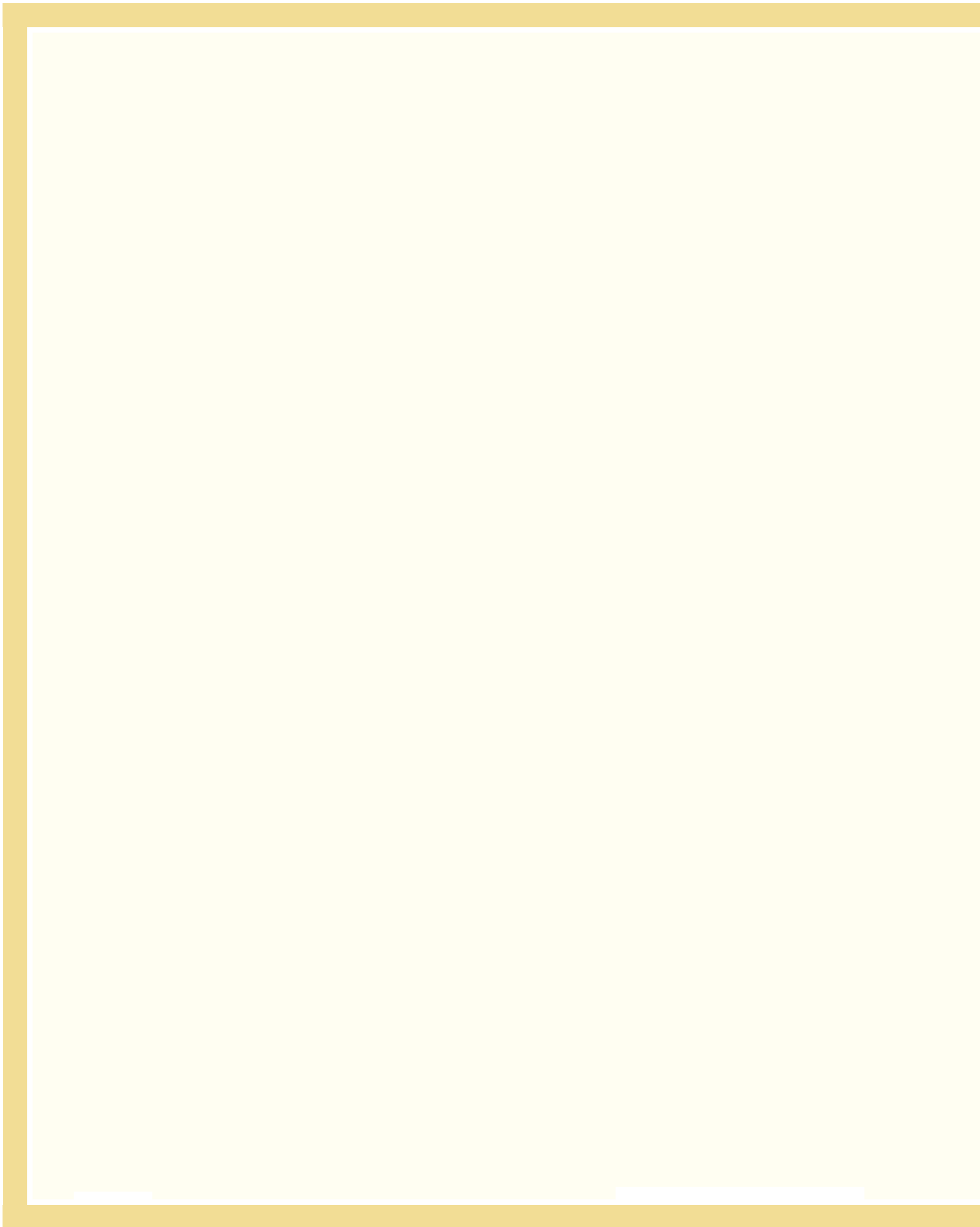




1st ANNUAL REPORT
OF
NSIC VENTURE CAPITAL
FUND LIMITED

(A Wholly Owned Subsidiary of NSIC)

2020-2021





CIN NO.: U65990DL2020GOI1368828

Chairman	Shri Vijayendra (upto 23rd September, 2021) Ms. Alka Nangia Arora (w.e.f. 23rd September, 2021)
Directors	<ul style="list-style-type: none">• Shri Rajib Kumar Sen, Government Nominee Director• Shri Ateesh Kumar Singh, Government Nominee Director• Shri Gaurang Dixit, Director
Company Secretary	Ms. Nishtha Goyal
Statutory Auditors	M/s. Devinder K Jain & Associates
Main Bankers	State Bank of India
Registered Office	NSIC Bhawan Okhla Industrial Estate New Delhi-110 020



Board of Directors



Shri Vijayendra
Chairman
(upto 23rd September, 2021)



Smt. Alka Nangia Arora
Chairman
(w.e.f 23rd September, 2021)



Shri Rajib Kumar Sen
Government Nominee Director



Shri Ateesh Kumar Singh
Government Nominee Director



Shri Gaurang Dixit
Director

Board's Report

Dear Shareholders,

Your Directors are pleased to present the 1st Board's Report along with the audited financial statement of the Company for the financial year 2020-2021.

1. Corporate Information

Ministry of MSME, Government of India has approved the guidelines on Self-Reliant India (SRI) Fund for MSMEs. As per approved guidelines, the Mother fund will be anchored by a SPV having 100% equity from NSIC.

Accordingly, a wholly owned subsidiary company viz. NSIC Venture Capital Fund Limited 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.

SRI Fund is a Category-II Alternative Investment Fund registered with SEBI and with Mother Fund / Daughter Fund structure. The Government of India is the sole anchor investor and with the initial budgetary support of Rs. 10,000 crore to the mother fund in phased manner. This shall stand leverage to the extent of Rs. 50,000 crores through Daughter Funds. The objective of SRI Fund 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, listing of MSMEs on Stock Exchanges and supporting faster growth of MSME Businesses and thereby ignite the economy and create employment opportunities.



In the gracious presence of Shri B.B. Swain, Secretary, Ministry of MSME, a copy of the Private Placement Memorandum (PPM) of SRI Fund, the first scheme of NSIC Venture Capital Fund Limited handed over to Ms. Ishita G. Tripathi, Additional Development Commissioner (MSME) by Ms. Alka Arora, Chairperson NVCFL. Also present are Shri Gaurang Dixit, Director, NVCFL and Shri K.M. Trivedi.



2. Financials/ Overview of Operations

NSIC Venture Capital Fund Limited (NVCFL) is a wholly owned subsidiary of The National Small Industries Corporation Limited (NSIC Ltd.) and incorporated on 28th August, 2020 under the provisions of the Companies Act, 2013.

NVCFL applied to the Securities Exchange Board of India (SEBI) for registration as a Category-II Alternative Investment Fund under SEBI (Alternative Investment Fund) Regulations, 2012 which has been approved subsequent to the close of the financial year 2020-21 vide certificate dated 1st September 2021.

Therefore, the business activities of the company could not commence by 31st March, 2021. The company is in its initial stage where the expenses form the major part of the Profit & Loss account. Accordingly, there is loss after tax is Rs. 61.10 lakh. Since this is the first year of existence of the company, no previous period comparative figures have been stated in the financial statements.

Snapshot of the financial result is given in the table below:

(Rs. in Lakh)

S. No.	Particulars	2020-21
1.	Revenue from Operations	0.00
2.	Other Income	11.06
3.	Expenses	69.38
4.	Profit / (Loss) before Tax	(58.32)
5.	Tax Expenses	2.78
6.	Profit / (Loss) after Tax	(61.10)
7.	Net worth	538.90
8.	Earning per Share (Rs.)	(10.18)

3. DIVIDEND

Due to losses, the company does not propose any dividend during the current year.

4. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

Since, the Company has incurred a loss of Rs. 61.10 lakh, there are no amount transferred to reserves.

5. MATERIAL CHANGES AND COMMITMENTS OCCURRED BETWEEN THE DATE OF BALANCE SHEET AND THE DATE OF AUDIT REPORT

There were no significant material changes and commitments that have occurred between the date of the balance sheet and the date of the audit report.

6. DEPOSITS

The Company has not accepted any deposit falling within the purview of Section 73 of the Companies Act, 2013 read with rules made thereunder.

7. LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, there were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 and hence the said provision is not applicable. Also, there were no guarantees and investments made by the Company.

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

In terms of DPE guidelines, a separate report on Management Discussion and Analysis is attached to this report.



10. HUMAN RESOURCE MANAGEMENT

Your Company has not appointed any permanent employee during the financial year 2020-2021. However, holding company i.e. NSIC Ltd. has deployed some of its employees on part-time/full time basis for operational convenience and managing day to day affairs of the company, who are professionals and having financial expertise.

The Company has not entered into any material, financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms etc. in which they are either directly or through their relatives interested as Directors and/or Partners. However, your Company is executing the assignment received from its holding company, where Directors/officers of your Company are working as Directors/Senior Officials. The provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder are not applicable to Government Companies.

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.

12. MANAGERIAL REMUNERATION

No Managerial Remuneration has been paid to the directors of the company as per the provision of Companies Act, 2013. There is no employee who is withdrawing remuneration more than Rs. 60 Lakh per annum or more than Rs. 5 Lakh per month.

13. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

14. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The arrangements/transactions during the financial year with related parties were in the ordinary course of business and on arm's length basis.

Disclosures of related party transactions and particulars of contracts or arrangements referred to in Section 188(1) of Companies Act, 2013, in prescribed Form AOC-2, as per Rule 8(2) of Companies (Accounts) Rules, 2014, is enclosed with this report.

15. AUDITORS

a) Statutory Auditors

The Comptroller & Auditor General of India has appointed M/s. Devinder K. Jain & Associates, Chartered Accountants as the Statutory Auditors for the financial year 2020-21. The Statutory Auditors have given its report on the financial statements of the Company for the financial year 2020-21. The Audited Financial Statements, Cash Flow Statement and the required annexure together with the Auditors' Report thereto are annexed to this Report. There are no adverse comments, observation or reservations in the Statutory Auditors' Report on the Financial Statements of the Company.

b) C&AG Audit

The Comptroller & Auditor General (C&AG) of India has decided not to conduct the supplementary audit of the financial statements of NSIC Venture



Capital Fund Limited for the year ended 31st March, 2021 under section 143(6) (a) of the Act. A copy of the comments forms part of this Annual Report.

16. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of Companies Act, 2013 read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 for the financial year 2020-2021 forms part of this report.

18. BOARD OF DIRECTORS

As per Article 81 of the Articles of Association of Company, the number of Directors of the Company shall not be less than 3 and not more than 15. NVCFL was incorporated on 28th August, 2020 with the following as first Directors of the company:

As on March 31, 2021, the Board comprised of the following directors:



Under the guidance of Shri Narayan Rane, Hon'ble Minister of MSME, Shri Bhanu Pratap Singh Verma, Hon'ble MOS (MSME) and in the presence of Shri B.B.Swain, Secretary, MSME and Ms. Alka Arora, Chairperson NVCFL, the Contribution Agreement of Self Reliant India (SRI) Fund was signed on 12th Oct 2021 between Ministry of MSME, Government of India, The National Small Industries Corporation Ltd., NSIC Venture Capital Fund Ltd., and SBI Cap Ventures Limited, the Investment Manager.

17. SIGNING OF CONSOLIDATED CONTRIBUTION AGREEMENT

The Consolidated Contribution Agreement was signed on 12th October, 2021 between Ministry of MSME, Government of India, The National Small Industries Corporation Ltd., NVCFL and SBICAP Ventures Limited, the Investment Manager.

Sl. No	Director Identification Number (DIN)	Name of the Director*	Designation
1	03625565	Shri Vijayendra,*	Chairman
2	07669981	Shri Rajib Kumar Sen**	Director
3	06789077	Shri Ateesh Kumar Singh**	Director
4	08535482	Shri Gaurang Dixit***	Director



* *In terms of Self Reliant India Fund guidelines approved by the Ministry of MSME, NVCFL will have an independent Board with CMD NSIC as its Chairman, two government nominee Directors, one NSIC nominated Director and a professional CEO. Accordingly, Shri Vijayendra was appointed as Chairman of the Company. Further, Shri Vijayendra, has been relieved from the charge of the post of Chairman-cum-Managing Director, NSIC on 14th September, 2021 (AN) vide Ministry of MSME letter No. K-01/11/2021-SME dated 14th September, 2021 and the additional charge of Chairman & Managing Director of the NSIC has been assigned to Ms. Alka Nangia Arora, Joint Secretary, M/o of MSME, for a period of three months with effect from 14th Sept. 2021 or until further orders, whichever is earlier. Therefore, at present as per SRI fund guidelines, Ms. Alka Nangia Arora is the ex-officio Chairperson of the Company.*

** *Shri Rajib Kumar Sen and Shri Ateesh Kumar Singh have been appointed by Ministry of MSME as Government Nominee Directors in the Board of the Company.*

*** *Shri Gaurang Dixit, Director (Finance), NSIC Ltd has been*

nominated as one of the Director in the Company.

Further, NSIC Ltd. (holding company of NVCFL) vide its order dated 7th October, 2021 has decided that Shri Gaurang Dixit, Director (Finance), NSIC shall hold the additional charge of CEO, NVCFL in addition to his existing duties and responsibilities, till the regular incumbent reports to the duty.

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

19. NUMBER OF MEETINGS OF BOARD, DIRECTORS' ATTENDANCE AT BOARD MEETINGS

The Company was incorporated on 28th August, 2021, therefore, during the financial year 2020-2021, Two (2) meetings of the Board of Directors of the Company were held viz. (i) 4th September, 2020 and (ii) 31st December, 2020.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. During the Financial Year 2020-21, 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, 2021 (other than NVCFL)
		Held during the tenure	Attended	% of Attendance	
1.	Shri Vijayendra, Chairman	2	2	100	1
2.	Shri Rajib Kumar Sen, Govt. Nominee Director	2	2	100	1
3.	Shri Ateesh Kumar Singh, Govt. Nominee Director	2	2	100	0
4.	Shri Gaurang Dixit, Director	2	2	100	1

During the year under review, there were no changes in the composition of Board of Directors of the Company.



20. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL DURING THE YEAR

During the year under review, there were no changes in the composition of Board of Directors of the Company.

21. 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 2020-2021, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The financial statement have been prepared on a going concern basis;
- The Directors have devised proper

systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

22. RIGHT TO INFORMATION ACT, 2005

During the financial year 2020-21, no application was received under "Right to Information Act, 2005 (RTI).

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS /COURTS/ TRIBUNALS

There are no significant and material orders passed by Regulators/Court/ Tribunals against the company.

24. 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.

