

4th Annual Report 2023-24



NSIC VENTURE CAPITAL FUND LIMITED
(Wholly Owned Subsidiary of NSIC)



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.*



NSIC Venture Capital Fund Limited

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CIN No. U65990DL2020GOI1368828

Chairman

Dr. Subhransu Sekhar Acharya

(w.e.f. 2nd May, 2024)

Shri Vipul Goel

(w.e.f. 1st July, 2023 to 1st May, 2024)

Ms. Mercy Epao

(Upto 30th June, 2023)

Directors

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

Chief Executive Officer

Shri Saravana Kumar Ananthan

Company Secretary

Ms. Nishtha Goyal

Statutory Auditors

M/s. K. Prasad & Co.

Main Banker

State Bank of India

Registered Office

NSIC Bhawan
Okhla Industrial Estate
New Delhi-110 020

Corporate Website

www.nvcfl.co.in

Board of Directors



Dr. Subhransu Sekhar Acharya, Chairman (DIN: 06727939)

Dr. Subhransu Sekhar Acharya assumed charge of Chairman-cum-Managing Director of NSIC w.e.f. 2nd May, 2024. Dr. Acharya has over 32 years of experience in various facets of MSME Financing and Development including Credit, SME Rating, Risk Management, Bills Financing, New Product Development, Business Planning, Entrepreneurship Development, Innovation financing, Micro-Finance, Start-Up mentoring etc.

He is a Ph.D in Management, Post Graduate in Science (M.Sc.), a Post Graduate in Business Administration (MBA) and a Certified Associate of Indian Institute of Banking & Finance (CAIIB). He was a British Chevening scholar and studied 'Sustainable Development' at University of Bradford, UK. He was a founding Member of India's first SME Rating Agency and has served as CEO of India SME Technology Services Ltd (ISTSL), a company promoted by SIDBI and 4 other commercial Banks.

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



Shri Ateesh Kumar Singh, Government Nominee Director (DIN: 06789077)

Shri Ateesh Kumar 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.

Shri Ateesh Kumar Singh was appointed as Government Nominee Director in the Board of NSIC Venture Capital Fund Limited (NVCFL), a wholly owned subsidiary of NSIC Ltd.



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.



Shri Gaurav Gulati, Director (DIN: 10144109)

Shri 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, Shri Gaurav Gulati also holds a Master's degree in Business Administration.

With an extensive professional journey spanning over 25 years, Shri Gaurav 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.

Before joining NSIC, 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, Shri Gaurav 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, Shri Gaurav 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 2011.

Shri Gaurav 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.

Shri Gaurav Gulati has appointed as Director (Finance) of NSIC w.e.f. 09th May, 2023.

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



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

Shri Saravana Kumar Ananthan is a Post graduate from IIM-Bangalore, holds degree in B.E., Risk Management Program from GARP- USA, CAIB from Indian Institute of Bankers and attended Management Development Programme at Merrill Lynch Global Headquarters at New York. He has over 35 years of professional experience in Venture Capital, Private equity, AIF, MSME sector, Finance & Accounts, Risk Management, Resource mobilisation,

Treasury management and Corporate planning.

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

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

Chairman's Message



Dear Shareholders,

It gives me great pleasure to welcome you all to this 4th Annual General meeting of NVCFL. The Board's Report of NVCFL and its audited financial statements along with auditor's report and comments of the Comptroller & Auditor General of India thereon for the year ended 31st March, 2024 have been circulated to all the shareholders of NVCFL.

India's Economy

India's economy expanded by 8.2% year-on-year in FY24, a significant increase from 7.0% in FY23, solidifying its position as the fastest-growing economy, driven by strong manufacturing and construction sectors. The Reserve Bank of India (RBI) has revised its real GDP growth projection for the current financial year 2024–25 (FY25) upward to 7.2% from its previous forecast of 7%. India's current account deficit improved significantly to 0.7% of GDP (\$23.2 Bn) in FY24, down from 2% of GDP (\$67 Bn) the previous year, driven by a lower merchandise trade deficit. The RBI expects headline inflation to further moderate

to 4.5% in FY25 and 4.1% in FY26. Overall, the Indian economy is looking at stable growth prospects driven by structural improvements in the financial system, the ongoing pace of reforms, and policies that support a revival of the private sector paving way for an improved medium-term growth outlook. The Union Budget for 2024-25 introduced an alignment of capital gains tax between listed and unlisted investments, eliminating disparities between asset classes and recognizing the vital role of unlisted companies in asset creation, employment, and sales, thereby enhancing funding for Indian startups.

The Indian stock market reached an all-time high in June 2024, with the BSE Sensex touching 79,243 points and the NSE Nifty 50 crossing 24,044 points, driven by strong inflows from domestic institutional investors, robust corporate earnings, and positive economic data.

Private equity and venture capital funds invested \$8.3 Billion across 233 deals in India based companies during the quarter ending June 2024. This represents a 33% decline compared to the same period in 2023, which recorded \$12.4 billion across 235 deals. The reason for the decline in funding is due to persistent higher interest rate in treasury Markets, unrealistic valuation and challenges posed by unrealistic valuation of unlisted entities. Meanwhile, the IPO market has shown increased activity in recent months, with USD 4.4 billion raised in the first half of 2024, a significant rise from USD 1.4 billion raised during the same period last year. Private equity and venture capital exits experienced a 7% increase in deal volume during the quarter ending June 2024, rising from 43 to 46 deals compared to the same period in the previous year.

Economic Growth and Investment Opportunities

India's economic growth, driven by favorable factors such as a young demography, rapid digitization, stable policies, and regulatory support, has set the stage for significant investment opportunities. Investments in startups have grown exponentially, with a 54% increase over the last five years. Of the approximately Rs. 14 trillion invested in Indian startups, about 40-50% comes from Alternative Investment Funds (AIFs). Indian private markets have also demonstrated resilience and an ability to absorb increasing amounts of capital while providing returns. Over the past five years, Indian private equity investments totalled Rs. 12.2 trillion, with exits reaching Rs. 7.6 trillion, indicating a healthy return on investment.

Private Equity's Attractiveness

The prominence of private equity has grown significantly in the last decade due to its ability to generate continuous compound returns over long periods of time. The asset class has consistently demonstrated the ability to produce strong alpha over public markets and other asset classes. Globally, private equity has maintained a 4-6% premium over public markets like the S&P 500 over the last 22 years. In India, a CRISIL analysis of 217 funds with vintages from 2013 to 2022 showed that they outperformed the public market equivalent (S&P BSE Sensex TRI) by 13.5%.

Institutional Capital and Regulatory Support

Institutions like Pension Funds, Insurance companies, and endowments are among the biggest investors in private equity globally. Insurance companies contribute about 20% to the total global private equity assets under

management (AUM), while pension funds contribute 25-35%. In India, life insurance companies can invest 3-5% of their assets in Cat 1 and 2 AIFs, compared to 5-10% allocations globally. The Indian Pension Scheme offers tremendous opportunity to allocate funding towards private equity like certain developed economies. As private market opportunities expand, sophisticated Family Offices (FOs) in India are establishing separate teams for their private equity investments. However, most investors continue to favour fund-based investments due to the expertise, deep understanding, and sourcing advantages these funds offer. A McKinsey analysis revealed that direct private equity investments by high-net-worth individuals (HNIs) have decreased from 13% to 6% since 2021, while fund-based investments have increased from 8% to 10%.

Financial & Performance Overview- NVCF

During the year 2023-2024, the company reported its revenue from operations of Rs. 594 lakh and earned profit (before tax) amounting to Rs. 501.06 lakh and profit after tax amounting to Rs. 374.69 lakh. For the year 2023-24, the net worth of the Company was Rs. 1259.32 lakh as compared to Rs. 975.75 lakh in the previous year. Earnings per share (EPS) for the financial year ended 31st March, 2024 was Rs. 62.45 as against Rs. 50.61 in the previous year.

I am pleased to announce that the Board of Directors has recommended a dividend of Rs. 112.40 lakh which amounts to 30% of the PAT for the financial year 2023-2024, subject to the approval of shareholders in this Annual General Meeting.

As on 31st March, 2024, total 53 Daughter Funds have been empanelled with SRI Fund (Mother Fund) and these daughter funds



have assisted 432 high potential MSMEs by way of commitment of Rs. 7649 crore in these MSMEs out of which the Daughter Funds have drawdown Rs. 6756 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 1,00,000 plus jobs out of which ~24% is women employment.

To create awareness about the Fund amongst the MSMEs various outreach events have been organized across the country like in Lucknow, Uttar Pradesh and North Eastern Region.

Capital Structure

The authorized share capital of the company is 10,00,000 equity shares of Rs.100 each and paid up share capital of the company is Rs. 6 crore divided into 6,00,000 equity shares of Rs. 100/- each. NVCFL is a wholly owned subsidiary of The National Small Industries Corporation Ltd.

Corporate Governance

During the year, the Board has taken various initiatives to further strengthen the governance structure for the Company. Statutory guidelines and compliance matters were taken up as and when required.

The Road Ahead

Despite Private equity's growth as an asset class, the industry still needs significant capital for further expansion. A recent report IVCA (Indian Venture Capital Association) indicates that India will require about Rs. 46 trillion in private equity capital over the next five years.

Place : New Delhi

Date : 27th September, 2024

A considerable portion of this will come from domestic sources as individuals, families, and institutions increase their capital pools, driven by the promise of attractive long-term returns in the Indian private market.

While the Indian PE/VC landscape has shown remarkable growth, the key to further growth lies in channelling institutional capital effectively to support continued expansion. Although the regulatory environment has been supportive, there is still a need for further efforts to bridge the gap between domestic and international allocation levels, enable investors to make informed choices in a complex and dynamic market.

Acknowledgments

I take this opportunity to express my gratitude to Ministry of MSME, SEBI, DPE, NSIC Ltd. (holding Company) for continuous guidance and also the Board Members for providing their leadership and direction to the Company.

