022-23	2021-22
Method used	Projected Unit Credit Method	Projected Units Credit Method
Discount Rate	7.38%	NA
Expected Rate of Return on Plan Asset	0	NA
Future Salary Increase	5.50%	NA
Mortality Rate	100% IALM (2012-14)	NA
Ages (withdrawal Rate (%))		NA
Upto 30 years	3	NA
From 31 to 44 years	2	NA
Above 44 years	1	NA

Sensitivity of the defined benefit obligation

(₹ in Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement
Impact of change in discount rate				
Present values of obligation at the end of the period	0.53	1.06	0.28	
Impact due to increase of 0.50%	(.008)	(0.015)	(.004)	-
Impact due to decrease of 0.50%	0.007	0.016	0.04	-
Impact of change in salary increase				
Present values of obligation at the end of the period	0.53	1.06	0.28	-
Impact due to increase of 0.50%	0.008	0.016	(0.004)	-
Impact due to decrease of 0.50%	(0.008)	(0.016)	0.004	-



Maturity Profile of Defined Benefit Obligation

(₹ in Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement
0 to 1 year	0.005	0.007	0.004	0
1 to 2 years	0.005	0.002	0.005	0
2 to 3 years	0.005	0.002	0.005	0
3 to 4 years	0.003	0.79	0.20	0
4 to 5 years	0.46	0.06	0.002	0
5 to 6 years	0.001	0.03	0.01	0
6 year onwards	0.003	0.09	0.01	0

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, 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 31.03.2023

(₹ in Lakh)

S No.	Particulars	Note No.	As at 31.03.2023		As at 31.03.2022	
Assets						
I	Financial Assets					
(a)	Cash and Cash Equivalents	3	352.79		329.48	
(b)	Bank Balances Other Than Cash and Cash Equivalents	4	328.39		433.82	
(c)	Receivable	5	0.00		0.00	
	(I) Trade Receivables - unbilled					
(d)	Loans & Advance	6	0.19		1.25	
(e)	Investment	7	28.36		8.91	
(f)	Other Financial Assets	8	621.09	1330.82	116.80	890.26
II	Non-Financial Assets					
(a)	Current Tax Assets (Net)	9	61.11		0.00	
(b)	Deferred Tax Assets (Net)	10	11.28		11.80	
(c)	Property, Plant and Equipment	11	3.45		0.68	
(d)	Other Intangible Assets	11	0.00		0.00	
(e)	Intangible Assets under Development	-	0.00		0.00	
(f)	Other Non-Financial Assets	12	0.00	75.84	0.83	13.31
	Total Assets			1406.66		903.57
Liabilities and Equity						
Liabilities						
I	Financial Liabilities					
(a)	Payables	13				
	(I) Trade Payables					
	(i) Total outstanding dues of micro & small enterprises		0.00		0.00	
	(ii) Total outstanding dues of creditors other than micro & small enterprises		0.00		0.00	
(b)	Other Financial Liabilities	14	429.04	429.04	121.49	121.49
II	Non-Financial Liabilities					
(a)	Current Tax Liabilities (Net)	15	0.00		52.91	52.91
(b)	Provisions	16	1.87	1.87		
	Total Liabilities					174.40
III	Equity					
(a)	Equity Share Capital	17	600.00		600.00	
(b)	Other Equity	18	375.75	975.75	129.17	729.17
	Total Equity					
	Total Liabilities and Equity			1406.66		903.57

Statement of Corporate information Note 1

Accounting Policy Note 2

Accompanying notes are integral part of the financial statements

1 to 39

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]

Place : New Delhi

Date : 28.08.2023

UDIN : 23083417BGXHCJ2856

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-

Vipul Goel

Chairman

[DIN: 10229523]

Sd/-

Saravana Kumar Ananthan

Director & CEO

[Din No.: 9769378]

Sd/-

Rajesh Madan
General Manager

Sd/-

Adarsh Kansal
Chief Manager

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

01.04.2022 TO 31.03.2023

(₹ in Lakh)

S No.	Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
I.	Revenue from operations	19	413.12	201.60
	Total Revenue from operations		413.12	201.60
II.	Other Income	20	39.78	69.37
III.	Total Income (I+II)		452.90	270.97
IV.	Expenses			
	Employees Benefit Expenses	21	30.22	0.00
	Depreciation and Amortisation Expenses	22	0.51	0.32
	Other Expenses	23	16.54	39.71
	Total Expenses (IV)		47.27	40.03
V	Profit / (Loss) before Tax (III-IV)		405.63	230.94
VI	Tax Expense			
	Current Tax	24	102.00	55.25
	Deferred Tax		0.53	-11.80
	Earlier Years Tax		-0.56	-2.78
	Total Tax Expense (VI)		101.97	40.67
VII	Profit / (Loss) for the Year (V-VI)		303.66	190.27
VIII	Other Comprehensive Income			
	A) Item that will not be reclassified to profit or Loss		0.00	0.00
	B) Item that will be reclassified to profit or Loss		0.00	0.00
	Total Other Comprehensive Income (A + B)		0.00	0.00
IX	Total Comprehensive Income for the period (VII+VIII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		303.66	190.27
X	Earning / (Loss) Per Equity Share	25		
	Basic (₹)		50.61	31.71
	Diluted (₹)		50.61	31.71

Accompanying notes are integral part of the financial statements **1 to 39**

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]

Place : New Delhi

Date : 28.08.2023

UDIN : 23083417BGXHCJ2856

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-

Vipul Goel

Chairman

[DIN: 10229523]

Sd/-

Rajesh Madan

General Manager

Sd/-

Adarsh Kansal

Chief Manager

Sd/-

Saravana Kumar Ananthan

Director & CEO

[Din No.: 9769378]

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]



NOTE - 3 : CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance with Banks:		
In Current Account (excluding amount received on behalf of SRI Fund)	352.79	327.70
Cheques, Drafts on Hand	0.00	1.78
Total	352.79	329.48

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 31.03.2023	As at 31.03.2022
Term Deposits	328.39	433.82
Total	328.39	433.82

Note: Term Deposits amounting to Rs. 328.39 Lakh (PY Rs. 433.82 Lakh) are for maturity of more than 1 year (Refer Note No. 7 - Investment)

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 : RECEIVABLES

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Receivable		
Unsecured, considered good	0.00	-
Total	0.00	-

