				893	7,649	6,720					
S.No.	Name of MSME	Name of DF	Amount of SRI Contribution	Total Investment to be done at Fund Level	Total Investment Invested at Fund Level	UDHYAM	Type of Enterprise	Founders Gender	SC/OBC/ST	State
1	Medulance Healthcare Private Limited	Alkemi Venture Fund II - Scheme I	1,31,60,000	10,00,00,000	10,00,00,000	UDYAM-DL-04-0003182	Small			Delhi
2	Wholsum Foods Private Limited	Alkemi Venture Fund II - Scheme I	2,30,30,000	17,50,00,000	17,50,00,000	UDYAM-DL-11-0024831	Micro	Female		Delhi
3	Saveo Healthtech Private Limited	Alkemi Venture Fund II - Scheme I	2,36,88,000	18,00,00,000	18,00,00,000	UDYAM-KR-03-0034141	Small			Karnataka
		Alkemi Venture Fund II - Scheme I Total	**5,98,78,000**	**45,50,00,000**	**45,50,00,000**					
4	Abhitech Energycon Limited	Amicus Capital Partners India Fund II	8,10,50,212	50,00,00,000		UDYAM-HP-11-0000637	Medium			HP
5	Aequs Private Limited	Amicus Capital Partners India Fund II	15,00,00,100	75,00,00,499	75,00,00,499	UDYAM-KR-04-0058207	Medium			Karnataka
		Amicus Capital Partners India Fund II Total	**23,10,50,312**	**1,25,00,00,499**	**75,00,00,499**				-	
6	Gajju Technologies Private Limited	Aavishkaar India Fund VI	7,75,30,533	54,21,71,617	54,21,00,000	UDYAM-MH-18-0146430	Micro			Maharashtra
7	Mooofarm Private Limited	Aavishkaar India Fund VI	5,81,52,847	40,66,63,400	40,66,59,768	UDYAM-HR05E0017852	Small			Haryana
8	Ulink Agritech Private Limited	Aavishkaar India Fund VI	5,71,99,940	39,99,99,707	40,00,00,000	UDYAM-MH26F0043863	Medium			Maharashtra
9	Newtrace Private Limited	Aavishkaar India Fund VI	1,31,81,684	9,21,79,634	9,25,00,000	UDYAM-KR-03-0277106	Micro			Karnataka
		Aavishkaar India Fund VI Total	**20,60,65,004**	**1,44,10,14,358**	**1,44,12,59,768**				-	
10	Pibit Technologies Pvt Ltd	Arali Ventures II	53,33,333	4,00,00,000	4,00,00,000	UDYAM-HR-05-0066026	Micro			Haryana
11	Frigate Engineering Services Pvt Ltd	Arali Ventures II	73,31,456	5,49,85,920	5,49,85,920	UDYAM-TN-27-0010346	Micro		OBC	Tamil Nadu
12	Fluxgen Sustainable Technologies	Arali Ventures II	21,91,124	1,64,33,429	1,64,33,429	UDYAM-KR-03-0164274	Micro			Karnataka
13	Ezo Techonologies Private Limited	Arali Ventures II	44,80,289	3,36,02,166	3,36,02,166	UDYAM-MH-33-0275524	Micro		OBC	Maharashtra
14	Protecto India Pvt Ltd	Arali Ventures II	41,16,750	4,12,50,000	4,12,50,000	UDYAM-KR-03-0297123	Micro			Karnataka
15	Fifty Finance Private Limited	Arali Ventures II	59,73,333	4,48,00,000		UDYAM-HR-03-0063717	Micro			Haryana
16	Bidaal Technology Private Limited	Arali Ventures II	68,93,333	5,17,00,000		UDYAM-KR-03-0201939	Micro			Ka
		Arali Ventures II Total	**3,63,19,619**	**28,27,71,515**	**18,62,71,515**				-	
17	IVIA Beaute Private Limited	BanyanTree India Growth Capital Fund	1,62,00,000	15,00,00,000	15,00,00,000	UDYAM-DL-06-0012586	Small			Delhi
18	Epicurian Foods Pvt. Ltd.	BanyanTree India Growth Capital Fund	3,24,00,000	30,00,00,000	30,00,00,000	UDYAM-DL-08-0003353	Small			Delhi