25. ACKNOWLEDGEMENTS

Your Directors are grateful to the Ministry of MSME, Government of India, for posing their confidence to incorporate a subsidiary company and to launch the SRI Fund as first scheme of NVCFL. The Directors also thank NSIC Limited (holding company), C&AG, M/s Devinder K. Jain & Associates, Chartered Accountants, Statutory Auditors for their valued contribution. The Directors also sincerely appreciate and thank all the stakeholders of the Company for their valuable contribution and efforts in ensuring sustainable performance of the Company.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 22nd November, 2021

Sd/-
(Alka Nangia Arora)
Chairperson
DIN No. 03165567



Management Discussion & Analysis Report

A report on the “Management Discussion & Analysis” including on the Company's performance during the financial year 2020-21 is as follows:

i. Industry structure and developments

As per International Monetary Fund, over the last 3 years (2017 – 2019), India has achieved an average pace of gross domestic product (“GDP”) growth of 6.7% p.a., which is amongst the fastest for large economies. Before the COVID-19 pandemic, it was expected that India's growth will continue in the long run thereby making India a favoured investment destination. However, the pandemic has disrupted the overall growth across economies, including India. As per the KPMG report titled “Potential impact of Covid-19 on the Indian economy” published in April 2020, the sectors which are likely to be severely impacted in the short to medium term include aviation & tourism, oil and gas, MSME (Micro, Small and Medium Enterprises), building & construction and transportation & logistics, while the sectors that are likely to be moderately impacted include metals and mining, financial services, auto & auto components, education & skilling.

In order to limit the spread of COVID-19, Government of India and various state governments had imposed phased lockdown/ restrictions. These lockdowns had impacted businesses adversely reducing their revenues, delayed supply chain, lack of manpower, etc. According to a McKinsey study, 25% of MSME loans, 6% of corporate loans (primarily in aviation, textiles, power and construction) and 3% of retail loans (personal loans for self-employed and small businesses) could slip into default if adequate support measures are not announced by the Indian Government. To avoid solvency risk and support the businesses, India's central bank – the Reserve Bank of India (RBI)

announced an INR 12.7 trillion package which includes rate cuts, reduction in Cash Reserve Ratio, 3 (three) month (extended to 6 (six) months subsequently) moratorium for all outstanding term loans and easier working capital financing norms. In addition to this, the Indian Government also announced an additional INR 17.2 trillion package targeted towards economically weaker sections, farming community, MSME companies etc.

The Covid-19 situation is expected to significantly impact India's growth in the short term, the outlook for India's growth over the medium and long term is expected to be upbeat and positive due to favourable demographics, high savings and investment rates, healthy domestic consumption supported by strong inflows through foreign direct investment and growth of Micro, Small and Medium Enterprises.

ii. Significance of Micro, Small and Medium Enterprises (“MSME”) sector

The MSME sector form the backbone of the Indian economy and have been instrumental in the growth of the nation, leveraging exports, creating huge employment opportunities and encouraging inclusive growth. The MSME sector have been the growth engine of the economy with a vast network of about 63.38 million enterprises. To achieve USD 5 trillion economy by 2025, the MSME sector has to play a vital role. The sector contributes to about 45% of the manufacturing output, more than 40% of the exports, over 28% of the GDP while creating employment for about 111 million people, which in terms of volume stands next agricultural sector. The MSME sector in India is exceedingly heterogeneous in terms of size of the enterprises and variety of products and services, and levels of technology employed. However, the sector has the potential to grow at a faster pace. To provide impetus to the manufacturing sector,



the recent National Manufacturing Policy envisaged raising the share of manufacturing sector in GDP from 16% at present to 25% by the end of 2022. Taking cognizance of the wider set of benefits that the sector offers to the rest of the economy, the Government has envisioned increasing its contribution to 50% of GDP, 60% of exports and employing 50 million more people .

iii. **Operational and Financial Performance**

NVCFL applied to the Securities Exchange Board of India (SEBI) for registration as a Category-II Alternative Investment Fund under SEBI (Alternative Investment Fund) Regulations, 2012 which has been approved subsequent to the close of the financial year 2020-21 vide certificate dated 1st September 2021.

Therefore, the business activities of the company could not commence by 31st March, 2021. The company is in its initial stage where the expenses forms the major part of the Profit & Loss a/c. Accordingly, the loss after tax is Rs. 61.10 lakh. Since this is the first year of existence of the company, no previous period comparative figures have been stated in the financial statements.

iv. **RISKS, CONCERNS and THREATS**

The Fund shall invest in Daughter Funds which shall invest only in MSME sector. The venture capital segment is fraught with a variety of risks, both financial and operational. In particular, it may be pertinent to mention that the investments of the Daughter Funds may lack diversification which may expose such Daughter Funds to the risks relating to their focus sector. This is to mention that there may not be a readily available market for the Fund's investments i.e. investments in the Daughter Funds, or for the Daughter Fund's investments in Portfolio Companies. The lack of an established, liquid secondary market for the Daughter Fund's investments and for the Fund's investments may have an adverse effect on their market value and on the Fund's ability to dispose of them.

The MSME sector is largely dependent on industry parameters like overall demand-supply scenario, level of entry barriers and competition, availability of substitutes and technological trends, government support to the sector and cyclical and seasonality of industry. Further, the Fund has no operating history for making private equity investment in securities in India. It has recently been organized to make Portfolio Investments approved by the Investment Manager.

The Fund will compete with other investors (including Fund of Funds) for investments in Daughter Funds. This may result in fewer attractive investment opportunities.

Recent events in global financial markets (especially due to Covid-19) have caused significant dislocations, illiquidity and volatility in the structured credit, leveraged loan and high-yield bond markets.

v. **OPPORTUNITIES**

The MSME sector in India is essential to achieving the targeted growth rate. The growth and development of MSME is linked to access to capital at the right time. MSMEs have been inordinately affected by the COVID-19 pandemic. This disruptive effect has been compounded due to their limited financial resources and borrowing capacity. The Government of India has introduced a slew of legislative, regulatory and financial measures to support the MSME sector amidst this unprecedented crisis unleashed by the pandemic. With the Government initiative, SRI Fund scheme would be the first scheme of the company. The Government of India is the sole anchor investor with the initial budgetary support of Rs. 10,000 crore to the mother fund in phased manner. This shall stand leverage to the extent of Rs. 50,000 crores through Daughter Funds. This would benefit a large sector of MSMEs that would support faster growth of MSME businesses and thereby ignite the economy and create employment opportunities.



vi. Outlook

NVCFL has been incorporated as a special purpose vehicle (SPV) and registered with SEBI. Self-Reliant India (SRI) Fund is the first scheme of NVCFL wherein it shall provide funds to the empanelled Daughter Funds who shall, in turn, support the MSMEs which have the potential to graduate beyond the MSME bracket and become National / International champions and supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services.

vii. Human Resources and Industrial Relations

Your Company has not appointed any permanent employee during the financial

year 2020-2021. However, holding company i.e. NSIC Ltd. has deployed some of its employees on part-time/full time basis for operational convenience and managing day to day affairs of the company, who are professionals and having financial expertise. The Company has also engaged leading consultancy and professional firms. The Industrial Relations in the company is cordial.

viii. Cautionary Statement

Statements in the report of “Management Discussion and Analysis” are based on current business environment. Actual results could differ from the details as mentioned in the report that may also be affected by government policy decisions and future economic environment.