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

5.2 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	Total
1	Undisputed trade receivables considered good		0.00	-	-	-
			(-)	(-)	(-)	(-)
2	Undisputed trade receivables significant increase in credit risk		0.00	-	-	-
			(-)	(-)	(-)	(-)
3	Undisputed Trade receivables credit impaired		0.00	-	-	-
			(-)	(-)	(-)	(-)
4	Disputed Trade receivables considered good		0.00	-	-	-
			(-)	(-)	(-)	(-)
5	Disputed Trade receivables significant increase in credit risk		0.00	-	-	-
			(-)	(-)	(-)	(-)



Sr. No	Particulars	Less than 6 months	6 months – 1 year	1 to 2 years	2 to 3 years	Total
6	Disputed Trade receivables credit impaired		0.00	-	-	-
			(-)	(-)	(-)	(-)
7	Unbilled Trade Receivables					-
						(-)
	Total		0.00	-	-	-
			(-)	(-)	(-)	(-)

Previous period amounts disclosed in (brackets)

Note: The Trade Receivable has been re-grouped and the balance of the previous year i.e. FY 2021-22 amounting to ₹ 109.42lakh has been regrouped to Other Financial Assets

NOTE - 6 : LOANS & ADVANCES

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
To Related parties / Promoters / Directors / KMPs		
Advance to Self Reliant India (SRI) Fund	0.00	1.25
Director of the company	0.12	-
Others		
Other Employee	0.07	-
Total	0.19	1.25

NOTE - 7 : INVESTMENT

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
At amortised cost	0.00	0.00
Investment in SRI Fund (refer Note 35)	28.36	8.91
Total	28.36	8.91

7.1 The Investment in AIF in Fund as per the fund document in which Director & CEO is an Investment Committee Member.

7.2 Terms deposit amounting to Rs 313.82 lakh has been regrouped with Bank balance other than cash and cash equivalents.

NOTE - 8 : OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Interest Accrued on Fixed Deposits	7.41	7.38
Recoverable from Self Reliant India Fund	613.68	109.42
Total	621.09	116.80



NOTE - 9 : CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Advance Tax	110.00	0
Add: TDS	53.11	0
Less: Prov. For Tax	102.00	0
Current Tax Assets (Net)	61.11	0

NOTE - 10 : DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred Tax Assets		
- Unamortised expenditure as per income tax provisions	10.53	11.81
Provisions in Financial Books pending allowance in Tax	0.77	
Gross deferred tax assets (a)	11.30	
Deferred Tax Liabilities		
- Depreciation and amortisation	0.02	0.01
Gross deferred tax liabilities (b)	0.02	0.01
Net deferred tax asset recognised (a-b)		
Total	11.28	11.80

NOTE - 11 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Computers, Laptops & Processing Units	Mobile	Office Equipments	Furniture & Fixture	Total
For the year ended 31.03.2023					
Gross Carrying Amount					
Opening Balance	0.88	0.13	-	0.00	1.01
Additions during the year	0.95	0.61	0.93	0.79	3.28
Disposals during the year	-	-	-	0.00	-
Gross carrying value as at 31.03.2023	1.83	0.74	0.93	0.79	4.29
Accumulated depreciation and impairment					
Opening Balance	0.28	0.05	-	0.00	0.33
Depreciation Expenses for the year	0.39	0.10	-	0.02	0.51
Disposals during the year	-	-	-	0.00	-
Accumulated depreciation and impairment as of 31.03.2023	0.67	0.15	0.01	0.02	0.84
Net carrying amount as at 31.03.2023	1.16	0.59	0.92	0.77	3.45



(₹ in Lakh)

Particulars	Computers, Laptops & Processing Units	Mobile	Total
For the year ended 31.03.2022			
Gross Carrying Amount			
Opening Balance	0.88	0.14	1.01
Additions during the year	-	-	-
Disposals during the year	-	-	-
Gross carrying value as at 31.03.2022	0.88	0.14	1.01
Accumulated depreciation and impairment			
Opening Balance	-	0.01	0.01
Depreciation Expenses for the year	0.28	0.04	0.29
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	0.08	0.68

NOTE - 11 : OTHER INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Business Licence	Total
For the year ended 31.03.2023		
Gross Carrying Amount		
Opening Balance	-	-
Additions during the year	-	-
Disposals during the year	-	-
Gross carrying value as at 31.03.2023	-	-
Accumulated amortisation and impairment		
Opening Balance	-	-
Amortisation Expenses for the year	-	-
Disposals during the year	-	-
Accumulated amortisation and impairment as of 31.03.2023	-	-
Net carrying amount as at 31.03.2023	-	-



(₹ in Lakh)

Particulars	Business Licence	Total
For the period ended 31.03.2022		
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 31.03.2023	-	-
Net carrying amount as at 31.03.2021	-	-

NOTE - 12 : OTHER NON - FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance with Government Authorities	0.00	0.83
Total	0.00	0.83

NOTE - 13 : PAYABLES

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Payables		
(i) Total outstanding dues of micro & small enterprises	0.00	0.00
(ii) Total outstanding dues of creditors other than micro & small enterprises	0.00	0.00
Total	0.00	0.00

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.



13.1 Trade Payable Ageing Schedule.

Outstanding for following periods from due date of payment

Sr. No	Particulars	As at	As at	6 months –	1 to 2	2 to 3	More than 3	Total
		31.03.2023	31.03.2022 Less than 6 months	1 year	years	years	years	
1	MSME	0.00	0.00	-	-	-	-	-
		0.00	0.00	(-)	(-)	(-)	(-)	(-)
2	Others	0.00	0.00	-	-	-	-	-
		0.00	0.00	(-)	(-)	(-)	(-)	(-)
3	Disputed dues – MSME	0.00	0.00	-	-	-	-	-
		0.00	0.00	(-)	(-)	(-)	(-)	(-)
4	Disputed dues – Others	0.00	0.00	-	-	-	-	-
		0.00	0.00	(-)	(-)	(-)	(-)	(-)
5	Unbilled dues- MSME	0.00	0.00					-
		0.00	0.00					-
6	Unbilled dues- Others	0.00	0.00					-
		0.00	0.00					-
Total		0.00	0.00	-	-	-	-	-
		0.00	0.00	(-)	(-)	(-)	(-)	(-)

Previous period amounts disclosed in (brackets)

The Trade payable has been re-grouped and the balance of previous year i.e. 2021-22 amounting to Rs -78.41 lakh has been re-grouped to current liability for expenses.