		BanyanTree India Growth Capital Fund	**4,86,00,000**	**45,00,00,000**	**45,00,00,000**				-	
19	Fornax Consulting Private Limited	Carpediem Capital Partners Fund II	8,64,18,229	34,37,62,574	25,31,00,000	UDYAM-KR-03-0186858	Micro			Karnataka
20	Inc5	Carpediem Capital Partners Fund II	4,08,19,342	16,62,34,093	16,62,34,093	UDYAM-MH-18-0033774	Medium	Female		Maharashtra
		Carpediem Capital Partners Fund II Total	**12,72,37,571**	**50,99,96,667**	**41,93,34,093**				-	
21	Adventum Student Living Private	Cornerstone Venture Partners Fund	3,39,06,711	35,24,94,170	35,24,94,170	UDYAM-MH-19-0009782	Micro			Maharashtra
22	AUK COMMERCE TECH PRIVATE	Cornerstone Venture Partners Fund	57,71,451	6,00,00,000	6,00,00,000	UDYAM-DL-08-0063047	Micro	Female	OBC	Delhi
23	Credilio Financial Technologies Pvt Ltd	Cornerstone Venture Partners Fund	2,25,29,684	23,42,18,592	23,42,18,592	UDYAM-MH-19-0014045	Micro			Maharashtra
24	Dhiway Networks Private Limited	Cornerstone Venture Partners Fund	33,65,115	3,49,83,733	3,49,83,733	UDYAM-KR-02-0030537	Micro	Female		Karnataka
25	Enparadigm Performance Solutions	Cornerstone Venture Partners Fund	1,32,94,633	13,82,10,997	13,82,10,997	UDYAM-MH-18-0006351	Micro			Maharashtra
26	Frello Technologies Pvt. Ltd	Cornerstone Venture Partners Fund	61,06,517	6,34,83,350	1,34,83,350	UDYAM-TN-02-0116191	Micro			Tamil Nadu
27	Green Enabled IT Solutions Pvt.	Cornerstone Venture Partners Fund	2,43,85,131	25,35,07,827	20,35,07,827	UDYAM-KR-03-0077314	Micro			Karnataka
28	HIGHSTREET3D PRIVATE LIMITED	Cornerstone Venture Partners Fund	40,11,158	4,17,00,000	4,17,00,000	UDYAM-KR-02-0042583	Micro			Karnataka
29	IntelligenceNode Consulting Pvt. Ltd	Cornerstone Venture Partners Fund	1,65,09,968	17,16,37,625	17,16,37,625	UDYAM-MH-19-E0010624	Small			Maharashtra
30	Karomi Technologies Pvt. Ltd	Cornerstone Venture Partners Fund	96,19,902	10,00,08,497	10,00,08,497	UDYAM-TN-02-0025214	Micro			Tamil Nadu
31	Mystifly Consulting (India) Private	Cornerstone Venture Partners Fund	3,37,68,169	35,10,53,892	35,10,53,892	UDYAM-KR-03-0188648	Medium	Female		Karnataka
	Newspace Research Technologies	Cornerstone Venture Partners Fund	2,88,57,299	30,00,00,482	30,00,00,482		Dup			
32	Olive Gaea India Private Limited	Cornerstone Venture Partners Fund	80,98,456	8,41,91,551	5,13,91,458	UDYAM-UP-74-0006498	Small	Female		Uttar Pradesh
33	Paperplane Communications Pvt. Ltd	Cornerstone Venture Partners Fund	17,32,579	1,80,11,892	1,80,11,892	UDYAM-GJ-06-0008489	Small			Gujrat
34	Platform Nine and Three Quarters	Cornerstone Venture Partners Fund	4,81,435	50,05,000	50,05,000	UDYAM-KL-09-0026269	Micro	Female		Kerala
35	Sekhmet Technologies Private Limited	Cornerstone Venture Partners Fund	1,92,37,226	19,99,90,200	19,99,90,200	UDYAM-HR-05-0021558	Micro	Female		Haryana
36	Sharpsell Technology Solutions	Cornerstone Venture Partners Fund	77,07,689	8,01,29,140	8,01,29,140	UDYAM-MH-18-0151699	Micro			Maharashtra