I would also like to express my gratitude to all our stakeholders who have reposed their faith in our Company and look forward to your continued support in the years ahead. I would like to thank my employees whose commitment & determination have been exemplary and are focused in achieving Company's vision and mission. We are optimistic on the outlook of your Company's future performance and will continue to focus on sustaining growth and remains committed in 'Serving and Empowering MSMEs with Excellence' for our esteemed stakeholders.

Sd/-

(Dr. Subhranshu Sekhar Acharya)

Chairman

DIN: 06727939

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 4th Board's Report along with the audited financial statement of the Company for the financial year 2023-2024.

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.10,006 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 2024, is as follows:

	No. of Daughter Funds	Value
Prelim IC approval received for Daughter Funds	65	Rs. 8,055 crore
Final IC approval received for Daughter Funds	57	Rs. 6,725 crore
Empanelled Daughter Funds	53	Rs. 6,445 crore

As on 31st March, 2024, total 53 Daughter Funds have been empaneled with SRI Fund (Mother Fund) and these daughter funds have assisted 432 high potential MSMEs by way of investing of Rs.7649 crore in these MSMEs out of which the Daughter Funds have drawdown Rs.6756 crore from SRI Fund upto 31st March, 2024. These MSMEs have presence across India including the low-income states in India and aspirational districts. They have helped in creating approximately 1,00,000 + jobs out of which ~24% is women employment.

During the year the fund had organized outreach event & workshop for empowering MSME units at Dimapur (Nagaland, North Eastern India) and Lucknow (Uttar Pradesh). The fund



NSIC Venture Capital Fund Limited (NVCF) organized a Self Reliant India (SRI) Fund Outreach Program at Lucknow (Uttar Pradesh) on 19.12.2023 in the presence of senior officials of NVCF, NSIC, SBICaps Venture and other dignitaries from Central and State Government.

has participated and highlighted on SRI Fund's features at various MSME conferences across India that includes Dehradun (Uttarkhand), Rajkot(Gujarat) and Bhubaneswar (Odisha).

2. Financial Overview

During the financial year 2023-24, the company reported its revenue from operations amounting to Rs. 594.00 lakh and the profit (before tax) amounting to Rs. 501.06 lakh.

The summary of audited financial statements of the company for the financial year 2023-24 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, 2024	Financial Year ended on 31 st March, 2023
1.	Revenue from Operations	594.00	413.12
2.	Other Income	132.03	39.78
3.	Expenses	224.97	47.27
4.	Profit / (Loss) before Tax	501.06	405.63
5.	Tax Expenses	126.37	101.97
6.	Profit / (Loss) after Tax	374.68	303.66
7.	Net worth	1,259.32	975.75
8.	Earning per Share (Rs.)	62.45	50.61

3. Dividend

The Board of Directors in its meeting held on 5th August, 2024 has recommended a dividend of Rs. 112.40 lakh (previous year 91.10 lakh) (30% of PAT) for the financial year 2023-24. The dividend recommended is subject to the approval of the shareholders at the Annual General Meeting.



Shri Saravana Kumar Ananthan, CEO (NVCFL) presented dividend cheque for the year 2023-24 to Dr. Subhransu Sekhar Acharya, CMD (NSIC) in the presence of Independent Directors on the Board of NSIC. Also present on the occasion were Shri Kartikeya Sinha, Director(P&M); Shri Gaurav Gulati, Director(Fin) & Smt. Nishtha Goyal, Company Secretary.

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 2023-24.

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

There is only one employee i.e. Chief Executive Officer (CEO) on the payroll of NVCFL. Further, holding company i.e. NSIC Ltd. has deployed some of its employees on full time basis for operational convenience and managing day to day affairs of the company and SRI Fund, 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. Auditors

(i) Statutory Auditors

Comptroller & Auditor General of India has appointed M/s. K. Prasad & Company, Chartered Accountants as the Statutory Auditors for the financial year 2023-24. The Statutory Auditors have given its report on the IndAS financial statements of the Company for the financial year 2023-24. 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.

(ii) C&AG Audit

Comments of the Comptroller & Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the financial statement shall forms part of the 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

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company for the financial year 2022-23 has been filed with the Registrar of Companies. Further the draft of the Annual Return for the financial year 2023-24 are available on the website of the Company at <https://www.nvcfl.co.in/AboutUs/AnnualReports>. After the Annual General Meeting of the Company, the Annual Return as on March 31, 2024 shall be filed with Registrar of Companies and the same shall be uploaded on the website at the same weblink.

17. Risk Management

The Company has laid down a well-defined Risk Management Policy to identify the risks associated with the SRI Fund (the 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. 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:-

- a) Dr. Subhransu Sekhar Acharya was appointed as Chairman, NVCFL w.e.f. 2nd May, 2024 in place of Shri Vipul Goel.

- b) Shri Gaurav Gulati was appointed as Director of the Company w.e.f. 14th June, 2023.
- c) Ms. Mercy Epao was holding the charge as Chairman till 30th June, 2023.

During the year 2023-24, four 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 2023-24, 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 2023-24, there was nil application received under "Right to Information Act, 2005" (RTI).

21. Significant & 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.

23. Acknowledgements

NVCFL acknowledges the valuable support and guidance received from Ministry of MSME, Ministry of Corporate Affairs, Securities Exchange Board of India and Department of Public Enterprises and other government and regulatory agencies. The company also extend their gratitude to Statutory Auditors, Comptroller & Auditor General of India, Investment Manager, Legal counsel, Bankers and all the stakeholders of the Company for their contribution.

The Directors also thank NSIC Limited (holding company) for their continuous support and cooperation. The Directors also sincerely appreciate and thank for all employees their commitment and dedication in ensuring sustainable performance of the Company.

For and on behalf of the Board of Directors

Sd/-

(Dr. Subhransu Sekhar Acharya)

Chairman

DIN: 06727939

Place: New Delhi

Date: 27th September, 2024

Management Discussion & Analysis Report

A.i Industry Structure and Recent Developments

India's economy has sustained its growth momentum in financial year 2023-24 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 8.2 per cent in financial year 2023-24, the highest among major economies, overcoming the Global obstacles and geopolitical developments.

The domestic demand has recovered and moved from strength to strength in financial year 2023-24 bringing the Indian economy to a touching distance of the quarterly output it would have achieved had the pandemic not adversely impacted the same. The Monetary Policy Committee (MPC) at its April meeting, while warning of geopolitical headwinds, projected India's GDP to grow at 7 per cent in the ongoing financial year. India's economy would grow at 7.1 per cent, 6.9 per cent, 7 per cent and 7 per cent in each quarter of FY25¹.

During 2024-25, so far, the domestic economic activity has maintained resilience. Manufacturing activity continues to gain ground on the back of strengthening domestic demand. The 8 core industries posted healthy growth in

April 2024. Purchasing Managers Index, that is PMI in manufacturing continued to exhibit strength in May 2024 and it is indeed the highest globally.

India has approximately 6.3 crore Micro Small and Medium Enterprises (MSMEs). As per data from the Ministry of Micro, Small & Medium Enterprises, as of March 2024, the number of MSMEs registered on the Udyam portal, including the Udyam Assist Platform (UAP), has reached 4,00,42,875, with continual growth observed. Among these, 3,93,18,355 are classified as micro-enterprises, accounting for approximately 97.7% of the total. Small enterprises constitute 6,08,935, representing about 1.5%, while medium-sized enterprises total 55,488, comprising roughly 0.8% of the total registered entities².

MSMEs are being encouraged to market their products on the e-commerce site, especially through Government e-Marketplace (GeM), owned and run by the government, wherefrom Ministries and PSUs (public sector undertakings) source their procurement. As of March 2024, the Government e-marketplace (GeM) portal served 5.8 million orders worth Rs. 3,87,006 crore (US\$ 46.67 billion) with 148,245 primary buyers and 215,743 secondary buyers.

¹ Source: PIB Economic Survey.

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



In the interim budget 2024-2025, it was announced the establishment of a corpus totalling Rs. 1 lakh crore (US\$ 11.99 billion), offering 50-year interest-free loans. This initiative aims to incentivize the private sector, particularly MSMEs, to enhance research and innovation in emerging sunrise domains.

Interim Budget 2024 allocates Rs. 22,137.95 crores (US\$ 2.65 billion) for MSMEs, emphasizing new clusters and technology centres for global competitiveness, with positive feedback from industry stakeholders³.

A.ii Significance of Industry Sector (MSME)

The MSME sector, both manufacturing and services, form the backbone of the economy and a major contributor to the socio-economic development of the Country. India's 6.3 crore MSME entities are responsible for around⁴:

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

A.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.

B. Self Reliant India (SRI) Fund

As a part of Atmanirbhar Bharat Package, the Finance Minister, in the Budget

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

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

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).

SRI Fund is to provide funding support to the Daughter Funds for onward provision to MSMEs as growth capital, through equity & quasi-equity 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 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 up to 31st March 2024, is as follows:

	No. of Daughter Funds	Value
Prelim IC approval received for Daughter Funds	65	Rs. 8,055 crore
Final IC approval received for Daughter Funds	57	Rs. 6,725 crore
Empanelled Daughter Funds	53	Rs. 6,445 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. 1,153 crores from SRI Fund up to 31st March 2024.

D. Material Developments in Human Resources

Besides the appointment of CEO by NVCFL, 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 setup and



currently all the investment activities and monitoring conducted by the IM are handled on the Tech Platform by the IM.