NOTE - 14 : OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory Dues Payable	97.36	43.08
Other Payables - Employees	1.19	0.00
Current Liabilities for Expenses	322.52	78.41
Other Payables - PRP (Employees - Director)	7.97	0.00
Total	429.04	121.49

NOTE - 15 : CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
TDS Deducted	0.00	0.00
Provision for Income Tax	0.00	55.25
Less : Income Tax Paid	0.00	-2.34
Total	0.00	52.91



NOTE - 16 : PROVISIONS

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
For Gratuity	0.53	0.00
For Leave Encashment	1.06	0.00
For Half Pay Leave	0.28	0.00
For TA	0.00	0.00
Total	1.87	0.00

NOTE - 17 : EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
(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 31.03.2023		As at 31.03.2022	
	No of Shares	Amount	No of Shares	Amount
Balance at the beginning of the year	600000	600.00	600000	600.00
Add/(less) : Issued during the year	-	-	-	-
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 31.03.2023		As at 31.03.2022	
	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 31.03.2023	As at 31.03.2022
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 shareholder.

(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

Name of Promoter & Promoters Group	As at 31.03.2023		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	No of shares	
The National Small Industries Corporation Limited (NSIC)	600,000	100%	600,000	100%	600,000	0%
Total	600,000	100%	600,000	100%	600,000	0%

NOTE - 18 : OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Retained earnings / Accumulated Loss		
Balance at the beginning of the period	129.17	-61.10
Profit / (Loss) for the period	303.66	190.27
Dividend Paid for the year 2020-21	-57.08	-
Balance as at the end of the period	375.75	129.17

**NOTE - 19 : REVENUE FROM OPERATIONS**

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Management Fee from SRI Fund	386.66	178.24
Interest income	26.46	23.36
Total	413.12	201.60

NOTE - 20 : OTHER INCOME

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Interest earned on term deposits kept with bank	0.00	0.00
Reimbursement of expenses incurred on behalf of SRI Fund for Rs. 39.71 Lakh - Received from MoMSME and Rs. 0.07 Lakh as refund from Tax	39.78	69.37
Total	39.78	69.37

NOTE - 21 : EMPLOYEES BENEFIT EXPENSES

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Director:		
Salary & Allowances	17.38	0.00
Contribution to:-		
Provident Fund	1.44	0.00
Superannuation Scheme	1.19	0.00
Gratuity	0.53	0.00
Total	20.54	0.00
Other Benefit:-		
Leave Encashment	1.06	0.00
Half Pay Leave	0.28	0.00
Medical	0.37	0.00
Performance Related Pay (PRP)	7.97	0.00
Total Other Benefits:-	9.68	0.00
Total :-	30.22	0.00

NOTE - 22 : DEPRECIATION & AMORTIZATION

(₹ in Lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Depreciation on:		
Property, Plant & Equipment	0.51	0.32
As per Profit & Loss Statement	0.51	0.32



NOTE - 23 : OTHER EXPENSES

(₹ in Lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Manpower Support Cost #	0.00	31.32
Recruitment Expenses	0.47	4.21
Interest /fees/Penalty/for Statutory Dues	7.03	0.00
Legal & Professional Fees	1.98	1.20
Travelling, Conveyance & Vehicle Charges #	0.27	0.77
Payment to auditors - statutory audit Fees*	0.50	0.51
Entertainment #	1.10	0.50
Printing & Stationery Expenses #	0.87	0.46
Website and Webportal expenses	0.00	0.29
Rent Paid #	0.00	0.14
Communication Expenses#	0.05	0.11
Miscellaneous Expenses	0.69	0.20
Repairs & Mnaintenance Computers	1.04	0.00
Directors other expenses	2.54	0.00
Total	16.54	39.71

* No other payment made to Statutory Auditor other than Statutory Audit Fees

Refer No. 29

NOTE - 24 : TAX EXPENSES

(₹ in Lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Current Tax		
Current Tax on taxable income for the period	102.00	55.25
Total Current Tax	102.00	55.25
Adjustment of Previous Year Taxes		
Excess Provision of Income Tax written back	-0.56	-2.78
Total Earlier Years Taxes	-0.56	-2.78
Deferred Tax credit		
Origination of temporary differences	0.00	0.00
Total Deferred Tax credit	0.53	-11.80
Total	101.97	40.67

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.



ANNEXURE- 24.1 : RECONCILIATION OF ESTIMATED TAX EXPENSE AT STATUTORY RATE TO INCOME TAX EXPENSE REPORTED IN STATEMENT OF PROFIT AND LOSS

(₹ in Lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Profit / (Loss) Before Tax	405.63	230.94
Enacted Income Tax Rate in India applicable to the Company	25.17%	25.17%
Computed Tax Expenses	102.09	58.12
Tax effect of:		
Expenses that are deductible in determining taxable profit	-3.65	-3.05
Expenses that are not deductible in determining taxable profit	3.56	0.17
Current Tax Provision	102.00	55.25
Excess Provision of Income Tax written back	-0.56	-2.78
Deferred tax credit	0.53	-11.80
Tax Expense recognised in Statement of Profit & Loss	101.97	40.67

NOTE - 25 : EARNING PER SHARE

(₹ in Lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
A. Net Profit / (Loss) attributable to equity shareholders	303.66	190.27
B. Weighted average number of equity share for basic earning per share	600000.00	600000.00
Effect of dilution*		
C. Weighted average number of equity share for diluted earning per share	600000.00	600000.00
Earning per share (Basic) (₹) (A/B)	50.61	31.71
Earning per share (Diluted) (₹) (A/C)	50.61	31.71

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

NOTE – 26 : SEGMENT REPORTING

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

NOTE – 27 : CONTINGENT LIABILITIES & COMMITMENTS

- (A) The company does not have any Contingent liability as on 31 March 2023.
- (B) Commitments towards legal advisor expense for future period is ₹ 120.66 Lac, the same commitment till 31.03.2022 was ₹ 175.89 Lac.