FORM – AOC-2

Annual Compliance – Related Party Transactions

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 2020-21
2. Details of material contracts or arrangements or transactions at arm's length basis; during financial year 2020-21:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	The National Small Industries Corporation Limited (Holding Company)	Reimbursement of Manpower Support Cost, Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment expenses incurred by the holding company on behalf of NVCFL. (Exclusive of Taxes)	On-going transaction	Manpower Support Cost – Rs. 15.94 Lakh Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment – Rs. 0.82 Lakhs (all amounts on actual basis)	-	-
2.	The National Small Industries Corporation Limited (Holding Company)	Rent paid to NSIC (Exclusive of Taxes)	Agreement(s) for 11 months	Rent Rs. 0.07 Lakh (i.e.Rs.1000/- per month plus taxes)	-	-
3.	The National Small Industries Corporation Limited (Holding Company)	Reimbursement of Advertisement & Publicity and Duties & Taxes paid on Company Incorporation (Exclusive of Taxes)	One time transaction	Advertisement & Publicity – Rs. 13.67 Lakh Duties & Taxes paid on Company incorporation – Rs. 10.83 Lakh (all amounts on actual basis)	-	-



FORM NO. MGT-9

Extract of Annual Return
As on financial year ended on 31.03.21

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65990DL2020GOI368828
2.	Registration Date	28 th August, 2020
3.	Name of the Company	NSIC Venture Capital Fund Limited
4.	Category / Sub-category of the Company	Company Limited by shares/ Union Government Company
5.	Address of the Registered Office & contact details	NSIC Bhavan, Okhla Industrial Estate, New Delhi – 110020 Phone No. 011-26926275, 26926370
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

NSIC Venture Capital Fund Limited was incorporated on 28th August, 2020 and has applied for registration as a Category-II Alternative Investment Fund under SEBI (Alternative Investment Fund) Regulations, 2012, which was awaited as on 31st March, 2021, therefore, the business activities of the company couldn't commenced by 31st March, 2021. However, the Company got its registration certificate from SEBI on 1st Sept. 2021.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON 31ST MARCH 2021:

S. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1.	The National Small Industries Corporation Limited, NSIC Bhawan, Okhla Industrial Estate, New Delhi- 110020	U74140DL1955GOI002481	Holding Company	100%	2(46)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the time of incorporation of the Company [As on 28 th August, 2020]		No. of Shares held at the end of the year [As on 31 st March, 2021]		% Change during the year
	Total No. of Shares	% of Total Shares	Total No. of Shares	% of Total Shares	
A. Promoters					
(1) Indian					
a) Individual/ HUF	....	....	....	....	....
b) Central Govt.	.....	....	....	....	....
c) State Govt.(s)	....	....	....	....	....
d) Bodies Corp.	600000	100%	600000	100%	....
e) Banks / FI	....	....	....	....	....
f) Any other	....	....	....	....	....
Sub-Total (A)(1)	600000	100%	600000	100%	....
(2) Foreign					
a) NRIs- Individuals	....	....	....	....	....
b) Other- Individuals	....	....	....	....	....
c) Bodies Corp.	....	....	....	....	....
d) Banks/FI	....	....	....	....	....
e) Any other	....	....	....	....	....
Sub-Total(A) (2)	....	....	....	....	....
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	600000	100%	600000	100%	....
B. Public Shareholding					
1. Institutions	....	...	...	...	...
a) Mutual Funds	...	...	...	...	...
b) Banks / FI	...	...	...	...	...
c) Central Govt.					
d) State Govt.(s)	...	...	...	...	...
e) Venture Capital Funds	...	...	...	...	...
f) Insurance Companies	...	...	...	...	...
g) FIs	...	...	...	...	...
h) Foreign Venture Capital Funds	...	...	...	...	...
i) Others (specify)	...	...	...	...	...
Sub-total (B)(1):-	...	...	...	...	...



Category of Shareholders	No. of Shares held at the time of incorporation of the Company [As on 28 th August, 2020]		No. of Shares held at the end of the year [As on 31 st March, 2021]		% Change during the year
	Total No. of Shares	% of Total Shares	Total No. of Shares	% of Total Shares	
2. Non-Institutions					
a) Bodies Corp.
i) Indian
ii) Overseas
b) Individuals
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh
a) Other Specify
Sub-total (B)(2):-
Total Public Shareholding (B)=(B)(1)+ (B)(2)
C. Shares held by Custodian for GDRs & ADRs
Grand Total (A+B+C)	600000	100%	600000	100%	

Note: The entire Paid-up Share Capital of NSIC Venture Capital Fund Limited is held by The National Small Industries Corporation Limited (holding company) and its six Nominees.

ii) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the time of incorporation of the Company [As on 28 th August, 2020]			Shareholding at the end of the year [As on 31 st March, 2021]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	The National Small Industries Corporation Limited	599994	99.99%	...	599994	99.99%	...	...
2	Shri Vijayendra *	1	Negligible	...	1	Negligible	...	...
3	Shri P. Udayakumar*	1	Negligible	...	1	Negligible	...	...
4	Shri Gaurang Dixit*	1	Negligible	...	1	Negligible	...	...



S No.	Shareholder's Name	Shareholding at the time of incorporation of the Company [As on 28 th August, 2020]			Shareholding at the end of the year [As on 31 st March, 2021]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
5	Shri Navin Chopra *	1	Negligible	...	1	Negligible	...	...
6	Shri P. Dey, CGM(IT) *	1	Negligible	...	1	Negligible	...	...
7	Shri M.P. Singh *	1	Negligible	...	1	Negligible	...	...
	Total	600000	100		600000	100	...	...

* As nominee of The National Small Industries Corporation Limited i.e. holding Company.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the time of incorporation of the company i.e. 28 th August, 2021		Cumulative Shareholding at the end of year i.e. 31 st March, 2021	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	There is no change during the period under review.			
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
3	At the end of the year				

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S No.	For Each of the Top 10 Shareholders	Shareholding at the time of incorporation of the company i.e. 28 th August, 2021		Cumulative Shareholding at the end of year i.e. 31 st March, 2021	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	Nil, The company is wholly owned subsidiary company of The National Small Industries Corporation Limited.			
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
3	At the end of the year				



v) **Shareholding of Directors and Key Managerial Personnel (KMP):**

S No.	Name of the Director/KMP	Shareholding at the time of incorporation of the company i.e. 28 th August, 2021		Cumulative Shareholding at the end of year i.e. 31 st March, 2021	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year				
	Shri Vijayendra	1	Negligible	1	Negligible
	Shri Gaurang Dixit	1	Negligible	1	Negligible
2.	Change in the shareholding	Nil			
3.	At the end of the year				
	Shri Vijayendra	1	Negligible	1	Negligible
	Shri Gaurang Dixit	1	Negligible	1	Negligible

VI. **INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rs. in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount
ii) Interest due but not paid
iii) Interest accrued but not due
Total (i+ii+iii)
Change in Indebtedness during the financial year				
* Addition
* Reduction
Net Change
Indebtedness at the end of the financial year				
i) Principal Amount
ii) Interest due but not paid
iii) Interest accrued but not due
Total (i+ii+iii)



VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Director and Manager

S No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Sh. Vijayendra (Non-Executive Director)	Sh. Gaurang Dixit (Non-Executive Director)	
1	Gross Salary	.....	.....	.....
	(a) Salary (as per provisions contained in section 17(1) of the Income-tax Act, 1961)	.....	.....	.....
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	.....	.....	.....
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	.....	.....	.....
2	Stock Option	.....	.....	.....
3	Sweat Equity	.....	.....	.....
4	Commission As % of profit; others, specify	.....	.....	.....
5	Others, please specify (Employer cont. to PF & Pension)	.....	.....	.....
	TOTAL (A)	.....	.....	.....

B. Remuneration to other Directors

S No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors				
	Fee for attending Board / Committee Meetings	.....	.....	.....	.....
	Commission	.....	.....	.....	.....
	Others, please specify	.....	.....	.....	.....
	Total (1)	.....	.....	.....	.....
2	Other Executive Directors	.....	.....	.....	.....
	Fee for attending Board / Committee Meetings	.....	.....	.....	.....
	Commission	.....	.....	.....	.....
	Others, please specify	.....	.....	.....	.....
	Total (2)	.....	.....	.....	.....
	Total (B)=(1+2)	.....	.....	.....	.....