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 : 27th September, 2024

Sd/-
(Dr. Subhranshu Sekhar Acharya)
Chairman
DIN: 06727939



Annexure – B

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 2023-24.
2. Details of material contracts or arrangement or transactions at arm's length basis, during financial year 2023-24:

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, Travelling, Conveyance stationary, communication etc (Exclusive of Taxes)	On-going transaction	Manpower Support Cost – Rs.110.33 Lakh Travelling, Conveyance stationary communication etc – Rs. 0.85 Lakh (all amounts on actual basis)	-	-
2.	The National Small Industries Corporation Limited (Holding Company)	Rent paid to NSIC (Exclusive of Taxes)		Rent Rs.17.07 lakh	-	-

Sd/-

(Dr. Subhranshu Sekhar Acharya)

Chairman

DIN: 06727939

Place : New Delhi

Date : 27th September, 2024



Report on Corporate Governance

Corporate governance is a continuous process of applying the best management practices. NVCFL is always dedicated to adhere the ideal practice 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, 2024, the Board comprised of the following directors:

S. No	Director Identification Number (DIN)	Name of the Director	Designation
1	10229523	Shri Vipul Goel*	Chairman
2	09331424	Ms. Mercy Epao**	Chairman
3	09661006	Dr. Ishita G. Tripathy	Director
4	06789077	Shri Ateesh Kumar Singh	Director
5	10144109	Shri Gaurav Gulati ***	Director
6	09769378	Shri Saravanakumar Ananthan	Director & CEO

*Shri Vipul Goel was holding the charge of Chairman of the Company from 1st July, 2023 to 1st May, 2024.

**Ms. Mercy Epao was holding the charge of Chairman of the Company till 30th June, 2023.

***Shri Gaurav Gulati is in the Board of the company w.e.f. 14th June, 2023.

In terms of SRI guidelines, Dr. Subhransu Sekhar Acharya has been appointed as Ex-officio Chairman of the Company w.e.f. 2nd May, 2024.

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:-

- Dr. Subhransu Sekhar Acharya was appointed as Chairman, NVCFL w.e.f. 2nd May, 2024 in place of Shri Vipul Goel.
- Shri Gaurav Gulati was appointed as Director of the Company w.e.f. 14th June, 2023.
- Ms. Mercy Epao was holding the charge as Chairman till 30th June, 2023.

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

During the period under review, four (4) meetings of the Board of Directors of the Company were held viz. (i) 14th

June, 2023(ii) 28th August, 2023 (iii) 11th Dec., 2023 (iv) 19th March, 2024.

During the Financial Year 2023-24, 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, 2024 (other than NVCFL)
		Held during the tenure	No. of Board Meetings attended	Attendance in the AGM held on 11 th December, 2023	
1	Shri Vipul Goel	3	3	Yes	Additional charge of CMD, NSIC
2.	Ms. Mercy Epao	1	1	N.A	NSIC, DSIIDC & ITPO
3.	Dr. Ishita G. Tripathy	4	4	Yes	Global Innovations & Technology alliance (GITA)
4.	Shri Ateesh Kumar Singh	4	4	Yes	ONDC
5.	Shri Saravana Kumar Ananthan	4	4	Yes	Nil
6.	Shri Gaurav Gulati	4	4	Yes	NSIC

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 2023-24 are as follows:-

S. No.	Particulars of Remuneration	Chief Executive Officer Shri Saravana Kumar Ananthan w.e.f. 01/04/2023 to 31/03/2024 (Rs. in lakh)
1	Gross Salary (as per provisions contained in section 17(1) of the Income Tax Act, 1961	39.59
2	Stock Option	-
3	Sweat Equity	-
4	Commission as % of profit; others, specify	-
5	Others, please specify (Employer cont. to PF & Pension)	18.97
	Total	58.56



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)
2022-23	11/12/2023	3.00 p.m.	Registered Office of the Company	a) Regularization of Additional Director, Shri Vipul Goel, (DIN: 10229523) as Director of the Company b) Regularization of Additional Director, Shri Gaurav Gulati (DIN: 10144109) as Director of the Company
2021-22	16/12/2022	11.00 a.m.		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: 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 2023-24.

The Annual General Meeting for the financial year 2023-24 shall be held on 27th September, 2024.

9. Code of Conduct

As per the Corporate Governance Guidelines issued by DPE, the Company has issued “Code of Conduct” for Board members, key management personnel and senior management personnel. A copy of the code is also posted at the website of the Company. As mentioned in the code of conduct and based on the affirmation received from Board Members, KMP and Senior Management Personnel, a declaration regarding compliance of Code of Conduct made by the Chairman & Managing Director is enclosed as **Annexure-I** of this Report.

10. 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- II**” to this report.

11. 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 : 27th September, 2024

Sd/-
(Dr. Subhranshu Sekhar Acharya)
Chairman
DIN: 06727939



Annexure-I

Declaration as required under DPE's Guidelines on Corporate Governance

"All the members of the Board and Senior Management Personnel have affirmed compliance of the "Code of Conduct for Board Members and Senior Management" for the financial year ended on 31st March 2024."

Sd/-

Chief Executive Officer

Place: New Delhi

Date: 11th September, 2024



Annexure -II

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, 2024 as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India.

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

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

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

**For Kumar Wadhwa & Company
Company Secretaries**

Sd/-

(Sanjay Kumar)

Managing Partner

M.No.: 9211

C.O.P.No.: 7027

UDIN: F009211F000905821

Place : New Delhi

Dated : August 06, 2024



INDEPENDENT AUDITORS' REPORT

To
The Members of
NSIC Venture Capital Fund Limited

Report on the Audit of the Ind As Financial Statements

Opinion

We have audited the financial statements of **NSIC Venture Capital Fund Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Change in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("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 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 March 31, 2024 and its Profit including Other Comprehensive Income, its cash flows and the Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are

relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to Note-26(4) 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.

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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Business Responsibility 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

The Board of Directors are 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the



reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the 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 u/s 133 of the Companies Act, 2013, as applicable.
- e) In terms of notification no. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Provisions of Section-164(2) of the Act are not applicable to the Company being a Government Company.
- f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-B;
- g) In terms of notification no. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Provisions of Section-197 of the Act are not applicable to the Company being a Government Company.
- h) With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India u/s 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 on its financial position.
 - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, and
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - 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 26-(13) to the Financial Statements, the Board of Directors of the Company have proposed Final dividend for the year ended 31st March, 2024 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 (as disclosed in Note 26 {16(f) (A)} to the Financial Statements), no funds (which are material either individually or in the aggregate) have been advanced or loan 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 person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, (as disclosed in Note 26 (16 (f) (B)) to the Financial Statements), no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- VI. Based on our examination which includes test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during our audit we did not come across any instance of an audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only w.e.f. 1st April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended 31st March 2024.

For K Prasad & Company

Chartered Accountants

FRN: 002755N

Sd/-

R S Gupta

Partner

Place: New Delhi
Date: 05-08-2024

M. No: 072666
UDIN: 24072666BKCNSU3718

ANNEXURE A REFERRED TO IN OUR INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2024

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

- | | |
|--|---|
| <p>(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:</p> <p>(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.</p> <p>(B) The company has maintained proper records showing full particulars of intangible assets;</p> <p>(b) The Property, Plant and Equipment have been physically verified by the management during the year and explained no material discrepancies have been noticed on such verification.</p> <p>(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not hold any immovable properties, hence clause (i)(c) is not applicable to the company.</p> <p>(d) The company has not revalued its Property, Plant and Equipment or intangible assets or both during the year, so clause (i) (d) is not applicable to the company.</p> <p>(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)</p> | <p>and rules made thereunder, so clause (i) (e) is not applicable to the company.</p> <p>(ii) (a) 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.</p> <p>(b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not been sanctioned working capital limits from banks and financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.</p> <p>(iii) In respect of Investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:</p> <p>a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not provided any loans or advances in the nature of loans or guarantee or provided security to any other entity and hence reporting under clause 3(iii)(a) is not applicable to the Company.</p> <p>b) During the Year Company has made an investment in SRI fund</p> |
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the first AIF Scheme, set up by the Company along with Government of India and the Company's Holding Company (The National Small Industries Corporation Limited) as the contributors to the SRI Fund, is prima facie, not prejudicial to the Interest of the Company. The Company has not provided any guarantees, given any security and the terms and granted any loans and advances in the nature of loans and guarantee.

- c) 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 granted any loans or advances in the nature of loans and hence reporting under clauses 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.
- d) Advance of ₹ 0.12 lakhs in previous year to the director of the company has been recovered during the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 185 & Section 186 of the Companies Act, 2013, to the extent applicable in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or deemed deposits from the public within the meaning of sections 73 to 76 of the Act and rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the activities of the company

and accordingly clause of the order is not applicable.

- (vii) (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has generally been regular in depositing undisputed statutory dues including Income Tax Act, Goods and Service Tax, Provident Fund and any other material statutory dues applicable to it with the appropriate authorities. Except of superannuation family pension fund of the year 2022-23 and 2023-24 which has been deposited on 18.06.2024.

According to the information and explanations given to us and on the basis of our audit procedures no undisputed amounts payable were in arrears as at 31st March 2024 for a period of more than six months from the date they became payable. Except of superannuation family pension fund of 2022-23 ₹ 1,19,428 which has been deposited on 18.06.2024.
- (b) According to the information and explanations given to us and on the basis of our audit procedures there are no dues of Goods and Service Tax, Provident Fund, Employee's State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess any other material statutory dues which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on an overall examination of the financial statements, there are no transactions that have been surrendered or disclosed as income during the year in the tax

assessments under the Income Tax Act, 1961 (43 of 1961), and not recorded in the books of account.

- (ix) (a) According to the information and explanations given to us and on an overall examination of the financial statements 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) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company is not declared willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the company has not obtained any term loans during the year so the clause (ix) (c) is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the funds raised on short term basis have not been utilized for long term purposes.
- (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 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) In our opinion and 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 year.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year.
- (xi) (a) In our opinion and 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 course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors Rules, 2014) with the Central Government;
- (c) As reported to us by the management there are not whistleblower complaints received during the year by the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



- (xiv) The Company is not required to have an internal audit system as per provisions of the Companies Act 2013. Hence reporting under clause (xiv) (a) and (b) of the Order is not applicable to the company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- (xvi) (a) 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 and Exchange Board of India (SEBI) for setting up an Alternate Investment Funds (AIF) vide certificate dated 1st 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.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities
- (c) The company is not a Core Investment Company. (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The company has not more than one CIC as part of the Group.
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There was no resignation of the Statutory Auditor but there was a change of Statutory Auditor of the Company due to rotation by CAG. Thus, present Statutory Auditor was not required to take into consideration the issues, objections or concerns raised by the outgoing Auditors.
- (xix) 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.
- (xx) Second proviso to sub-section (5) of section 135 of the Companies Act of Corporate Social Responsibility is not applicable to the company, so the clause (xx) (a) & (b) is not applicable.