NOTE – 28 : EVENTS AFTER REPORTING DATE

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



NOTE – 29 : RELATED PARTY DISCLOSURE

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	Self-Reliant India (SRI) Fund
Key Management Personnel (KMP)	Smt. Mercy Epao (Chairperson) (From 02.01.2023 to 31.03.2023)
	Shri Gaurang Dixit (From 01.04.2022 to 31.12.2022)
	Shri Saravana Kumar Ananthan (Director & CEO)
	Smt. Nishtha Goyal (Company Secretary)

Transaction during the year with Key Managerial Personnel of the Company

(₹ in Lakh)

S. No.	Nature of Transaction	Key Managerial Personnel	
		2022-23	2021-22
1.	Expenditure:		
a)	Salary and allowances	17.38	NA
b)	Leave/LTC Encashment	-	NA
c)	Provident Fund Contribution	1.43	NA
d)	Contribution to Pension Scheme	1.19	NA
e)	Other Expenses	2.54	NA
f)	Medical Expenses	0.37	NA
g)	Provision for Terminal Benefits	1.87	NA
2.	Balance Outstanding:		NA
a)	Loan & interest Outstanding	0.12	NA
b)	Travelling Advance		
c)	Provision for Terminal Benefits as per Actuarial Valuation	1.87	NA
3.	Other Payments :	-	NA

Note:-

- Salary and other allowances has been paid to Shri Saravana Kumar Ananthan CEO & Director of NVCFL
- No payment of any kind has been paid to any other Key Management Personnel.
- Shri Saravana Kumar Ananthan CEO & Director Joined the Company on 17.10.2022.

B. Names of related parties and nature of transaction during the year:			
₹ in Lakh			
Name of the Related Party	Nature of Transactions	Period ended 31.03.2023	Period ended 31.03.2022
Holding Company	Reimbursement made for expenses incurred by related party on behalf of the Company		
	Manpower Support Cost	60.26	28.57
	Rent Paid	5.93	0.12
	Travelling, Conveyance & Vehicle Charges	3.83	0.05
	Reimbursement received for payment made by company on behalf of the related party	0	1.78



₹ in Lakh			
Name of the Related Party	Nature of Transactions	Period ended 31.03.2023	Period ended 31.03.2022
SRI Fund	Advance given	0.00	1.25
	Expenses incurred on behalf of Fund/Reimbursement Received	551.53	304.39
	Investment made	19.45	8.91
	Management Fee charged	386.66	178.24

C. Details of balances outstanding for related party transactions:			
(₹ in lakh)			
Name of the Related Party	Nature of Transactions	As at 31.03.2023	As at 31.03.2022
Holding Company	Other Financial Liability	80.24	33.33
	Contribution to equity	600	600
SRI Fund	Advance availed	0.00	1.25
	Investment	28.36	8.91
	Other Financial Asset	613.68	109.42

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. 29 [B]) are without GST where applicable.

E. Major Terms & conditions of Transactions of Related Parties:

1. Remuneration of key management person are in line with the service rules.
2. An amount of ₹ 0.12 Lakh is outstanding in the name of shri Saravana Kumar Ananthan - CEO & Director, Which is 63% of the total loans & advances of ₹ 0.19 lakh.

NOTE – 30 : 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 recognized in the Statement of Profit & Loss

During the period ended 31.03.2023, lease rent in the nature of operating lease of Nil (incl. Taxes) has been recognised in the statement of profit & loss. For period ended 31.03.2022, lease rent of ₹ 0.14 Lac (including taxes) was recognised in the statement of profit & loss. There is no contractual lease payment commitment beyond the tenure of 11 months.

NOTE – 31 : 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 31.03.2023.



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 and 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

NOTE – 32 : 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 31.03.2023	1 Year or Less	1 – 3 years	More than 3 Years	Total
Borrowings	0.00	0.00	0.00	0.00
Trade Payables	0.00	0.00	0.00	0.00
Other Financial Liabilities	429.04	0.00	0.00	429.04

Contractual maturities of financial Assets 31.03.2023	1 Year or Less	1 – 3 years	More than 3 Years	Total
Cash and Cash Equivalents	352.79	0.00	0.00	352.79
Bank Balances Other Than Cash and Cash Equivalents	328.39	0.00	0.00	328.39
Loans & Advances	0.19	0.00	0.00	0.19
Trade Receivable	0.00	0.00	0.00	0.00
Investment	0.00	0.00	28.36	28.36
Other Financial Assets	621.09	0.00	0.00	621.09



(₹ in Lakh)

Contractual maturities of financial liabilities 31.03.2022	1 Year or Less	1 – 3 years	More than 3 Years	Total
Other Financial Liabilities	121.49	0.00	0.00	121.49

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	433.82	0.00	0.00	433.82
Loans & Advances	1.25	0.00	0.00	1.25
Trade Receivable	0	0.00	0.00	0
Investment	0.00	0	8.91	8.91
Other Financial Assets	116.80	0.00	0.00	116.80

NOTE – 33 : 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 31.03.2023	Note No.	Carrying Amount			Total
		Fair value through profit and loss account	Fair value through other comprehensive Income	Amortized Cost	
Financial Assets					
Cash and cash equivalents	3	-	-	352.79	352.79
Bank balances other than cash and cash equivalents	4	-	-	328.39	328.39
Loans & Advances	6	-	-	0.19	0.19
Trade Receivable		-	-	0.00	0.00
Investment	7	-	-	28.36	28.36
Other Financials Assets	8	-	-	621.09	621.09
Financial Liabilities					
Payables					
Trade Payables		-	-	0	0
Other Financials Liabilities	14	-	-	429.04	429.04



(₹ 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	Amortized Cost	
Financial Assets					
Cash and cash equivalents	3	-	-	329.48	329.48
Bank balances other than cash and cash equivalents	4	-	-	433.82	433.82
Loans & Advances	5	-	-	1.25	1.25
Trade Receivable	6	-	-	0	0
Investment	7	-	-	8.91	8.91
Other Financials Assets	8	-	-	116.80	116.80
Financial Liabilities					
Payables					
Trade Payables	13	-	-	0	0
Other Financials Liabilities	14	-	-	121.49	121.49

(₹ in lakh)