C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

S No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO	CFO	CS	Total
1	Gross salary	....	....	....	....
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	....	....	....	....
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	....	....	....	....
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	....	....	....	....
2	Stock Option	....	....	....	....
3	Sweat Equity	....	....	....	....
4	Commission	....	....	....	....
	- as % of profit	....	....	....	....
	- others, specify...	....	....	....	....
5	Others, please specify (Employer cont. to PF & Pension)	....	....	....	....
	Total	....	....	....	....

Note: The Directors of NVCF are the non-executive directors on its Board and they are not drawing any remuneration either on monthly or annual basis from the Company.

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					



INDEPENDENT AUDITORS' REPORT

To

The Members of NSIC Venture Capital Fund Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **NSIC Venture Capital Fund Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flows and for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. ('financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021 and its losses including other comprehensive income, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1(B)(II) of the financial statements which explain the reasons why the financial statements have been prepared using the format prescribed in Division III of Schedule III to the Act rather than Division II of Schedule III to the Act.

We also draw your attention to Note 24 of the financial statements which explain the uncertainties and the management's assessment of the financial impact due to the conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of the above matters

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

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



financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant



audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of changes in equity and Statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the financial statements comply with the Ind AS specified under section 133 of the Act, as applicable.
 - (e) In terms of notification no. GSR 463(E) dated 5 June 2015 issued by the Ministry

of Corporate Affairs, Government of India, provisions of Section 164(2) of the Act are not applicable to the Company being a government company.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B;
- (g) In terms of notification no. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act are not applicable to the Company being a government company;
- (h) With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Act, refer to our separate report in Annexure C;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **Devinder K Jain & Associates**

Chartered Accountants
Firm Registration No.: 007799N

Sd/-

CA D.K. Jain

Partner

Membership No.: 083417

UDIN: 21083417AAAADH8998

Place: New Delhi

Date: 23/09/2021



ANNEXURE A REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL FUND LIMITED FOR THE PERIOD ENDED 31 MARCH 2021

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the period in accordance with the annual programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not own any immovable property.
- (ii) According to the information and explanations given to us, the Company's business does not involve any inventories and accordingly the requirements of Para 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Companies Act, 2013 to the extent applicable in respect of loans, investments, guarantees and security.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities carried out rendered by the Company. Accordingly, para 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax and other material statutory dues have been generally regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, goods and services tax and cess, duty of customs, excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, the Company does not have loans or borrowings from financial institutions, banks, government or debenture holders during the period. Accordingly, para 3 (viii) of the Order is not applicable to the Company.



- (ix) 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) and term loans during the period. Accordingly, para 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officer or employees has been noticed or reported during the period.
- (xi) According to the information and explanations given to us, the Company has not paid / provided any managerial remuneration during the period and is in compliance with section 197 read with Schedule V to the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, para 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, to the extent applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, para 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him covered by Section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as it was already in the process of obtaining necessary regulatory approvals from Securities & Exchange Board of India (SEBI) for setting up an Alternative Investment Funds (AIF) 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. Subsequent to the close of the financial year 2020-21, the Company has also received the SEBI approval vide certificate dated 1 September 2021.

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

Sd/-
CA D.K. Jain
Partner

Membership No.: 083417
UDIN: 21083417AAAADH8998

Place: New Delhi
Date: 23/09/2021



ANNEXURE B REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL FUND LIMITED FOR THE PERIOD ENDED 31 MARCH 2021

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

We have audited the internal financial controls with reference to the financial statements of NSIC Venture Capital Fund Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the

Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable



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

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **Devinder K Jain & Associates**

Chartered Accountants
Firm Registration No.: 007799N

Sd/-

CA D.K. Jain

Partner

Membership No.: 083417
UDIN: 21083417AAAADH8998

Place: New Delhi
Date: 23/09/2021



Compliance Certificate

We have conducted the audit of accounts of NSIC Venture Capital Fund Limited for the period ended 31st March, 2021 in accordance with the Directions / Sub-Directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions / Sub-Directions issued to us.

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

Sd/-
CA D.K. Jain
Partner
Membership No.: 083417
UDIN: 21083417AAAADH8998

Place: New Delhi
Date: 23/09/2021



ANNEXURE C REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSIC VENTURE CAPITAL FUND LIMITED FOR THE PERIOD ENDED 31 MARCH 2021

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 31 March 2021.

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

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

Sd/-
CA D.K. Jain
Partner

Membership No.: 083417
UDIN: 21083417AAAADH8998

Place: New Delhi
Date: 23/09/2021



NOTES FORMING AN INTEGRAL PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2021

Note – 1: CORPORATE INFORMATION & BASIS OF ACCOUNTING

A. CORPORATE INFORMATION

NSIC Venture Capital Fund Limited ('NVCFL' or 'the Company'), is a public limited company domiciled in India and incorporated on 28 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 has applied for registration as a Category-II Alternative Investment Fund under SEBI (Alternative Investment Fund) Regulations, 2012 which has been approved subsequent to the close of the financial year 2020-21 vide certificate dated 1 September 2021. The registered office is located at NSIC Bhawan, Okhla Industrial Estate, Phase –III, New Delhi - 110020 (India).

Self-Reliant India (SRI) Fund ("the Scheme") is the first scheme of the Company. The objective of the Scheme is to provide funding support to the daughter funds for onward provision of support to MSMEs as growth capital, through equity, quasi-equity and debt.

B. BASIS OF ACCOUNTING

I. Statement of compliance

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

II. Basis of Preparation and Presentation

The Ind AS financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and liability that may be measured at fair value at the end of each reporting date as required under relevant Ind AS. These policies have been applied consistently for all the periods presented in the financial statements. Since this is the first year of existence of the company, no previous period comparative figures have been stated in the financial statements.

Though, the Company has been exempted from registration with the Reserve Bank of India as an 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 which are applicable to NBFCs as defined in Companies (Indian Accounting Standards Rules), 2015 which includes venture capital fund companies. Since the Company has been setup as a venture capital fund company with the specific purpose of establishing an AIF and was already in the process of obtaining an approval from Securities and Exchange Board of India (SEBI) as at the financial reporting date of 31 March 2021, the Company has determined that Division III of Schedule III of the Act is a more appropriate form of presentation of financial statements than Division II of Schedule III of the Act. The Company has subsequently received the SEBI approval vide certificate dated 1 September 2021.

III. Use of Judgement and Estimates



In preparing the financial statements in conformity with the Company's accounting policies, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements, the amount of revenue and expenses during the reported period and notes to financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized in the period in which the results are crystallized.

IV. Critical Accounting Estimates and Management Judgements

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

- **Property, Plant and Equipment (PPE) and Intangible Assets:** The residual values and estimated useful life of PPEs and intangible assets are assessed at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operational condition of the asset, past history of replacement and maintenance support. Upon review, the

management accepts the assigned useful life and residual value for computation of depreciation/amortization.

- **Income Taxes:** Estimates are involved in determining the provisions for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Judgements are made in respect of expected future profitability to assess deferred tax asset.
- **Impairment of Financial assets:** The impairment assessment of financial instruments comprising of trade receivables and Loans & Advances is carried out based on assumptions about risk of default and expected loss. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward-looking estimates at the end of each reporting date.
- **Impairment of Non-financial assets (PPE):** The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement.
- **Defined Benefit Plans and Other long-term employee benefits:** Currently, there are no employees which are on payroll of the company except two employee which are on deputation basis from holding company NSIC and all Retirement benefits are provided by NSIC and charged



to revenue account on a reimbursement basis.