For K Prasad & Company

Chartered Accountants

FRN: 002755N

Sd/-

R S Gupta

Partner

M. No: 072666

UDIN: 24072666BKCNSU3718

Place: New Delhi

Date: 05-08-2024

ANNEXURE B REFERRED TO IN OUR INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2024

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of NSIC Venture Capital Fund Limited (“the Company”) as of 31st March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting

(the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :-

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial reporting to future periods are subject to the risk that the internal financial control with reference to 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, and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial reporting and such internal financial controls with reference to financial reporting were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K Prasad & Company

Chartered Accountants

FRN: 002755N

Sd/-

R S Gupta

Partner

M. No: 072666

UDIN: 24072666BKCNSU3718

Place: New Delhi

Date: 05-08-2024



ANNEXURE C REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL LIMITED FOR THE PERIOD ENDED 31ST MARCH 2024

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 2024.

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 in-ability to repay the loan? If yes, the financial impact maybe stated. Whether such cases are properly accounted for? (In case lender is a Government Company, then this direction is also applicable for Statutory Auditor of Lender Company).	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 (grants/subsidy, etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No funds in the form of grant/ Subsidy/etc received/ receivable for specific schemes from central/ State agencies received during the year.

For K Prasad & Company

Chartered Accountants

FRN: 002755N

Sd/-

R S Gupta

Partner

Place: New Delhi

Date: 05-08-2024

M. No: 072666

UDIN: 24072666BKCNSU3718



NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

NOTE – 1: COMPANY INFORMATION & BASIS OF PREPARATION

1.1 Company Information

NSIC Venture Capital Fund Limited ('NVCFL' or 'the Company'), is a 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.

The Financial Statements were approved by the Board of Directors and authorized for issue on 05th August, 2024.

1.2 Statement of compliance

The financial statements of the Company comply with IndAS notified under the Companies (Indian Accounting Standards) Rules 2015 (as amended), applicable provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014 and other applicable regulatory norms/guidelines.

The financial statements of the Company have been prepared on going concern basis under the historical cost convention (unless otherwise stated) following accrual system of accounting in accordance with the Generally Accepted Accounting Principles and are in accordance with the Indian Accounting Standard (referred to as "IndAS") notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended, applicable provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014, as amended, and other applicable regulatory norms/guidelines.

1.3 Basis of Preparation and Presentation

The Company has been exempted from registration with the Reserve Bank of India as a Non-Banking Finance Companies (NBFC) vide Master Direction – Exemption from provisions of RBI Act, 1934, as updated from time to time, the Company has followed Division III of Schedule III to the Companies Act, 2013 while preparing

its financial statements for the period ended 31st March 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.

1.4 Critical Accounting Judgments and Key sources of estimation uncertainty

In applying accounting policies, which are described in note 2, the management are required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

- **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. NVCFL is duly reimbursed and it's adjusted in company books of accounts.

- **Functional and presentation currency:** The financial statements are presented in Indian Rupee and all values are rounded to the nearest lakhs and decimals thereof in accordance with Para 5 of Division III of Schedule III of the Companies Act, 2013 as inserted by Notification No. GSR 404(E), dated 6-4-2016, w.e.f. 6-4-2016.

NOTE-2: MATERIAL ACCOUNTING POLICIES

2.1 Statement of Cash Flows

Cash flow from operating activities is reported using indirect method adjusting the profit before tax for the effects of: (i) changes during the period in operating receivables and payables transactions of a non-cash nature; (ii) non-cash items such as depreciation, provisions, deferred taxes, unrealized gains and losses; and (iii) all other items for which the cash effects are investing or financing cash flows.

2.2 Property, plant and equipment

Plant, Machinery, Fixtures and Fittings are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation is recognized so as to write off the cost or valuation of assets less

their residual values over their useful lives, using the straight-line method. The Company selected the method of depreciation in a manner that it most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

S. No.	Nature of Assets	Useful Life	Rate (SLM)	Residual Value
i.	Plant and Machinery	15 Years	6.33%	5% of original cost
ii.	Furniture and Fittings	10 Years	9.50%	5% of original cost
iii.	Office Equipment	5 Years	19.00%	5% of original cost
iv.	End User Devices as Processing Units, Computers, Laptop, etc	3 Years	31.67%	5% of original cost
v.	Servers and Networks	6 Years	15.83%	5% of original cost
vi.	Electrical Installations and Equipment's	10 Years	9.50%	5% of original cost
vii.	Mobile Phone Instruments	*2 Years	50%	₹ 1/-

(*previous year 3 years)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PPE costing up to ₹ 0.10 Lakh are depreciated fully in the year of purchase on these being ready for use, and after retaining 5% of original cost as residual value except Mobile phone Instruments where ₹ 1/- is retained as residual value.

2.3 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a

straight-line basis over a period of five years after retaining ₹ 1/- as residual value. However, where the life of software is less than five years, the cost is amortized over the useful life of such assets

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Software procured on subscription basis which are expected to be used for not more than one period, are charged to the Statement of Profit and Loss over the subscription period.

SI. No.	Nature of Assets	Useful Life	Rate (SLM)	Residual Value
1	Intangible PPE – Software	5 Years	20.00%	₹ 1
2	Websites	5 Years	20.00%	₹ 1

2.4 Lease

The company recognizes right of use assets when there is a non-cancellable agreement with the lessor.

2.5 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:

(a) 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.

(b) 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.

(c) Reimbursement of Expenditure

An amount which are incurred by the Company on behalf of SRI Fund are reimbursed by the Fund as per the fund documents and credited/ adjusted in the books of accounts.

2.6 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 Company.

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 Company 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 Company 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 EPFO and contribution to pension is paid to National Pension Scheme (NPS).

(ii) Defined benefits plan

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

Re-measurement, comprising of actuarial gains and losses, are recognized in the period in which they occur, directly in other comprehensive income. Re-measurement recognized in Other Comprehensive Income (OCI) is reflected immediately in retained earnings and is not reclassified to the Statement of Profit & Loss.

2.7 Prior Period Expenses and Income

Income/Expenditure relating to a prior period, which does not exceed 0.25% of the Company's Revenue from Operations of previous year in each case, are treated as income/expenditure of current year.

2.8 Prepaid items

Expenses pertaining to subsequent financial year(s) are treated as prepaid only where the payment exceeds ₹1.00 lakh in each case.

2.9 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.

(a) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on specialist independent tax advice.

(b) Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.



The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on tax laws (i.e. Income Tax Act, 1961) and rates that have been enacted or substantively enacted at the reporting date.

(c) Offset

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.10 Investment made in Self Reliant India (SRI) Fund

The Company accounts for investment at cost.

2.11 Financial instruments

(a) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are adjusted from the fair value of financial asset or financial liabilities on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

(b) Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Advances, security deposits, rental deposits, cash and cash equivalents etc. are classified for measurement at amortised cost.

(ii) Financial assets at fair value through profit or loss

A financial asset which is not classified as subsequently measured at amortised cost are subsequently fair valued through profit or loss. All investments held

for trading, derivative financial instruments are measured at fair value through profit and loss.

(iii) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(c) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(d) Impairment

The Company recognizes loss allowances using the expected

credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward looking information.



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 31.03.2024

(₹ in Lakh)

S. No.	Particulars	Note No.	As at 31.03.2024		As at 31.03.2023	
	Assets					
I	Financial Assets					
(a)	Cash and Cash Equivalents	3	40.66		352.79	
(b)	Bank Balances Other Than Cash and Cash Equivalents	4	1,022.08		328.39	
(c)	Receivable	5	-		-	
	(I) Trade Receivables - unbilled					
(d)	Loans & Advance	6	0.04		0.19	
(e)	Investment	7	56.91		28.36	
(f)	Other Financial Assets	8	158.73	1,278.42	621.09	1,330.82
II	Non-Financial Assets					
(a)	Current Tax Assets (Net)	9	9.17		61.11	
(b)	Deferred Tax Assets (Net)	10	8.86		11.28	
(c)	Property, Plant and Equipment	11	22.40		3.45	
(d)	Other Intangible Assets	11	0.12		0.00	
(e)	Intangible Assets under Development	-	-		-	
(f)	Other Non-Financial Assets	12	5.32	45.87	-	75.84
	Total Assets			1,324.29		1,406.66
	Liabilities and Equity					
I	Financial Liabilities					
(a)	Payables	13				
	(I) Trade Payables					
	(i) Total outstanding dues of micro & small enterprises		-		-	
	(ii) Total outstanding dues of creditors other than micro & small enterprises		-		-	
(b)	Other Financial Liabilities	14	58.50	58.50	429.04	429.04
II	Non-Financial Liabilities					
(a)	Current Tax Liabilities (Net)	15	-		-	
(b)	Provisions	16	6.46	6.46	1.87	1.87
	Total Liabilities			64.96		430.91
III	Equity					
(a)	Equity Share Capital	17	600.00		600.00	
(b)	Other Equity	18	659.33		375.75	
	Total Equity			1,259.33		975.75
	Total Liabilities and Equity			1,324.29		1,406.66
	Other Notes on Accounts	26				
	Statement of Corporate information Note 1					
	Accounting Policy Note 2					
	Accompanying notes are integral part of the financial statements	1 to 26				

In terms of our report of even date attached
For K Prasad & Company
 Chartered Accountants
 ICAI Firm Registration No.: 002755N

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

Sd/-
Name : R S Gupta
 Partner
 Membership No.: 072666

Sd/-
Dr. Subhransu Sekhar Acharya
 Chairman
 DIN: 06727939

Sd/-
Saravana Kumar Ananthan
 CEO & Director
 DIN: 9769378

Place : New Delhi
 Date : 05.08.2024

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 & LOSS FOR THE PERIOD

01.04.2023 TO 31.03.2024

(₹ in Lakh)