Financial Assets and Liabilities as at March 31, 2023	Note No.	Fair Value			Total
		Level - 1	Level - 2	Level - 3	
Financial Assets					
Cash and cash equivalents	3	-	-	352.79	352.79
Bank balances other than cash and cash equivalents	4	-	-	328.39	328.39
Loans & Advances	6	-	-	0.19	0.19
Trade Receivable		-	-	0.00	0.00
Investment	7	-	-	28.36	28.36
Other Financials Assets	8	-	-	621.09	621.09
Financial Liabilities					
Payables					
Trade Payables		-	-	0	0
Other Financials Liabilities	14	-	-	429.04	429.04

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	-	-	433.82	433.82
Loans & Advances	5	-	-	1.25	1.25
Trade Receivable	6	-	-	0	0
Investment	7	-	-	8.91	8.91



Financial Assets and Liabilities as at 31.03.2022	Note No.	Fair Value			Total
		Level - 1	Level - 2	Level - 3	
Other Financials Assets	8	-	-	116.80	116.80
Financial Liabilities					
Payables					
Trade Payables	13	-	-	0	0
Other Financials Liabilities	14			121.49	121.49

A. 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.

B. 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 – 34 : NON-CURRENT ASSETS HELD FOR SALE

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

NOTE – 35 : 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 a 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 12 October 2021.

In the previous year i.e. FY 2021-22, while the Company was in the process of executing this regulatory structure, the Govt. of India transferred an amount of ₹ 18034.58 Lac (Including remittance in Transit of ₹ 2500.00 Lac) during the year ended 31 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 Lac and ₹ 8.91 Lac was also transferred by NSIC and the Company to such separate bank account as their respective contribution to SRI Fund. Since the amount was received in the bank account of the Company but was intended solely for SRI Fund which is a separate entity, the balance amount of ₹ 15234.37 Lac (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.

While undertaking the Audit of NVCFL for the Financial Year 2021-22, the Comptroller and Audit General of India had raised certain queries as regards the SRI Fund structure. In order to seek clarification on the structure issue a meeting was held with SEBI Officials in Mumbai on 24/11/2022 wherein NVCFL was directed to represent the matter in writing. Accordingly, a letter no NVCFL/2022-23/295 dated 05.01.2023 has been written to Securities and Exchange Board of India (SEBI) wherein "it has been mentioned that the structure



of SRI Fund to be organized under a corporate structure was mandate by the Government of India (GOI) to be implemented under a corporate structure as against a typical trust structure with a view to ensure better governance and greater accountability and transparency in the operations of SRI Fund pursuant to the provision of the Companies Act 2013. While clearly a corporate structure is not a common structure for an AIF, the AIF regulation does recognize a corporate structure to be eligible for an AIF Registration. Basis the above structure, NVCFL had applied for registration as an AIF with SEBI and had submitted the Private Placement Memorandum (PPM) of SRI Fund as first scheme of NVCFL and the same had been approved by the SEBI and AIF registration was given to NVCFL with SRI Fund as its first scheme.

In this regard, NVCFL has been following continuously with SEBI vide its mail dated 7.03.2023, 20-03-2023, 30-05-2023 & 1-08-2023 but the reply is awaited till date.

During the year FY 2022-23, an interest on Fixed Deposit amounting to ₹ 76.89 Lac out of which ₹ 50.43 Lac pertains to SRI Fund and the same has been accounted for in the books of SRI Fund. SRI fund was audited separately in Fy 21-22 by statutory auditor will also audited separately in Fy 22-23.

NOTE – 36 : AMOUNT EXPECTED TO BE RECOVERED/SETTLED WITHIN 12 MONTHS AND BEYOND FOR EACH LINE ITEM UNDER ASSET AND LIABILITIES:

(₹ in lakh)

Particulars	As on 31 st March 2023			As on 31 st March 2023			
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total	
Assets							
1	Financial Assets						
a	Cash and cash equivalents	352.79	0	352.79	329.48	0	329.48
b	Bank balances other than cash and cash equivalents	328.39	0	328.39	433.82	0	433.82
c	Trade Receivable	0	0	0	0	0	0
d	Loans & Advances	0.19	0	0.19	1.25	0	1.25
e	Investment	0	28.36	28.36	0	8.91	8.91
f	Other Financial Assets	621.09	0	621.09	116.80	0	116.80
	Total Financial Assets (1)	1302.46	28.36	1330.82	881.35	8.91	890.26
2	Non Financial Assets						
a	Inventories	0	0	0	0	0	0
b	Current Tax Assets (Net)	61.11	0	61.11	0	0	0
c	Deferred Tax Assets (Net)	0	11.28	11.28	0	11.80	11.80
d	Property, Plant & Equipment	0	3.45	3.45	0	0.68	0.68
e	Capital Work in Progress	0	0	0	0	0	0
f	Intangible Assets under development	0	0	0	0	0	0
g	Other Intangible Assets	0	0	0	0	0	0
h	Right to Use Assets	0	0	0	0	0	0
i	Assets Classified as Held for Sale	0	0	0	0	0	0
j	Other Non Financial Assets	0	0	0	0.83	0	0.83
	Total Non Financial Assets (2)	61.11	14.73	103.58	0.83	12.48	13.31
	Total Assets (1 + 2)	1363.57	43.09	1406.66	882.18	21.39	903.57
Liabilities							
1	Financial Liabilities						
a	Trade Payables	0	0	0	0	0	0
b	Borrowings	0	0	0	0	0	0



Particulars	As on 31 st March 2023			As on 31 st March 2022		
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
c Liabilities associated with Assets held for Sale	0	0	0	0	0	0
d Other Financial Liabilities	429.04	0	429.04	121.49	0	121.49
Total Financial Liabilities (1)	429.04	0	429.04	121.49	0	121.49
2 Non-Financial Liabilities						
a Current Tax Liabilities (Net)	0	0	0	52.91	0	52.91
b Provisions	0	1.87	1.87	0	0	0
c Deferred Tax Liabilities (Net)	0	0	0	0	0	0
d Other Non Financial Liabilities	0	0	0	0	0	0
Total Non-Financial Liabilities (2)	0	1.87	1.87	52.91	0	52.91
Total Liabilities (1 + 2)	429.04	1.87	430.91	174.40	0	174.40

NOTE – 37 : PROPOSED DIVIDEND

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
On Equity Shares of ₹ 100 each		
Amount of Dividend Proposed (₹ in lakh)	91.10	57.08
Rate of Dividend (%)	30%	30%
Dividend per Equity Share (₹)	15.18	9.51

Dividends proposed by NVCFL are based on the profits after tax as reported in the Financial Statements and guidelines issued by the Department of Investment & Public Asset Management (DIPAM). The Board of Directors of NVCFL proposed a final dividend of ₹91.10 Lac for FY 2022-23 (PY ₹ 57.08 Lac for FY 2021-22).