- **Fair value measurement of financial instruments:** When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses other valuation techniques to determine its fair value. The inputs to apply these techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Provisions and contingencies:** The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

V. **Functional and presentation currency**

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

NOTE-2: SIGNIFICANT ACCOUNTING POLICIES

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

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

2.1.1 Initial recognition and measurement

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

2.1.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the property, plant and equipment when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the property, plant and equipment can be measured reliably. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and



its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

2.1.3 Derecognition

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

2.1.4 Impairment of Property, Plant & Equipment

Property, Plant & Equipment are treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is recognized immediately to Statement of Profit and Loss in the year in which an asset is identified as impaired and the carrying amount of the asset is reduced to its recoverable amount, unless the relevant asset is carried at a revalue amount, where the impairment loss is treated as a revaluation decrease. If there is any indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

2.1.5 Depreciation on Tangible Assets

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

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

- II) Depreciation on additions to / deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposal.
- III) Assets costing up to INR 0.10 Lakh are depreciated fully in the year of purchase, after retaining 5% of original cost as residual value except Mobile phone Instruments where INR 1/- is retained as residual value.
- IV) Mobile phone Instruments costing over INR 0.10 lakh, are depreciated over a period of 3 years considering the estimate of their useful life as per the management, starting from the year in which it is acquired, after retaining Rs. 1/- as residual value.

2.1.6 Intangible Assets Under Development

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



2.2 Revenue Recognition

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

2.2.1 Interest Income

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

2.2.2 Allocation of Expenses

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

2.3 Employee Benefits

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

2.4 Taxation

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

2.4.1 Current Tax

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

2.4.2 Deferred Tax

- I) Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purpose.
- II) Deferred tax liabilities are generally recognized for all taxable temporary differences.
- III) Deferred tax assets are generally recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.
- IV) The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.5 Earnings Per Share

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



2.6 Cash and Cash Equivalents

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

2.7 Cash Flow Statement

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

2.8 Provisions and Contingencies

2.8.1 Provisions

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

2.8.2 Contingent Liabilities & Contingent Assets

- I) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot

be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

- II) Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.
- III) Provisions, Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.9 Financial Instruments

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

2.9.1 Initial Recognition and Measurement

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

2.9.2 Financial Assets

I. Subsequent Measurement

Financial assets include Cash



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

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

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

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

- A. Financial Assets at Amortized Cost – A financial asset shall be measured at Amortized cost, if both of the following conditions are met:
- a) Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
 - b) Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

- B. Fair value through other comprehensive income (FVTOCI) - A financial asset shall be measured at Fair value through other comprehensive income, if both of the following conditions are met:
- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
 - b) The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.
 - c) Fair value movements are recognized in the OCI and accumulated in



reserve

Currently, there are no instruments to classify to FVTOCI.

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

II. Impairment in Financial Assets

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

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

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

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

III. Derecognition of Financial Assets

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

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

2.9.3 Financial Liabilities and Equity Instruments

2.9.3.1 Equity Instruments

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

2.9.3.2 Financial Liabilities

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

I. Subsequent Measurement

- A. Financial liabilities at Amortized costs – After initial measurement, such financial liabilities are subsequently measured at amortized cost using the Effective Interest Rate (EIR)



method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

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

II. Derecognition of Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such

an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

2.10 Leases

Company as a Lessor

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

Company as a Lessee

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

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

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

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

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/amortization



and impairment losses. Right-to-use asset shall be depreciated in accordance with Ind AS-16-Property, Plant and Equipment (PPE).

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



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

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

(CIN No.: U65990DL2020GOI368828)

BALANCE SHEET AS AT 31.03.2021

(₹ in Lakh)

S No.	Particulars	Note No.	As at 31 March 2021	
ASSETS				
1	Financial Assets			
	(a) Cash and Cash Equivalents	3	10.50	
	(b) Bank Balances Other Than Cash and Cash Equivalents	4	500.00	
	(c) Other Financial Assets	5	9.69	520.19
2	Non-Financial Assets			
	(a) Property, Plant and Equipment	6	1.00	
	(b) Intangible Assets under Development	-	16.93	
	(c) Other Non-Financial Assets	7	4.90	22.83
	Total Assets			543.02
LIABILITIES AND EQUITY				
LIABILITIES				
1	Financial Liabilities			
	(a) Payables	8		
	(I) Trade Payables			
	(i) Total outstanding dues of micro & small enterprises		0.56	
	(ii) Total outstanding dues of creditors other than micro & small enterprises		0.00	
	(b) Other Financial Liabilities	9	1.61	2.17
2	Non-Financial Liabilities			
	(a) Current Tax Liabilities (Net)	10	1.95	1.95
	Total Liabilities			4.12
3	Equity			
	(a) Equity Share Capital	11	600.00	
	(b) Other Equity	12	-61.10	538.90
	Total Equity			538.90
	Total Liabilities and Equity			543.02
	See accompanying Notes forming part of the Financial Statements	1 to 26		

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

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

Place : New Delhi
Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-
Alka Nangia Arora
Chairperson
[Din No.: 03165567]

Sd/-
Rajesh Madan
OSD

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

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



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

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

(CIN No.: U65990DL2020GOI368828)

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD COMMENCING FROM 28.08.2020 TO 31.03.2021

(₹ in Lakh)

S No.	Particulars	Note No.	For the Period ended 31 March 2021
I.	Revenue from operations	-	-
	Total Revenue from operations		-
II.	Other Income	13	11.06
III.	Total Income (I+II)		11.06
IV.	Expenses		
	Depreciation and Amortisation Expenses	14	0.01
	Other Expenses	15	69.37
	Total Expenses (IV)		69.38
V	Profit / (Loss) before Tax (III-IV)		-58.32
VI	Tax Expense	16	
	Current Tax		2.78
	Deferred Tax		-
	Total Tax Expense (VI)		2.78
VII	Profit /(Loss) for the Year (V-VI)		-61.10
VIII	Other Comprehensive Income		
	A) Item that will not be reclassified to profit or Loss		-
	B) Item that will be reclassified to profit or Loss		-
	Total Other Comprehensive Income (A + B)		-
IX	Total Comprehensive Income for the period (VII+VIII) (Comprising Profit/ (Loss) and other Comprehensive Income for the period)		-61.10
X	Earning / (Loss) Per Equity Share	17	
	Basic (Rs.)		-10.18
	Diluted (Rs.)		-10.18

The accompanying notes form an integral part of the financial statements.

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

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

Place : New Delhi
Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-
Alka Nangia Arora
Chairperson
[Din No.: 03165567]

Sd/-
Rajesh Madan
OSD

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

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



NOTE-3 CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31 March 2021
Balance with Banks:	
Current Account	10.50
Total	10.50

Note :- 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 March 2021
Term Deposits (Maturity more than 90 days but not exceeding 370 days)	500.00
Total	500.00

Note :- Term deposit earns interest at a fixed interest rate.