S. No.	Particulars	Note No.	For the period ended 31.03.2024	For the period ended 31.03.2023
I	Revenue from operations	19	594.00	413.12
	Total Revenue from operations		594.00	413.12
II	Other Income	20	132.03	39.78
III	Total Income (I+II)		726.03	452.90
IV	Expenses			
	Employees Benefit Expenses	21	68.39	30.22
	Depreciation and Amortisation Expenses	22	2.41	0.51
	Other Expenses	23	154.17	16.54
	Total Expenses (IV)		224.97	47.27
V	Profit / (Loss) before Tax (III-IV)		501.06	405.63
VI	Tax Expense			
	Current Tax	24	124.00	102.00
	Deferred Tax		2.42	0.53
	Earlier Years Tax		-0.05	-0.56
	Total Tax Expense (VI)		126.37	101.97
VII	Profit / (Loss) for the Year (V-VI)		374.69	303.66
VIII	Other Comprehensive Income			
	A) Item that will not be reclassified to profit or Loss-Investment			-
	B) Item that will be reclassified to profit or Loss-Actuarial Gain/loss on defined benefit plan		-0.017	-
	Income tax relating to Actuarial Gain /Loss on defined benefit plan		0.004	0.01
	Total Other Comprehensive Income (A + B)			-
IX	Total Comprehensive Income for the period (VII+VIII) (Comprising Profit/(Loss) and other Comprehensive Income for the period)		374.68	303.66
X	Earning / (Loss) Per Equity Share	25		
	Basic (Rs.)		62.45	50.61
	Diluted (Rs.)		62.45	50.61
	Other Notes on Accounts	26		
	Statement of Corporate information Note 1			
	Accounting Policy Note 2			
	Accompanying notes are integral part of the financial statements	1 to 26		

In terms of our report of even date attached

For K Prasad & Company

Chartered Accountants

ICAI Firm Registration No.: 002755N

Sd/-
Name : R S Gupta
Partner
Membership No.: 072666

Place : New Delhi
Date : 05.08.2024

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-
Dr. Subhransu Sekhar Acharya
Chairman
DIN: 06727939

Sd/-
Saravana Kumar Ananthan
CEO & Director
DIN: 9769378

Sd/-
Rajesh Madan
General Manager

Sd/-
Adarsh Kansal
Chief Manager

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



NOTE - 3 : CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
Balance with Banks:		
In Current Account	40.66	352.79
Cheques, Drafts on Hand	-	-
Total	40.66	352.79

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 31.03.2024	As at 31.03.2023
Term Deposits with indusInd bank (Maturity more than 3 months but not exceeding 1 year)	675.00	328.39
Term Deposits with SBI Bank (Maturity more than 12 Months i.e. 370 days from the date of deposit)	347.08	
Total	1,022.08	328.39

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 370 days.

NOTE - 5 : RECEIVABLES

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
Trade Receivable	0.00	0.00
<i>Unsecured, considered good</i>	0.00	0.00
Total	0.00	0.00

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 - 2 year	2 - 3 Years	Total
1	Undisputed trade receivables considered good		0	0	0	-
			(-)	(-)	(-)	(-)
2	Undisputed trade receivables significant increase in credit risk		0	0	0	-
			(-)	(-)	(-)	(-)
3	Undisputed Trade receivables credit impaired		0	0	0	-
			(-)	(-)	(-)	(-)
4	Disputed Trade receivables considered good		0	0	0	-
			(-)	(-)	(-)	(-)
5	Disputed Trade receivables significant increase in credit risk		0	0	0	-
			(-)	(-)	(-)	(-)
6	Disputed Trade receivables credit impaired		0	0	0	-
			(-)	(-)	(-)	(-)
7	Unbilled Trade Receivables					0
						(-)
	Total		0	0	0	0
			(-)	(-)	(-)	(-)

NOTE - 6 : LOANS & ADVANCES

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
To Related parties / Promoters / Directors / KMPs		
Director of the company		0.12
Others		
Other Employee	-	0.07
NSDL	0.04	-
Total	0.04	0.19

NOTE - 7 : INVESTMENT

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
At amortised cost	0.00	0.00
Investment in SRI Fund	56.91	28.36
Total	56.91	28.36

NOTE - 8 : OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
Interest Accrued on Fixed Deposits	10.17	7.41
Recoverable from Self Reliant India Fund	148.56	613.68
Total	158.73	621.09

NOTE - 9 : CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
Advance Tax	70.23	110.00
Add - TDS	62.94	53.11
Less - provision for Tax	124.00	102.00
Current Tax Assets (Net)	9.17	61.11

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

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
Deferred Tax Assets		
- Unamortised expenditure as per income tax provisions	7.02	10.53
Provisions in Financial Books pending allowance in tax	1.92	0.77
Gross deferred tax assets (a)	8.94	11.30
Deferred Tax Liabilities		
- Depreciation and amortisation	0.08	0.02
Gross deferred tax liabilities (b)	0.08	0.02
Net deferred tax asset recognised (a-b)		
Total	8.86	11.28



NOTE 11: PROPERTY, PLANT & EQUIPMENT - TANGIBLE

(₹ in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK		
	Cost as on 01.04.2023	Additions	Sales / Adjustments	Other Adjustments	Cost as on 31.3.2024	Upto 1.4.2023	For This Year	Written Back	Other Adjustments	Upto 31.3.2024	As on 31.3.2024	As on 31.3.2023
Land Freehold					-						-	-
Building					-						-	-
Plant & Machinery					-						-	-
Generators	-				-						-	-
Electrical Installation				-	-						-	-
Office Equipments	0.93	10.32	-		11.25		0.95	-		0.95	10.30	0.93
Furniture & Fixture	0.79	9.16			9.95	0.02	0.23	-		0.25	9.70	0.77
Vehicles					-						-	-
Computers & Accessories	1.83	1.87	-		3.70	0.67	0.88	-		1.55	2.15	1.16
Mobile Phones	0.74		-		0.74	0.15	0.34	-		0.49	0.25	0.59
This year	4.29	21.35	-	-	25.64	0.84	2.40	-	-	3.24	22.40	3.45
Last year	1.01	3.28	-	-	4.29	0.33	0.51	-	-	0.84	-	3.45
Capital - WIP	-	-	-		-	-	-	-		-	-	-
Last year												

NOTE 11: PROPERTY, PLANT & EQUIPMENT - INTANGIBLE

(₹ in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK		
	Cost as on 01.04.2023	Additions	Sales / Adjustments	Other Adjustments	Cost as on 31.3.2024	Upto 1.4.2023	For This Year	Written Back	Other Adjustments	Upto 31.3.2024	As on 31.3.2024	As on 31.3.2023
Computer Software License	0.00	0.13	-		0.13	-	0.01	-		0.01	0.12	0.00
This year	0.00	0.13	-	-	0.13	-	0.01	-	-	0.01	0.12	0.00
Last year	0.00	-	-	-	-	-	-	-	-	-	-	0.00

NOTE - 12 : OTHER NON - FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
Balance with Government Authorities		
SGST not utilised	0.51	0.00
CGST not utilised	0.51	0.00
SGST not reflecting in 2B	0.095	0.000
CGST not reflecting in 2B	0.095	0.000
Income Tax refund AY 2023-24	4.11	0.00
Total	5.32	0.00

NOTE - 13 : PAYABLES

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
Trade Payables		
(i) Total outstanding dues of micro & small enterprises	0	-
(ii) Total outstanding dues of creditors other than micro & small enterprises	0	-
Total	0	-

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 31.03.2024	As at 31.03.2023 Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
1	MSME	0.00	-	-	-	-	-	-
			-	(-)	(-)	(-)	(-)	-
2	Others	0.00	(-)	(-)	(-)	(-)	(-)	(-)
3	Disputed dues – MSME	0.00	(-)	(-)	(-)	(-)	(-)	(-)
4	Disputed dues – Others	0.00	(-)	(-)	(-)	(-)	(-)	(-)
5	Unbilled dues- MSME	0.00						-
6	Unbilled dues- Others	0.00						-
	Total	0.00	-	-	-	-	-	(-)
			-	(-)	(-)	(-)	(-)	-

Previous period amounts disclosed in (brackets)

NOTE - 14 : OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
Statutory Dues Payable	4.79	97.36
Other Payables - Employees	3.96	1.19
Current Liabilities for Expenses	21.60	322.52
Security Deposit	2.02	0.00
Other Payables - PRP (Employees - Director)	26.13	7.97
Total	58.50	429.04



NOTE - 15 : CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
TDS Deducted	-	-
Provision for Income Tax	-	-
Less : Income Tax Paid	-	-
Total	-	-

NOTE - 16 : PROVISIONS

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
For Gratuity	1.88	0.53
For Leave Encashment	3.51	1.06
For Half Pay Leave	1.07	0.28
For TA	0.00	0.00
Total	6.46	1.87

NOTE - 17 : EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
(a) Authorised Share Capital		
10,00,000 Equity Shares of ₹100 each	1,000.00	1,000.00
Total	1,000.00	1,000.00
(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 :

Particulars	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	Amount (Rs. in Lakh)	No. of Shares	Amount (Rs. in Lakh)
Balance at the beginning of the year				
Add/(less): Issued during the year	6,00,000	600.00	6,00,000	600.00
Shares Bought Back during the year	-	-	-	-
Shares outstanding at the end of the year	6,00,000	600.00	6,00,000	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 :

Particulars	As at 31.03.2024		As at 31.03.2023	
	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 31.03.2024	As at 31.03.2023
The National Small Industries Corporation Limited (NSIC)	600000*	600000*
Total	600000	600000

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

(f) Terms and rights attached to equity shares :

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

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

(g) Bonus Shares :

There are no bonus shares issued since inception.