37	Statlabs Analytics Ventures Pvt	Cornerstone Venture Partners Fund	1,29,89,541	13,50,39,266	10,50,39,266	UDYAM-KR-03-0062915	Micro			Kerala
38	Watch Your Health.com India Private	Cornerstone Venture Partners Fund	1,44,28,626	15,00,00,000		UDYAM-MH-33-0119367	Micro	Female		Maharashtra
39	Wootag India Pvt. Ltd	Cornerstone Venture Partners Fund	73,29,742	7,62,00,000	7,62,00,000	UDYAM-MH-18-0139952	Small			Maharashtra
		Cornerstone Venture Partners Fund Total	**27,41,31,032**	**2,84,98,66,214**	**2,53,70,66,121**					
	Heuristix Digital Technologies Private	Dallas Venture Capital Fund I	1,62,73,126	14,23,89,850	14,23,89,850		Dup			
	IntelleWings Private Limited	Dallas Venture Capital Fund I	17,14,286	1,50,00,000	1,50,00,000	UDYAM-HR-13-0004884	Dup			
40	Blusapphire Cyber Systems Private	Dallas Venture Capital Fund I	1,82,87,135	16,00,12,427	16,00,12,427	UDYAM-TS-02-0026737	Micro			Telangana
41	Vunet Systems Private Limited	Dallas Venture Capital Fund I	91,38,471	7,99,61,623	7,99,61,623	UDYAM-KR-03-0068084	Small			Karnataka
42	Lyceum Development Center Private	Dallas Venture Capital Fund I	46,93,961	4,10,72,155	4,10,72,155	UDYAM-TN-02-D0182593	Micro			Tamil Nadu
		Dallas Venture Capital Fund I Total	**5,01,06,978**	**43,84,36,055**	**43,84,36,055**				-	
43	Circle Healthcare Pvt Ltd (Alignment	Enzia Investment Trust	1,33,71,492	7,58,72,472	7,58,72,472	UDYAM-KR-03-0151342	Micro			Karnataka
44	Curiosity Edtech Pvt Ltd	Enzia Investment Trust	35,25,013	2,00,02,626	2,00,02,626	UDYAM-HR-05-0038463	Micro			Haryana
45	Konflake Tech Pvt Ltd	Enzia Investment Trust	1,35,89,765	7,69,39,546	6,69,45,258	UDYAM-DL-02-0026429	Micro	Female		Delhi
46	Zenheal Wellness Private Ltd	Enzia Investment Trust	72,23,008	4,09,86,834	4,09,86,834	UDYAM-MH-19-0106848	Micro			Maharashtra
47	DIGITAL ECOINNOVISION PRIVATE	Enzia Investment Trust	79,78,725	3,99,99,122	3,99,99,122	UDYAM-HR-05-0038220	Micro			Haryana
48	Docube Healthcare Private Limited	Enzia Investment Trust	39,89,450	2,00,00,000	2,00,00,000	UDYAM-TS-02-0139910	Micro			Telangana
49	Zenthrive Technologies Private	Enzia Investment Trust	75,40,060	3,78,00,000	3,78,00,000	UDYAM-TS-02-0114691	Micro			Telangana

50	Bombay Autism Services Private	Enzia Investment Trust	1,72,78,350	9,00,00,000	4,00,00,000	UDYAM-MH-33-0185606	Micro	Female		Maharashtra
		Enzia Investment Trust Total	**7,44,95,863**	**40,16,00,600**	**34,16,06,312**					
51	Teachmint Technologies Private	Epiq Capital II	2,15,96,136	33,47,33,940	33,47,33,940	UDYAM-KR-03-0180277	Micro			Karnataka
52	Parviom Technologies Private Limited	Epiq Capital II	6,81,39,541	1,05,61,43,425	1,05,61,43,425	UDYAM-DL-11-0020781	Micro			Delhi
53	Engineer.AI India Private Limited	Epiq Capital II	7,89,30,269	1,22,00,00,000	1,22,00,00,000	UDYAM-HR-05-0020970	Micro			Delhi
		Epiq Capital II Total	**16,86,65,947**	**2,61,08,77,365**	**2,61,08,77,365**				-	