NOTE-5 OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2021
Interest Accrued but not Due on Fixed/Short Term Deposits	9.69
Total	9.69

NOTE-6 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Computers, Laptops & Processing Units	Mobile	Total
For the year ended 31 March 2021			
Gross Carrying Amount			
Opening Balance	-	-	-
Additions during the year	0.87	0.14	1.01
Disposals during the year	-	-	-
Gross carrying value as at 31 March 2021	0.87	0.14	1.01
Accumulated Depreciation and impairment			
Opening Balance	-	-	-
Depreciation Expenses for the year	-	0.01	0.01
Disposals during the year	-	-	-
Accumulated depreciation and impairment as of March 31, 2021	-	0.01	0.01
Net carrying amount as at 31 March 2021	0.87	0.13	1.00



NOTE - 7 OTHER NON - FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31 March 2021
Balance with Government Authorities	4.90
Total	4.90

NOTE - 8 PAYABLES

(₹ in Lakh)

Particulars	As at 31 March 2021
Trade Payables	
(i) Total outstanding dues of micro & small enterprises	0.56
(ii) Total outstanding dues of creditors other than micro & small enterprises	–
Total	0.56

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

NOTE - 9 OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31 March 2021
Statutory Dues Payable	1.61
Total	1.61

NOTE - 10 CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31 March 2021
Provision for Income Tax	2.78
Less : Income Tax Paid	-0.83
Total	1.95

NOTE - 11 EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31 March 2021
(a) Authorised Share Capital	
10,00,000 Equity Shares of Rs. 100 each	1000.00
Total	1000.00
(b) Issued, Subscribed & Paid-up-Share Capital	
6,00,000 Equity Shares of Rs. 100 each	600.00
Total	600.00

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

(₹ in Lakh)

Particulars	As at 31 March 2021	
	No of Shares	Amount
Balance at the beginning of the year	-	-
Add/(less) : Issued during the year	600000	600.00
Balance at the end of the year	600000	600.00

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

(₹ in Lakh)

Particulars	As at 31 March 2021	
	No of Shares	% of Total Paid up Equity Share Capital
The National Small Industries Corporation Limited (NSIC)	600000*	100
Total	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 March 2021
The National Small Industries Corporation Limited (NSIC)	600000*
Total	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 Rs. 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.

Bonus Shares :

There are no bonus shares issued since inception.

NOTE - 12 OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31 March 2021
Accumulated loss	-61.10
Total	-61.10



Accumulated loss

Accumulated loss represents the accumulated loss of the Company for the reporting period.

(₹ in Lakh)

Particulars	As at 31 March 2021
Opening Balance	-
Loss for the year	-61.10
Closing Balance	-61.10

Note - 13 OTHER INCOME

(₹ in Lakh)

Particulars	Period ended 31 March 2021
Interest earned on term deposits kept with bank	11.06
Total	11.06

Note - 14 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakh)

Particulars	Period ended 31 March 2021
Depreciation on:	
Mobile	0.01
Computers/Laptops and Processing Units	0.00
Total	0.01

Note - 15 OTHER EXPENSES

(₹ in Lakh)

Particulars	Period ended 31 March 2021
Advertisement and Publicity #	26.03
Manpower Support Cost #	15.94
Recruitment Expenses	14.84
Duties & Taxes paid on Company Incorporation #	10.83
Travelling, Conveyance & Vehicle Charges #	0.57
Payment to auditors - statutory audit fees*	0.50
Printing & Stationery Expenses #	0.29
Website and Webportal expenses	0.12
Entertainment #	0.10
Rent Paid #	0.07
Legal & Professional Fees	0.06
Miscellaneous Expenses	0.02
Total	69.37

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

Refer Note No. 21



NOTE - 16 TAX EXPENSES

(₹ in Lakh)

Particulars	Period ended 31 March 2021
Current Tax	
Current Tax on taxable income for the period	2.78
Total Current Tax	2.78
Deferred Tax Expense	
Origination and reversal of temporary differences	-
Total Deferred Tax Expense	-
Total Tax Expense	2.78

The Income Tax expense comprises of Current Tax and Deferred Tax. Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with Income Tax Act, 1961 and Excess or Shortfall if any, is adjusted on finalization of assessments. Section 115BAA has been inserted in the Income Tax Act, 1961 to give the benefit of a reduced corporate tax rate for the domestic companies. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% from the 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 - 16.1 RECONCILIATION OF EFFECTIVE TAX RATE:

(₹ in Lakh)

Particulars	Period ended 31 March 2021
Loss Before Tax	-58.32
Enacted Income Tax Rate in India applicable to the Company	25.168%
Computed Tax Expenses	2.78
Tax effect of:	
Expenses that are deductible in determining taxable profit	0.00
Expenses that are not deductible in determining taxable profit	69.38
Current Tax Provision	2.78
Incremental Deferred Tax Assets / (Liability)	0.00
Tax Expense recognised in Statement of Profit & Loss	2.78
Effective Tax Rate	25.168%

NOTE - 17 EARNING PER SHARE

(₹ in Lakh)

Particulars	Period ended 31 March 2021
A. Net Profit / (Loss) attributable to equity shareholders	-61.10
B. Weighted average number of equity share for basic earning per share	600000
Effect of dilution	
C. Weighted average number of equity share for diluted earning per share	600000
Earning per share (Basic) (Rs.) (A/B)	-10.18
Earning per share (Diluted) (Rs.) (A/C)	-10.18



NOTE – 18 SEGMENT REPORTING

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

NOTE – 19 CONTINGENT LIABILITIES & COMMITMENTS

- (A) The company does not have any Contingent liability as on 31 March 2021.
 (B) Commitments towards legal advisor expense for future period is INR 229.07 Lakh.

NOTE – 20 EVENTS AFTER REPORTING DATE

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

NOTE – 21 RELATED PARTY DISCLOSURES

A. Names of related parties and nature of relationship:

Description of relationship	Name of the related party
Holding Company	The National Small Industries Corporation Limited
Key Management Personnel (KMP)	Shri Vijayendra (Chairman) Shri Gaurang Dixit (Director) Smt. Nishtha Goyal (Company Secretary)

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

(₹ in Lakh)		
Name of the Related Party	Nature of Transactions	Period ended March 31, 2021
Holding Company	Equity Proceeds Received	600.00
	Reimbursement made for expenses incurred by related party on behalf of the Company	
	– Manpower Support Cost	15.94
	– Rent Paid	0.07
	– Advertisement and Publicity	13.67
	– Duties & Taxes paid on Company Incorporation	10.83
	– Other Exp. (i.e. Printing & Stationery, Travelling, Conveyance & Vehicle Charges and Entertainment)	0.82
	Advance availed	1.00
	Advance repaid	1.00



C. Details of balances outstanding for related party transactions:

(₹ in Lakh)

Name of the Related Party	Nature of Transactions	Period ended March 31, 2021
Holding Company	Contribution to equity	600.00

D. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. All values above (Note No. 21 [B]) are without GST where applicable.

NOTE – 22 LEASES

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

Amount recognised in the Statement of Profit & Loss

During the period ended 31st March 2021, lease rent in the nature of operating lease of Rs. 0.07 lakh has been recognised in the statement of profit & loss. There is no contractual lease payment commitment beyond the tenure of 11 months.

NOTE – 23 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 31.03.2021.

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 and other financial assets that derive directly from its operations.

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

a) Market Risk

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

b) Credit Risk Management

Credit risk is the risk that counter party will not meet its obligations under the financial instruments and customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) at present there is no trade receivables in the company. 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 31.03.2021	1 Year or Less	1 – 3 years	More than 3 Years	Total
Borrowings	0.00	0.00	0.00	0.00
Trade Payables	0.56	0.00	0.00	0.56
Other Financial Liabilities	1.61	0.00	0.00	1.61

Note : This being the first year of operation, there are no figures in respect of previous year.