(h) Details of promoter and promoters group:

Shares held by promoter and promoters group at the end of the year

Name of the Promoter & promoters group	As at 31.03.2024		As at 31.03.2023		As at 31.03.2022		% of change during
	No. of Shares	% of total shares	No. of Shares	% of total shares	No. of Shares	% of total shares	
The National Small Industries Corporation Limited (NSIC)	6,00,000	100%	6,00,000	100%	6,00,000	100%	0%
Total	6,00,000	100%	6,00,000	100%	6,00,000	100%	0%

NOTE - 18 : EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31.03.2024	As at 31.03.2023
Retained earnings / Accumulated Loss		
Balance at the beginning of the period	375.75	129.17
Profit / (Loss) for the period	374.68	303.66
Dividend Paid for the year 2022-23	-91.10	-57.08
Balance as at the end of the period	659.33	375.75

NOTE - 19 : REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023
Management Fee from SRI Fund	570.17	386.66
Interest income	23.83	26.46
Total	594.00	413.12



NOTE - 20 : OTHER INCOME

(₹ in Lakh)

Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023
Interest earned on Income Tax Refund	3.10	0.06
Reimbursement of expenses incurred on behalf of SRI Fund	128.93	39.72*
Total	132.03	39.78

*During the FY. 2022-2023 expenditure and income of ₹ 73.64 Lakh was net off.

NOTE - 21 : EMPLOYEES BENEFIT EXPENSES

(₹ in Lakh)

Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023
Director:		
Salary & Allowances	39.59	17.38
Contribution to:-		
Provident Fund	3.15	1.44
Superannuation Scheme/Pension Scheme/EDLI	2.91	1.19
Gratuity	1.33	0.53
Total	46.98	20.54
Other Benefit:-		
Leave Encashment	2.45	1.06
Half Pay Leave	0.79	0.28
Medical	-	0.37
Performance Related Pay (PRP)	18.17	7.97
Total Other Benefits:-	21.41	9.68
Total	68.39	30.22

NOTE - 22 : DEPRECIATION & AMORTIZATION EXPENSES

(₹ in Lakh)

Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023
Property, Plant & Equipment	2.40	0.51
Amortization of Intangible Assets	0.01	-
As per Profit & Loss Statement	2.41	0.51

NOTE - 23 : OTHER EXPENSES

(₹ in Lakh)

Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023
Medical Expenses	0.56	-
Manpower Support Cost	94.45	-
Recruitment Expenses	4.21	0.47
Interest /fees/Penalty/for Statutory Dues	2.52	7.03
Legal & Professional Fees	2.53	1.98
Travelling, Conveyance & Vehicle Charges	0.86	0.27
Payment to auditors - statutory audit Fees	1.26	0.50
Security and allied service	16.23	-
Printing & Stationery Expenses	1.10	0.87
Demat charegs	0.33	-
Rent Paid	17.07	-
Communication Expenses	0.25	0.05
Miscellaneous Expenses	0.27	0.69
Repairs & Mnaintenance Computers	2.38	1.04
Directors other expenses	8.35	2.54
Business promotion	1.11	1.10
Meeting Expenses	0.69	-
Total	154.17	16.54*

*During the FY. 2022-2023 expenditure and income of ₹ 73.64 Lakh was net off.

NOTE - 24 : TAX EXPENSES

(₹ in Lakh)

Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023
Current Tax		
Current Tax on taxable income for the period	124.00	102.00
Total Current Tax	124.00	102.00
Adjustment of Previous Year Taxes		
Excess Provision of Income Tax written back	-0.05	-0.56
Total Earlier Years Taxes	-0.05	-0.56
Deferred Tax credit		
Origination of temporary differences		
Total Deferred Tax credit	2.42	0.53
Total	126.37	101.97

The Income Tax expense comprises of Current Tax and Deferred Tax. Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with Income Tax Act, 1961 and Excess or Shortfall if any, is adjusted on finalization of assessments. Section 115BAA has been inserted in the Income Tax Act, 1961 to give the benefit of a reduced corporate tax rate for the domestic companies. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% from the FY 2019-20 (AY 2020-21) onwards if such domestic companies adhere to certain conditions specified. The Company has availed the benefit of the same in the current period and Tax Provision has been made accordingly in the books of accounts.



NOTE - 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 period ended 31.03.2024	For the period ended 31.03.2023
Profit / (Loss) Before Tax	501.06	405.63
Enacted Income Tax Rate in India applicable to the Company	25.17%	25.17%
Computed Tax Expenses	126.12	102.09
Tax effect of:		
Expenses that are deductible in determining taxable profit	-4.18	-3.65
Expenses that are not deductible in determining taxable profit	2.06	3.56
Current Tax Provision	124.00	102.00
Excess Provision of Income Tax written back	-0.05	-0.56
Deferred tax credit	2.42	0.53
Tax Expense recognised in Statement of Profit & Loss	126.37	101.97

The Income Tax expense comprises of Current Tax and Deferred Tax. Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with Income Tax Act, 1961 and Excess or Shortfall if any, is adjusted on finalization of assessments. Section 115BAA has been inserted in the Income Tax Act, 1961 to give the benefit of a reduced corporate tax rate for the domestic companies. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% from the FY 2019-20 (AY 2020-21) onwards if such domestic companies adhere to certain conditions specified. The Company has availed the benefit of the same in the current period and Tax Provision has been made accordingly in the books of accounts.

NOTE - 25 : EARNING PER SHARE

(₹ in Lakh)

Particulars	For the period ended 31.03.2024	For the period ended 31.03.2023
(A) Net Profit / (Loss) attributable to equity shareholders	374.68	303.66
(B) Weighted average number of equity share for basic earning per share	6,00,000	6,00,000
Effect of dilution*		
(C) Weighted average number of equity share for diluted earning per share	6,00,000	6,00,000
Earning per share (Basic) (₹) (A/B)	62.45	50.61
Earning per share (Diluted) (₹) (A/C)	62.45	50.61

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

OTHER NOTES TO ACCOUNT:- NOTE 26

1. Change in material accounting Policy

Accounting policies have been reframed for better depiction and understanding of the readers of Financial Statements. However, there is no change in accounting policy except useful life of mobile phone which has been reduced to 2 years from three years. Due to this change depreciation for the year has increased by ₹ 0.11 lakh

2. 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)	Ms Mercy Epao Chairperson from 1.04.2023 to 30.06.2023
	Sh Vipul Goel Chairman 1.07.2023 to 31.03.2024
	Shri Saravana Kumar Ananthan (Director & CEO)
	Smt. Nishtha Goyal (Company Secretary)

A. Transaction during the year with Key Managerial Personnel Shri Saravana Kumar Ananthan (Director & CEO) of the Company

(₹ in Lakh)

S.No.	Nature of Transaction	2023-24	2022-23
1.	Expenditure:		
a)	Salary and allowances	39.59	17.38
b)	Leave/LTC Encashment	-	-
c)	Provident Fund Contribution	3.15	1.43
d)	Contribution to Pension Scheme	2.91	1.19
e)	Perquisite	0.32	0.16
f)	Medical Expense	-	0.37
g)	Provision for Terminal Benefits	4.59	1.87
2.	Balance Outstanding:		
a)	Loan & interest Outstanding	0	0.12
b)	Provision for Terminal Benefits as per Actuarial Valuation	6.46	1.87
3.	Other Payments:	-	-

Note:-

- Salary and other allowances have been paid to Shri Saravana Kumar Ananthan CEO & Director of NVCFL
- No payment of any kind has been paid to any other Key Managerial Personnel.



B. Names of related parties and nature of transactions during the year

(₹ in Lakh)

Name of the Related Party	Nature of Transactions	Period ended 31.03.2024	Period ended 31.03.2023
Holding Company	Reimbursement made for expenses incurred by related party on behalf of the Company		
	Manpower Support Cost	110.33	60.26
	Rent Paid	17.07	5.93
	Travelling, Conveyance, stationary Communication etc.	0.85	3.83
	Contribution to SRI Fund	5.86	3.73
SRI Fund	Investment made	28.55	19.45
	Management Fee received	570.17	386.66
	Expenditure incurred by NVCFL on behalf of Fund SRI Fund (Reimbursable)	128.93	551.53

C. Details of balances outstanding for related party transactions:

(₹ in Lakh)

Name of the Related Party	Nature of Transactions	Period ended 31.03.2024	Period ended 31.03.2023
Holding Company	Other Financial Liabilities	18.44	80.24
	Contribution to equity	600.00	600.00
SRI Fund	Investment	56.91	28.36
	Other Financial Asset	148.56	613.68

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

3. Amount recognized in the Statement of Profit & Loss

During the period ended 31.03.2024, lease rent in the nature of operating lease of ₹17.07 lakh has been recognized in the statement of profit & loss. For period ended 31.03.2023,

lease rent of ₹ 5.93 lakh was recognized in the statement of profit & loss which was set off against the recovery of expenses from SRI Fund.

Since Lease is a cancelable lease right of use Assets has not been recognized in the Financial Statements.

4. 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 12th October 2021.

While undertaking the Audit of NVCFL for the Financial Years 22-23 under section 143 (6) (b) of Companies Act 2013, Comptroller and Audit General of India (CAG) had raised certain questions regarding the Structure of NVCFL and SRI Fund. In order to seek clarification from the Ministry of Micro Small and Medium Enterprises (MoMSME), the administrative Ministry, a letter no NVCFL/MSME/GEN COM & Mail/20232-24/96/458 dated 15.01.2024 was written to the administrative ministry. The Ministry vide its letter no F.No.1(64)/I&F/ Guidelines/2020-21 Part III (C.No.4019843) dated 27.05.2024 wherein issues raised by CAG has been addressed by revising the Objectives (Point no 2 of SRI Fund Guidelines) and Legal and Governance Structure (Point No 9(b) clauses of the SRI Fund guidelines.

5. Employee Benefits: - Discloser as per Ind AS 19

The Company has provided following post-employment plans such as:

- (a) Defined benefit plans such as gratuity, leave encashment and TA on Retirement. and
- (b) Defined contribution plans such as Provident fund and superannuation pension Scheme

Defined-benefit plan: The liability or asset recognized in the balance sheet in respect of defined benefit plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations are calculated annually by actuaries through actuarial valuation using the projected unit credit method.