NOTE – 38 : PERFORMANCE RELATED PAY (PRP)

In accordance with the guidelines of Department of Public Enterprises, provision on account of Performance Related Pay (PRP) for the FY 2022-23, amounting to ₹ 7.97 Lac (FY 2021-22 – Nil) has been made.

NOTE – 39 : 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.



Utilization 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.



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 01.04.2022 TO 31.03.2023

(₹ in Lakh)

S. No.	Particulars	For the Period ended 31 March 2023	For the Period ended 31 March 2022
	Cash Flow From Operating Activities:		
	Profit / (Loss) before Tax	405.63	230.94
	Net loss Before Adjustments:		
	Depreciation	0.51	0.32
	Recognition of income tax recoverable for previous year	0.00	0.83
	Operating loss before Working Capital Changes	406.14	232.09
	Movement in Working Capital		
	(Increase)/Decrease in Loans & Advances	1.06	-1.25
	(Increase)/Decrease in Trade Receivable	0.00	-109.42
	(Increase)/Decrease in Current Assets	-163.11	0.00
	(Increase)/Decrease in Other Financial Assets	-504.29	2.31
	(Increase)/Decrease in Other Non - Financial Assets	0.83	4.07
	Increase/(Decrease) in Trade Payables	0.00	77.85
	Increase/(Decrease) in Other Financial Liabilities	307.55	41.47
	Increase/Decrease in Provision	1.87	0.00
	Cash (utilised in)/ generated from Operations	-356.09	247.12
	Income Tax Paid	-52.35	-2.34
I	Net cash generated from / (utilised in) Operating Activities	-408.44	244.78
	Cash Flow From Investment Activities:		
	Purchase of property, plant and equipment	-3.28	0.00
	Amount Reimbursed for Intangible Assets Under Development	0.00	16.93
	Investment in Term Deposits - (Maturity more than 3 months but not exceeding 1 year)		-70.00
	Investment in Term Deposits - (Maturity more than 1 year)	105.42	136.18
	Investment in AIF - SRI Fund	-19.45	-8.91
II	Net cash (utilised in)/ generated from Investing Activities	82.69	74.20
	Cash Flow From Financing Activities:		
	Dividend paid for FY 2021-22	-57.08	0.00
	Net Cash (utilised in)/ generated from Financing Activities	-57.08	0.00
III	Net (Decrease)/ Increase in Cash and Cash Equivalents (I+II+III)	23.31	318.98
	Cash and cash equivalents at the beginning of the period	329.48	10.50
	Cash and cash equivalents at end of the period	352.79	329.48

Accompanying notes are integral part of the financial statements.

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]

Place : New Delhi

Date : 28.08.2023

UDIN : 23083417BGXHCJ2856

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-

Vipul Goel

Chairman

[DIN: 10229523]

Sd/-

Rajesh Madan

General Manager

Sd/-

Adarsh Kansal

Chief Manager

Sd/-

Saravana Kumar Ananthan

Director & CEO

[Din No.: 9769378]

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

01.04.2022 TO 31.03.2023

I. Equity Share Capital

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Shares having face value of ₹ 100/-		
Balance at the beginning of the period	600.00	600.00
Changes in equity share capital during the year	0	0
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 the beginning of the period as at 01.04.2022	129.17	0.00	129.17
Profit/(Loss) for the period	303.66	0.00	303.66
Comprehensive Income for the period	0.00	0.00	0.00
Dividend Paid	-57.08		-57.08
As at 31.03.2023	375.75	0.00	375.75
Balance at the beginning of the period as at 01.04.2021	-61.10	0.00	-61.10
Profit/(Loss) for the period	190.27	0.00	190.27
Comprehensive Income for the period	0.00	0.00	0.00
As at 31.03.2022	129.17	0.00	129.17

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

Sd/-
D.K. Jain
Partner
[Membership No. : 083417]
Place : New Delhi
Date : 28.08.2023

UDIN : 23083417BGXHCJ2856

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

Sd/-
Vipul Goel
Chairman
[DIN: 10229523]

Sd/-
Saravana Kumar Ananthan
Director & CEO
[Din No.: 9769378]

Sd/-
Rajesh Madan
General Manager

Sd/-
Adarsh Kansal
Chief Manager

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



NSIC VENTURE CAPITAL FUND LIMITED

Replies to the Final Comments on Annual Financial Accounts for the Financial Year 2022-23

Sl. No.	Comments	Replies
1	<p>COMMENTS OF THE COMPTROLLER AND 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 31 MARCH 2023</p> <p>The preparation of financial statements of NSIC Venture Capital Fund Limited for the year ended 31 March 2023 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 28 August 2023.</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 31 March 2023 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 auditor and is limited primarily to inquiries of the statutory auditor 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>	<p>Statement of Fact</p>



Sl. No.	Comments	Replies
2	<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) Fund¹ to develop and promote the MSME sector. The Scheme guidelines for SRI Fund 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>The operating guidelines issued by the Ministry of Micro, Small & Medium Enterprises (MoMSME) on Self Reliant India Fund dated 17th August 2021 states the following:-</p> <p>a) The Mother Fund will be anchored by SPV (having 100% Equity from NSIC which shall be incorporated as a separate legal entity.</p> <p>b) SPV will apply to SEBI for registering the Mother Fund as a Category I or II Alternate Investment Fund (AIF).</p> <p>At the time of registration, it was considered prudent to establish the AIF as a company on account of higher governance standards applicable to the company compared with a trust or LLP and to avoid separate registration of every subsequent scheme, it was decided to register NVCFL as an AIF. Further, Regulation 12 (1) of Securities Exchange Board of India (SEBI) (AIF) Regulations 2012, empowers AIFs to launch different schemes. Accordingly, NVCFL launched its maiden scheme in the name of Self Reliant India (SRI) Fund under AOP structure, with a view to meet the objectives led down by Government of India (GoI).</p> <p>The Ministry of MSME was aware of the registration process of NVCFL as an AIF and SRI Fund as the first scheme of NVCFL as contribution agreement dated 12th October 2021, was counter signed by Officials of MoMSME. Thus this is deemed to be the approval of MoMSME and as such there is no contravention of operating guidelines issued by the Ministry of Micro, Small & Medium Enterprises (MoMSME).</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.