A. Classification of Financial Assets and Financial Liabilities

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

(₹ in Lakh)

Financial Assets and Liabilities as at March 31, 2021	Note No.	Carrying Amount			Total
		Fair value through profit and loss account	Fair value through other comprehensive Income	Amortised Cost	
Financial Assets					
Cash and cash equivalents	3	-	-	10.50	10.50
Bank balances other than cash and cash equivalents	4	-	-	500.00	500.00
Other Financials Assets	5	-	-	9.69	9.69
Financial Liabilities					
Payables					
Trade Payables	8	-	-	0.56	0.56
Other Financials Liabilities	9	-	-	1.61	1.61

(₹ in Lakh)

Financial Assets and Liabilities as at March 31, 2021	Note No.	Fair Value			Total
		Level - 1	Level - 2	Level - 3	
Financial Assets					
Cash and cash equivalents	3	-	-	10.50	10.50
Bank balances other than cash and cash equivalents	4	-	-	500.00	500.00
Other Financials Assets	5	-	-	9.69	9.69
Financial Liabilities					
Payables					
Trade Payables	8	-	-	0.56	0.56
Other Financials Liabilities	9	-	-	1.61	1.61

B. Fair Value Hierarchy

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

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

Level – 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial



instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

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

C. Financial instruments valued at carrying value

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

NOTE – 24 IMPACT OF COVID-19 PANDEMIC

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

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

NOTE – 25 NON-CURRENT ASSETS HELD FOR SALE

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

NOTE – 26 RECENT ACCOUNTING PRONOUNCEMENT

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments to revise Division I, II and III of Schedule III and are applicable from reporting periods beginning from April 1, 2021 and hence have not been considered while preparing these financial statements.

For Devinder K Jain & Associates

Chartered Accountants

ICAI Firm Registration No.: 007799N

Sd/-

D.K. Jain

Partner

Membership No. : 083417

UDIN : 21083417AAAADH8998

Place : New Delhi

Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-

Alka Nangia Arora

Chairperson

[Din No.: 03165567]

Sd/-

Rajesh Madan

OSD

Sd/-

Gaurang Dixit

Director

[Din No.: 08535482]

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

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

(CIN No.: U65990DL2020GOI368828)

STATEMENT OF CASH FLOW FOR THE PERIOD COMMENCING FROM 28.08.2020 TO 31.03.2021

(₹ in Lakh)

Particulars	For the Period ended 31 March 2021
Cash Flow From Operating Activities:	
Loss before Tax	-58.32
Net loss Before Tax Adjustments:	
Depreciation	0.01
Interest earned on term deposits	-11.06
Operating loss before working capital changes	-69.37
Movement in working capital	
(Increase)/Decrease in other non - financial assets	-4.90
Increase/(Decrease) in Trade payables	0.56
Increase/(Decrease) in Other financial Liabilities	1.61
Cash generated from Operations	-72.10
Income Tax Paid	-0.83
Net cash utilised in operating activities (A)	-72.93
Cash Flow From Investment Activities:	
Purchase of property, plant and equipment	-1.01
Expenditure on intangible assets under development	-16.93
Investment in term deposits - (Maturity more than 90 days but not exceeding 370 days)	-500.00
Interest received on term deposits	1.37
Net cash utilised in investing activities (B)	-516.57
Cash Flow From Financing Activities:	
Proceeds from Issue of shares	600.00
Net Cash from financing activities (C)	600.00
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)	10.50
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at end of the period	10.50

- The above statement has been prepared using the 'indirect method' as prescribed in Ind AS 7 - Statement of Cash flow.
- Components of cash and cash equivalents are disclosed in Note 3.

See accompanying Notes forming part of the Financial Statements.

In terms of our report attached of even date

For Devinder K Jain & Associates

Chartered Accountants

ICAI Firm Registration No.: 007799N

Sd/-

D.K. Jain

Partner

Membership No. : 083417

Place : New Delhi

Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-

Alka Nangia Arora

Chairperson

[Din No.: 03165567]

Sd/-

Rajesh Madan

OSD

Sd/-

Gaurang Dixit

Director

[Din No.: 08535482]

Sd/-

Nishtha Goyal

Company Secretary

[Membership No.: A22768]



NSIC VENTURE CAPITAL FUND LIMITED

("A wholly Owned Subsidiary of NSIC")

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

(CIN No.: U65990DL2020GOI368828)

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD COMMENCING FROM 28.08.2020 TO 31.03.2021

A. Equity Share Capital

(₹ in Lakh)

Particulars	As at 31 March 2021
Shares having face value of Rs. 100/-	
Balance at the beginning of the period	-
Changes in equity share capital during the year	600.00
Balance at the end of the period	600.00

B. Other Equity

(₹ in Lakh)

Particulars	Retained Earnings	Other Comprehensive Income	Total
Balance at beginning of period	-	-	-
Profit / (Loss) for the period	-61.10	-	-61.10
Comprehensive Income for the period	-	-	-
As at March 31, 2021	-61.10	-	-61.10

In terms of our report attached of even date

For Devinder K Jain & Associates

Chartered Accountants

ICAI Firm Registration No.: 007799N

Sd/-

D.K. Jain

Partner

Membership No. : 083417

Place : New Delhi

Date : 23.09.2021

For and on behalf of Board of Directors

Sd/-

Alka Nangia Arora

Chairperson

[Din No.: 03165567]

Sd/-

Rajesh Madan

OSD

Sd/-

Gaurang Dixit

Director

[Din No.: 08535482]

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 PERIOD 28th AUGUST, 2020 TO 31st MARCH, 2021

The preparation of financial statements of **NSIC Venture Capital Fund Limited** for the period of 28th August, 2020 to 31st March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 23th September, 2021.

I, on behalf of the Comptroller and Auditor General of India have decided not to conduct the supplementary audit of the financial statements of **NSIC Venture Capital Fund Limited** for the period 28th August 2020 to 31st March 2021 under section 143(6)(a) of the Act.

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

Sd/-
(Vidhu Sood)
Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi

Place : New Delhi
Dated: 13/10/2021



NSIC VENTURE CAPITAL FUND LIMITED

(A Wholly Owned Subsidiary of NSIC)

NSIC Bhavan, Okhla Industrial Estate

New Delhi – 110 020

NOTICE

Notice is hereby given that the first Annual General Meeting (AGM) of **NSIC Venture Capital Fund Limited** (NVCFL or “the Company”) will be held on 26th November, 2021 at 11.00 a.m. at the registered office of the company at NSIC Bhavan, Okhla Industrial Estate New Delhi – 110 020 to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider, approve and adopt the audited financial statement of the Company for the financial year ended March 31, 2021 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 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 2021-22 and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company appointed by Comptroller & Auditor General of India for the financial year 2021-22.”

SPECIAL BUSINESS

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

- 3) Regularization of Additional Director, Ms. Alka Nangia Arora (DIN– 03165567) 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, Ms. Alka Nangia Arora (DIN– 03165567) who was appointed as an Additional Director w.e.f. 23rd September, 2021, be and is hereby appointed as Director of the Company.”

By Order of the Board of Directors

Place: New Delhi

Date: 23rd November, 2021

Sd/-

(Nishtha Goyal)

Company Secretary

NOTES:

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the business under Item Nos. 3 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.3

This is to inform that in terms of the guidelines of Self Reliant India (SRI) Fund (i.e. First scheme of NVCFL) approved by the Ministry of MSME, the company shall have an independent Board with CMD NSIC as its Chairman. Accordingly, Ms. Alka Nangia Arora, Chairman-cum-Managing Director of NSIC Ltd. (a holding company of NVCFL) was appointed as an Additional Director w.e.f. 23rd September, 2021 of NVCFL as per the provisions of Section 161(1) and other applicable provisions of the Companies Act, 2013 on the Board of Directors of your Company up to the date of this Annual General Meeting. Accordingly, appointment of Ms. Alka Nangia Arora as Director may be considered by the shareholders at this AGM.

She holds 1 equity Share of Rs. 100/- of the Company as nominee of NSIC Limited (holding company). The Board of Directors of your company

recommends her appointment as a Director for approval by the shareholders of the Company.

Ms. Alka Nangia Arora is interested in this resolution to the extent of her appointment as a Director.

None of the Directors, Key Managerial Personnel and/or their relatives, except Ms. Alka Nangia Arora is any way, interested or concerned, financial or otherwise in passing of the said resolution as set out at item no. 3 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, you are requested to grant your consent to the Ordinary Resolution as set out at item no. 3 of this Notice.