Defined Contribution Plan: Under defined contribution plans, provident fund and superannuation pension scheme, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional. The Company's payments to the defined contribution plans are recognized as expenses during the period in which the employees perform the services that the payment covers.



The prescribed disclosures as per the Actuarial Valuation in respect of the above matters is given hereunder-

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Present value of obligation as at the end of the period	CY	1.88	3.51	1.07	0
	PY	0.53	1.06	0.28	0

Service Cost

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Current Service Cost	CY	1.29	2.42	0.73	0
	PY	0.53	1.06	0.28	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	1.29	2.42	0.73	0
	PY	0.53	1.06	0.28	0

Net Interest Cost

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Interest Cost on Defined Benefit Obligation	CY	0.04	0.08	0.02	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	0.04	0.08	0.02	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	0.53	1.06	0.28	0
	PY	0	0	0	0
Interest Cost (income)	CY	0.04	0.08	0.02	0
	PY	0	0	0	0

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Service Cost	CY	1.29	2.42	0.73	0
	PY	0.53	1.06	0.28	0
Re-measurement	CY		(.05)		0
	PY				0
Past Service Cost including curtailment Gains/ Losses	CY	0	0	0	0
	PY	0	0	0	0
Benefits Paid	CY	0	0	0	0
	PY	0	0	0	0
Total Actuarial Gain/ (Loss) on Obligation	CY	.017	0	0.04	0
	PY	0	0	0	0
Present value of obligation as at the end of the period	CY	1.88	3.51	1.07	0
	PY	0.53	1.06	0.28	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	0.01	0.01	0	0
	PY	0	0	0	0
Actuarial (Gain)/ Loss on arising from Experience Adjustment	CY	0.01	(0.06)	0.03	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	1.88	3.51	1.07	-
	PY	0.53	1.06	0.28	0
Fair value of plan assets	CY	-	-	-	-
	PY	-	-	-	-
Unfunded Liability / provision in Balance Sheet	CY	(1.88)	(3.51)	(1.07)	-
	PY	(0.53)	(1.06)	(0.28)	0



The amounts recognized in the Income statement

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Total Service Cost	CY	1.29	2.42	0.73	0
	PY	0.53	1.06	0.28	0
Net Interest Cost	CY	0.04	0.08	0.02	0
	PY	0	0	0	0
Net Actuarial (gain)/ loss recognized in the period	CY	0	(.05)	.04	0
	PY	0	0	0	0
Expense recognized in the Income Statement	CY	1.33	2.45	0.79	0
	PY	0.53	1.06	0.28	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	(.02)	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	(.02)	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	0.53	1.06	0.28	0
	PY	0	0	0	0
Acquisition adjustment	CY	0	0	0	0
	PY	0	0	-	-
Total Service Cost	CY	1.29	2.42	0.73	0
	PY	0.53	1.06	0.28	0
Net Interest Cost (Income)	CY	0.04	0.08	0.02	0
	PY	0	0	0	0

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Re-measurements	CY	.002	(.05)	.04	0
	PY	0	0	0	0
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	1.88	3.51	1.07	0
	PY	0.53	1.06	0.28	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	0.02	0.18	0.15	0
	PY	.005	0.07	0.04	0
Non-Current Liability (Amount due over one year)	CY	1.86	3.34	0.92	0
	PY	0.52	0.99	0.24	0
Total PBO at the end of the year	CY	1.88	3.51	1.07	0
	PY	0.53	1.06	0.28	0

Expected contribution for the next Annual reporting period

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Service Cost	CY	1.45	2.64	0.79	-
	PY	1.31	2.57	0.68	0
Net Interest Cost	CY	0.14	0.25	0.08	-
	PY	0.04	0.08	0.02	0
Expected Expense for the next annual reporting period	CY	1.59	2.89	0.87	-
	PY	1.35	2.65	.070	0

Principal assumptions used for actuarial valuation are:

Particulars	2023-24	2022-23
Method used	Projected Unit Credit Method	Projected Unit Credit Method
Discount Rate	7.23%	7.38%



Particulars	2023-24	2022-23
Expected Rate of Return on Plan Asset	0	0
Future Salary Increase	5.50%	5.50%
Mortality Rate	100% IALM (2012-14)	100% IALM (2012-14)
Ages [withdrawal Rate (%)]		
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

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	1.88	3.51	1.07	0
Impact due to increase of 0.50%	(.02)	(.04)	(.010)	0
Impact due to decrease of 0.50%	.02	.04	.010	0
Impact of change in salary increase				
Present values of obligation at the end of the period	1.88	3.51	1.07	-
Impact due to increase of 0.50%	.02	.04	0.010	-
Impact due to decrease of 0.50%	(.02)	(.04)	(0.010)	-

Maturity Profile of Defined Benefit Obligation

(₹ in Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement
0 to 1 year	.02	0.18	0.15	0
1 to 2 years	0.01	0.07	0.02	0
2 to 3 years	0.03	0.02	0.02	0
3 to 4 years	1.70	0.04	0.03	0
4 to 5 years	.04	0.05	0.03	0
5 to 6 years	0.01	0.02	0.02	0
6 year onwards	0.08	3.14	0.80	0

6. 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 31.03.2024 (previous year Nil)

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 continued monitor by the management and that financial

risk are identified, measured and managed in accordance with the higher management decisions and policies.

a) Market Risk

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

b) Credit Risk Management

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



c) Liquidity Risk Management

The company manages liquidity risk by maintaining banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets and

liabilities. The company has access to a sufficient variety of sources of funding.

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

(₹ in Lakh)

Contractual maturities of financial liabilities 31.03.2024	1 Year or Less	1 – 3 years	More than 3 Years	Total
Borrowings	0	0	0	0
Trade Payables	0	0	0	0
Other Financial Liabilities	58.50	0	0	58.50
Contractual maturities of financial Assets 31.03.2024	1 Year or Less	1 – 3 years	More than 3 Years	Total
Cash and Cash Equivalents	40.66	0	0	40.66
Bank Balances Other Than Cash and Cash Equivalents	675.00	347.08	0	1022.08
Loans & Advances	0.04	0	0	0.04
Trade Receivable	0	0	0	0
Investment	0	0	56.91	56.91
Other Financial Assets	158.73	0	0	158.73

(₹ in Lakh)

Contractual maturities of financial liabilities 31.03.2023	1 Year or Less	1 – 3 years	More than 3 Years	Total
Borrowings	0	0	0	0
Trade Payables	0	0	0	0
Other Financial Liabilities	429.04	0	0	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	0	352.79
Bank Balances Other Than Cash and Cash Equivalents	328.39	0	0	328.39
Loans & Advances	0.19	0	0	0.19
Trade Receivable	0	0	0	0
Investment	0	0	28.36	28.36
Other Financial Assets	621.09	0	0	621.09

7. 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 31.03.2024	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	-	-	40.66	40.66
Bank balances other than cash and cash equivalents	4	-	-	1022.08	1022.08
Loans & Advances	6	-	-	0.04	0.04
Trade Receivable	5	-	-	0	0
Investment	7	-	-	56.91	56.91
Other Financials Assets	8	-	-	158.73	158.73
Financial Liabilities Payables					
Trade Payables	13	-	-	0	0
Other Financials Liabilities	14	-	-	58.50	58.50

(₹ 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	.019
Trade Receivable		-	-	0	0
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 31.03.2024	Note No.	Fair Value			Total
		Level - 1	Level - 2	Level - 3	
Financial Assets					
Cash and cash equivalents	3	-	-	40.66	40.66
Bank balances other than cash and cash equivalents	4	-	-	1022.08	1022.08
Loans & Advances	6			0.04	0.04
Trade Receivable	5			0	0
Investment	7			56.91	56.91
Other Financials Assets	8	-	-	158.73	158.73
Financial Liabilities Payables					
Trade Payables	13	-	-	0	0
Other Financials Liabilities	14			58.50	58.50

(₹ in Lakh)

Financial Assets and Liabilities as at 31.03.2023	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	0
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

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 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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.

8. Non-current Assets Held for Sale

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

9. Bank interest

During the year FY 2023-24, an interest on Fixed Deposits (with SBI) amounting to ₹ 31.59 Lakh (previous year ₹ 76.89

Lakh) out of which ₹ 9.66 Lakh (Previous year ₹ 50.43 lakh) pertains to SRI Fund and the same has been accounted for in the books of SRI Fund.

Books of Accounts of SRI Fund is audited by separate auditor since inception i.e. FY 2021-22.

10. Segment Reporting

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

11. Events after Reporting Date

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

12. 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 2024			As on 31 st March 2024		
		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	40.66		40.66	352.79	0	352.79
b	Bank balances other than cash and cash equivalents	1022.08		1022.08	328.39	0	328.39
c	Trade Receivable	0		0	0	0	0
d	Loans & Advances	0.04		0.04	0.19	0	0.19
e	Investment		56.91	56.91	0	28.36	28.36
f	Other Financial Assets	158.73		158.73	621.09	0	621.09
Total Financial Assets (1)		1221.51	56.91	1278.42	1302.46	28.36	1330.82
2	Non Financial Assets						
a	Inventories				0	0	0
b	Current Tax Assets (Net)	9.17		9.17	61.11	0	61.11
c	Deferred Tax Assets (Net)		8.86	8.86	0	11.28	11.28
d	Property, Plant & Equipment	0	22.40	22.40	0	3.45	3.45
e	Capital Work in Progress				0	0	0



Particulars		As on 31 st March 2024			As on 31 st March 2024		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
f	Intangible Assets under development	0		0	0	0	0
g	Other Intangible Assets	0.12		0.12	0	0	0
h	Right to Use Assets				0	0	0
i	Assets Classified as Held for Sale				0	0	0
j	Other Non Financial Assets	5.32		5.32	0	0	0
Total Non Financial Assets (2)		14.61	31.26	45.87	61.11	14.73	75.84
Total Assets (1+2)		1236.12	88.17	1324.29	1363.57	43.09	1406.66
Liabilities							
1 Financial Liabilities							
a	Trade Payables	0		0	0	0	0
b	Borrowings	0		0	0	0	0
c	Liabilities associated with Assets held for Sale	0		0	0	0	0
d	Other Financial Liabilities	58.50		58.50	429.04	0	429.04
Total Financial Liabilities (1)		58.50		58.50	429.04	0	429.04
2 Non Financial Liabilities							
a	Current Tax Liabilities (Net)						
b	Provisions		6.46	6.46	0	1.87	1.87
c	Deferred Tax Liabilities (Net)				0	0	0
d	Other Non Financial Liabilities				0	0	0
Total Non Financial Liabilities (2)		58.50	6.46	64.96	0	1.87	1.87
Total Liabilities (1+2)		58.50	6.46	64.96	429.04	1.87	430.91

13. Proposed Dividend

Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
On Equity Shares of ₹ 100 each		
Profit for the year (₹ in Lakh)	374.68	303.66
Rate of Dividend	30%	30%
Amount of Dividend proposed (₹ in Lakh)	112.40	91.10
Dividend per Equity Share (₹)	18.73	15.18

Dividends proposed by NVCF 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 NVCF proposed a final dividend of ₹ 112.40 lakh for FY 2023-24 (PY ₹ 91.10 lakh for FY 2022-23).