Sl. No.	Comments	Replies
		<p>The aforesaid structure was also in compliance with the SEBI Regulation and was approved by SEBI, (which is the apex body for registration of AIF, established as a statutory body in the year 1992 and the provisions of the Securities and Exchange Board of India Act, 1992 (15 of 1992) came into force on January 30, 1992) at the time of grant of license.</p> <p>It may be noted that SEBI which is the regulatory body for AIF industry, has accepted the PPM of SRI Fund and registered NVCFL as a Category II AIF and SRI as its first scheme of NVCFL.</p>
3	<p>A. Comment on Financial Position</p> <p>Since SRI Fund is a scheme of NSIC Venture Capital Fund Limited (NVCFL, the Company) and is not a separate entity in view of the above facts, all the transactions relating to SRI Fund were required to be included in the financial statements of NVCFL. However, the Company did not include the transactions relating to SRI Fund in its financial statements treating NVCFL and SRI Fund as separate entities.</p> <p>Non-inclusion of the transactions relating to SRI Fund in the books of NVCFL resulted in understatement of assets and liabilities by ₹56,227.42 lakh (₹57,634.08 lakh² minus ₹1,406.66 lakh) each and overstatement of Profits for the year by ₹711.17 lakh³.</p>	<p>Incorporation of SRI Fund as an AOP and registration of NVCFL as a registered AIF are two separate entities.</p> <p>In regard to maintenance of separate books of accounts, as per as AIF Regulation 20(16) of SEBI Act, as amended from time to time, “The Manager and either the trustee or the trustee company or the Board of Directors or designated partner of AIF, as the case may be, shall ensure that the assets and liabilities of each scheme of an AIF are segregated and ring fenced from the other schemes of the Alternate Investment Fund (AIF), and bank accounts and securities account of each scheme are segregated and ring-fenced.”</p> <p>It is mandatory that asset & liabilities of each scheme should be segregated and accounted separately since the beneficiary of these Assets of the Scheme is not the AIF itself but the contributors of the Scheme. Thus it is mandatory for SRI</p>

2. Balance Sheet total of NVCFL: ₹1,406.66 lakh plus Balance Sheet total of SRI Fund: ₹56,869.46 lakh minus inter-unit adjustments of ₹642.04 lakh i.e. NVCFL's investment in SRI Fund: ₹28.36 lakh and receivables from SRI Fund: ₹613.68 lakh (correspondingly shown as liabilities in the books of SRI Fund).
3. Total Revenue of NVCFL and SRI Fund is ₹872.92 lakh and total expenses are ₹1,280.43 lakh after eliminating inter-unit transaction of ₹39.71 lakh. This would turn the profit of ₹303.66 lakh shown in the books of NVCFL into a loss of ₹407.51 lakh.



Sl. No.	Comments	Replies
		<p>Fund to maintain accounts separately from NVCFL, which is a subsidiary of NSIC. Reflecting assets of SRI Fund as asset of NVCFL would be blatantly wrong, as it is not legal or the beneficiary owner of these assets.</p> <p>Further, as mentioned in the SRI Fund Guidelines, SPV i.e. NVCFL charges a Management Fee of 1% on Drawdown Amount, if the books are merged then the impact of Management Fee as an income and expenditure would be nullified, which will not reflect the fair view of the books of accounts. Furthermore, NVCFL is a company and SRI Fund is an AOP with separate PAN & TAN, which cannot be merged. For merger, entity should be a subsidiary of the other entity, SRI Fund is not a subsidiary of NVCFL. Therefore, merger or consolidation of books of accounts of SRI Fund and NVCFL is not possible.</p> <p>In view of the above, as, the merged figures of Assets and Liabilities of NVCFL and SRI Fund will not be reflect true and fair view of books of accounts and will also lead to violation of SEBI guidelines along with making the SRI Fund itself unworkable. The Company has adopted the same accounting treatment as had been adopted in previous year FY 2021-22</p> <p>In view of the above, there is no understatement of assets and liabilities to the extent of ₹56,227.42 lakh (₹57,634.08 lakh⁴ minus ₹1,406.66 lakh) each and overstatement of Profits for the year by ₹711.17 lakh, due to non-inclusion of Assets and Liabilities of SRI Fund in the Financial Statements of NVCFL</p>

4. Balance Sheet total of NVCFL: ₹1,406.66 lakh plus Balance Sheet total of SRI Fund: ₹56,869.46 lakh minus inter-unit adjustments of ₹642.04 lakh i.e. NVCFL's investment in SRI Fund: ₹28.36 lakh and receivables from SRI Fund: ₹613.68 lakh (correspondingly shown as liabilities in the books of SRI Fund).



Sl. No.	Comments	Replies
4	<p data-bbox="326 268 898 331">B. Comment on Independent Auditor's Report</p> <p data-bbox="326 363 898 426">Independent Auditor's Report dated 28 August 2023</p> <p data-bbox="326 457 898 804">The impact of the above comment on the Profit of ₹303.66 lakh as depicted in the Statement of Profit and Loss of the Company, works out to 234.20 per cent ($711.17/303.66 \times 100$) and would lead the profit to turn into a loss amounting to ₹407.51 lakh. Further, the assets/liabilities are understated to the extent of ₹56,227.42 lakh which is approx. four thousand percent ($56,227.42/1,406.66 \times 100$) of the amount of assets/liabilities depicted in the Balance Sheet of the Company.</p> <p data-bbox="326 835 898 993">Hence, the Financial Statements of the Company do not present a "true and fair view" and it was not proper on the part of the Independent Auditor to have provided the assurance that Financial Statements presented a "true and fair view".</p>	<p data-bbox="922 268 1419 426">NVCFL and SRI Fund are required to be treated as two distinct entities and their respective assets, liabilities, income and expenditure have to be accounted separately.</p> <p data-bbox="922 457 1419 1203">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. It may be noted that this structure was implemented by NVCFL upon written professional opinion from multiple advisors in previous year which had been shared by the Company with CAG also during the audit process for FY 2021-22. The accounting treatment adopted for FY 2022-23 is consistent with previous year FY 2021-22.</p> <p data-bbox="922 1234 1419 1770">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>