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.

g) 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.

h) 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.

i) 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.

j) 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.

k) 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.

l) Previous year figures have been regrouped, rearranged and recast, whether necessary



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)

CASH FLOW STATEMENT ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.03.2024

(₹ in Lakh)

Sl. No.	Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
	Cash Flow From Operating Activities:		
	Profit / (Loss) before Tax	501.06	405.63
	Net loss Before Adjustments:		
	Depreciation	2.41	0.51
	Interest Earned on Term Deposits		
	Operating cash flow before Working Capital Changes	503.47	406.14
	Movement in Working Capital		
	(Increase)/Decrease in Loans & Advances	0.15	1.06
	(Increase)/Decrease in Other Financial Assets	462.36	-504.29
	(Increase)/Decrease in Other Non - Financial Assets	-1.21	0.83
	Increase/(Decrease) in Other Financial Liabilities	-370.54	307.55
	Increase/Decrease in Provision	4.57	1.87
	Cash (utilised in)/ generated from Operations	95.33	-192.98
	Income Tax Paid (net of refund received)	-76.12	-215.46
I	Net cash generated from / (utilised in) Operating Activities	522.68	-2.30
	Cash Flow From Investment Activities:		
	Purchase of property, plant and equipment	-21.35	-3.28
	Intangible Assets - Business License	-0.13	-
	Investment in Term Deposits - (Maturity more than 1 year)	-693.68	105.42
	Investment in AIF - SRI Fund	-28.55	-19.45
	Interest received on Term Deposits	-	-
ii	Net cash (utilised in)/ generated from Investing Activities	-743.71	82.69
	Cash Flow From Financing Activities:		
	Proceeds from Issue of shares	-	-
	Dividend Paid	-91.10	-57.08
iii	Net Cash (utilised in)/ generated from Financing Activities	-91.10	-57.08
	(A) Net Cash (+) inflow/ (-)Outflow from Operating Activities	522.68	-2.30
	(B) Net Cash (+) inflow/ (-) Outflow from Investing Activities	-743.71	82.69
	(C) Net Cash (+) inflow/ (-)Outflow from Financing Activities	-91.10	-57.08
	Net Cash (+)Inflow/ (-) Outflow	-312.13	23.31
	Add : Cash and cash equivalents at the beginning of the period	352.79	329.48
	Cash and cash equivalents at end of the year	40.66	352.79
	Cash and cash equivalents as per Balance Sheet - Note 3	40.66	352.79



Statement of Corporate information (Note 1) & Accounting Policy (Note -2)

The Notes 1 to 26 referred to above are an integral part of Financial Statements

Statement of Change in Equity is an integral part of Balance sheet and placed after Statement of Profit and Loss.

Note :-

1. The above cash flow Statement has been prepared by using the indirect method as per Ind AS -7 Statement of Cash Flow.
2. Cash and cash Equivalent consist of balance in current Account.
3. Previous figure figures have been regrouped /rearranged where ever necessary.

In terms of our report of even date attached.

For K Prasad & Company

Chartered Accountants

ICAI Firm Registration No.: 002755N

Sd/-
Name : R S Gupta
Partner
Membership No.: 072666

Place : New Delhi
Date : 05.08.2024

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-
Dr. Subhransu Sekhar Acharya
Chairman
DIN: 06727939

Sd/-
Rajesh Madan
General Manager

Sd/-
Saravana Kumar Ananthan
CEO & Director
DIN: 9769378

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 CHANGES IN EQUITY FOR THE PERIOD 01.04.2022 TO 31.03.2024

A: Equity Share Capital

Particulars	Opening Balance	Changes in Equity Share Capital due to prior period error	Restated Balance at the beginning of the reporting period	Changes in Equity Share Capital during the year	Closing Balance
2022-23	600	0	0	0	600
2023-24	600	0	0	0	600

B: Other Equity

Particulars	Share Ap- plication Money pending allotment	Equity Component of compound financial instruments	Reserves and Surplus			Other Comprehensive Income			Reval- uation Surplus	Exchange differences on translating the financial statements of a foreign operation	Actuarial Gain (Loss)	Money receive against share warrants	Total
			Retained Earnings	Statutory Reserves	Capital Reserves	Securities Premium	Other Reserves (Specify Nature)	Equity Instruments through Other Comprehensive Income					
Balance as at 31st March 2022			129.17									-	129.17
Changes due to Accounting Policy			-									-	-
Changes due to Prior Period Errors			-									-	-
Profit/(Loss) for the period			303.66									-	303.66
Comprehensive Income for the period			432.83					0				-	432.83
Total Comprehensive Income			-57.08									-	-57.08
Dividend Paid			-									-	-
Transfer/Adjustment during the Year			-									-	-
Depreciation for the Year			-									-	-
Income Tax relating to defined benefit plans			-									-	-
Income tax relating to Equity Investments			-									-	-
Balance as at 31st March 2023			375.75					0				-	375.75
Changes due to Accounting Policy			-									-	-
Changes due to Prior Period Errors			-									-	-
Profit/(Loss) for the period			374.69									-	374.69
Comprehensive Income for the period			750.44					0				-0.02	750.42
Total Comprehensive Income			-91.10									-	-91.10
Dividend Paid			-									-	-
Transfer/Adjustment during the Year			-									-	-
Depreciation for the Year			-									-	-
Income Tax relating to defined benefit plans			-									-	-
Income tax relating to Equity Investments			-									-	-
Balance as at 31st March 2024			659.34					0				-0.01	659.33

Statement of Corporate information Note 1

Accounting Policy Note 2

Accompanying notes are integral part of the financial statements 1-26

For K Prasad & Company

Chartered Accountants

ICAI Firm Registration No.: 002755N

Sd/-

Name : R S Gupta

Partner

Membership No.: 072666

Place : New Delhi

Date : 05.08.2024

For and on behalf of the Board of Directors

NSIC Venture Capital Fund Limited

Sd/-

Dr. Subhramsu Sekhar Acharya

Chairman

DIN: 06727939

Sd/-

Saravana Kumar Ananthan

CEO & Director

DIN: 9769378

Sd/-

Rajesh Madan

General Manager

Sd/-

Adarsh Kansal

Chief Manager

Sd/-

Nishtha Goyal

Company Secretary

Membership No.: A22768





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 31ST MARCH 2024

The preparation of financial statements of NSIC Venture Capital Fund Limited for the year ended 31st March 2024 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 05th August 2024.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the financial statements of NSIC Venture Capital Fund Limited for the year ended 31st March 2024 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

**For and on behalf of the
Comptroller & Auditor General of India**

**Sd/-
(S. Ahladini Panda)
Director General of Audit
(Industry and Corporate Affairs)
New Delhi**

Place: New Delhi

Date: 11th Sept., 2024



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/4th AGM/2024

Dated: 24th September, 2024

NOTICE

Notice is hereby given that the 4th Annual General Meeting (AGM) of NSIC Venture Capital Fund Limited (NVCFL or “the Company”) will be held on 27th September, 2024 at 12.30 PM 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, 2024 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, 2024.
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 2024-25 and to pass the following resolution as an Ordinary Resolution:

Place: New Delhi

Dated: 24th September, 2024

“**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 2024-25.”

SPECIAL BUSINESS

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

4. **Regularization of Additional Director, Dr. Subhransu Sekhar Acharya (DIN 06727939) as Director of the Company**

“**RESOLVED THAT** in accordance with the provisions of section 161 and other applicable provisions, if any, of the Companies Act, 2013, Dr. Subhransu Sekhar Acharya (DIN 06727939) who was appointed as an Additional Director w.e.f. 2nd May, 2024 be and is hereby appointed as Director of the Company.”

By Order of the Board of Directors

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 No. 4 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. Pursuant to letter No. K-01/22/2021-SME dated 15th April, 2024 issued by Ministry of MSME, Govt. of India, Dr. Subhransu Sekhar Acharya has assumed the charge as Chairman-cum-Managing Director, NSIC w.e.f. 2nd May, 2024.

Accordingly, Dr. Subhransu Sekhar Acharya, was appointed as an Additional Director by the Board of Directors NVCFL w.e.f. 2nd May, 2024 as per provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company upto the date of this Annual General Meeting. Accordingly, appointment of Dr. Subhransu Sekhar Acharya 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 Dr. Subhransu Sekhar Acharya is anyway, 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.



Values

- *Ensure transparency and equal opportunity investment ecosystem based on standardization of process.*
- *Promote sustainable growth and professional governance.*
- *Value honesty and integrity.*



NSIC VENTURE CAPITAL FUND LIMITED

(Wholly Owned Subsidiary of NSIC)

NSIC Bhawan, Okhla Industrial Estate, New Delhi - 110020 (India)

Tel.: +91-011-26924510 | Website: www.nvcfl.co.in