Sl. No.	Comments	Replies
		<p>Hence, the financial statements of the Company represent “true and fair view”</p> <p>Further, in respect of the above, it is stated that the matter is under postulation with as clarification has been sought from SEBI w.r.t. structure of the fund, a continuous follow up is being done with SEBI vide email dated 07.03.2023, 20.03.2023, 30.05.2023, 01.08.2023 and meeting held with SEBI on 01.09.2023, which was again followed by a reminder letter dated 05.09.2023, 05.10.2023 and 14.11.2023, the reply from SEBI is awaited till date.</p>
	<p>For and on behalf of the Comptroller and Auditor General of India</p> <p>Sd/- Sanjay K. Jha Director General of Audit (Industry & Corporate Affairs)</p> <p>Place: New Delhi Date: 09th November, 2023</p>	<p>For and on behalf of The NSIC Venture Capital Fund Limited</p> <p>Sd/- Vipul Goel (Chairman)</p> <p>Place: New Delhi Date: 11th December, 2023</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/3rd AGM/2023

Dated: 11th December, 2023

NOTICE

Notice is hereby given that the 3rd Annual General Meeting (AGM) of NSIC Venture Capital Fund Limited (NVCFL or “the Company”) will be held on 11th December, 2023, at 3.00 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 March 31, 2023 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, 2023.
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 2023-24 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 2023-24.”

SPECIAL BUSINESS

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

4. **Regularization of Additional Director, Shri Vipul Goel, (DIN– 10229523) 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 Vipul Goel, (DIN– 10229523) who was appointed as an Additional Director w.e.f. 6th July, 2023, be and is hereby appointed as Director of the Company.”

5. **Regularization of Additional Director, Shri Gaurav Gulati (DIN No. 10144109) 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 Gaurav Gulati (DIN No. 10144109) who was appointed as an Additional Director w.e.f. 14th June, 2023 be and is hereby appointed as Director of the Company.”

By Order of the Board of Directors

Place: New Delhi

Date: 11th December, 2023

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 CMD, NSIC as Chairman of NVCFL. The Government of India, Ministry of MSME vide letter K-01/13/2021 – SME dated 30th June, 2023 has assigned the additional charge of the post of Chairman-cum-Managing Director, NSIC to Shri Vipul Goel, Joint Secretary (M/o MSME).

Accordingly, Shri Vipul Goel was appointed as an Additional Director w.e.f. 6th July, 2023 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 Vipul Goel as Director may be considered by the shareholders at this AGM.

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 Vipul Goel is 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 with one NSIC nominated Director. NSIC has nominated Shri Gaurav Gulati as Director, NVCFL. Accordingly, he was appointed as an Additional Director w.e.f. 14th June, 2023 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 Gaurav Gulati as Director may be considered by the shareholders at this AGM.

None of the Directors, Key Managerial Personnel and/or their relatives, except Shri Gaurav Gulati 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 Gaurav Gulati 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.

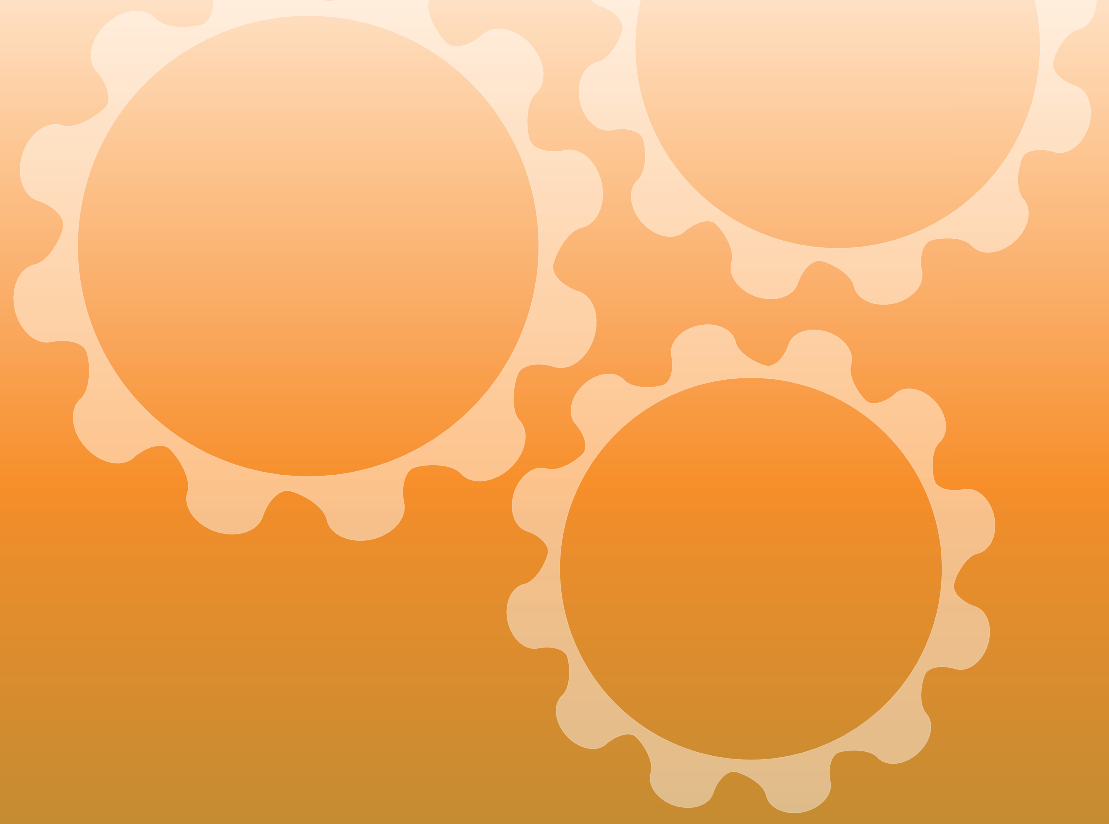


Vision

To catalyze growth of MSMEs through equity or quasi-equity investment route to become Global Champions.

Mission

To create an ecosystem of investment and make growth capital available to MSMEs having positive growth trajectory, thereby supporting them to become self-reliant.



The National Small Industries Corporation Ltd

NSIC Bhawan, Okhla Industrial Estate, New Delhi - 110 020

Tel.: 011-26926275, Website: www.nsic.co.in