54	Saturday Technologies Private Limited	Equanimity Ventures Trust II	32,63,327	2,39,95,054	2,39,95,054	UDYAM-MH-18-0111433	Micro			Maharashtra
55	Optimized Electrotech Private Limited	Equanimity Ventures Trust II	88,88,836	6,53,59,087	6,53,59,087	UDYAM-GJ-01-0009335	Small			Gujrat
56	Filosha Infotech Private Limited	Equanimity Ventures Trust II	68,07,812	5,00,57,442	5,00,57,442	UDYAM-MH-18-0025161	Micro			Maharashtra
57	Monitra Healthcare Private Limited	Equanimity Ventures Trust II	47,60,000	3,50,00,000	3,50,00,000	UDYAM-TS-02-0102897	Micro			Telangana
58	Neuron Energy Private Limited	Equanimity Ventures Trust II	81,61,632	6,00,12,000	6,00,12,000	UDYAM-MH-19-0170836	Micro			Maharashtra
		Equanimity Ventures Trust II	**3,18,81,607**	**23,44,23,583**	**23,44,23,583**					
	Sekhmet Technologies Private Limited	Filter Capital India Fund I	7,72,75,666	60,00,01,000	60,00,01,000	UDYAM-HR-05-0021558	Dup			
59	Capillary Technologies India Limited	Filter Capital India Fund I	5,40,93,017	42,00,00,812	42,00,00,812	UDYAM-KR-03-0009949	Medium			Karnataka
		Filter Capital India Fund I Total	**13,13,68,683**	**1,02,00,01,812**	**1,02,00,01,812**					
60	Market Xpander Services Private	Gaja Capital India Fund 2020 LLP	20,13,79,927	1,37,61,28,852	1,35,28,59,792	UDYAM-KR-03-0057235	Small			Karnataka
61	MADSTREET DEN TECHNOLOGIES	Gaja Capital India Fund 2020 LLP	24,23,79,251	1,41,76,20,749		UDYAM-TN-02-0059786	Small			Tamil Nadu
62	Signzy Technologies Private Limited	Gaja Capital India Fund 2020 LLP	23,11,66,641	1,57,96,76,229	1,06,80,00,000	UDYAM-MH-19-0039496	Small			Maharashtra
63	Amber Internet Solutions Private	Gaja Capital India Fund 2020 LLP	21,95,06,982	1,50,00,00,000	1,50,00,00,000	UDYAM-MH-26-0439524	micro			Maharashtra
		Gaja Capital India Fund 2020 LLP Total	**89,44,32,801**	**5,87,34,25,831**	**3,92,08,59,792**				-	
64	Celcius Logistics Solutions Pvt Ltd	IvyCap Ventures Trust Fund III	9,59,91,202	54,01,42,980	35,01,22,231	UDYAM-MH-19-0060985	Micro			Maharashtra
65	Clover Ventures Private Limited	IvyCap Ventures Trust Fund III	9,16,00,129	50,99,99,215	50,99,99,215	UDYAM-KR-03-0121508	Small			Karnataka
66	Convosight Analytics Pvt Ltd	IvyCap Ventures Trust Fund III	2,95,62,476	16,45,94,086	16,45,94,086	UDYAM-DL-08-005987	Micro	Female		Delhi
67	Elucidata Data Consulting Private Ltd	IvyCap Ventures Trust Fund III	3,93,76,799	21,92,36,990	21,92,36,990	UDYAM-DL-10-0031657	Micro			Delhi
68	Expertrons Technologies Pvt Ltd	IvyCap Ventures Trust Fund III	18,13,448	1,00,96,676	1,00,96,676	UDYAM-MH-19-0046314	Micro			Maharashtra
69	Nomisma Mobile Solutions Pvt Ltd	IvyCap Ventures Trust Fund III	2,73,01,405	15,20,05,192	15,20,05,192	UDYAM-MH-19-0118631	Small			Maharashtra
70	Nupa Technologies Private Limited	IvyCap Ventures Trust Fund III	8,09,83,930	45,08,91,728	45,08,91,728	UDYAM-BR-24-0001562	Small			Bihar
71	Purplefirst Technologies Pvt Ltd	IvyCap Ventures Trust Fund III	61,49,038	3,42,35,808	3,42,35,808	UDYAM-MH-18-0139962	Micro			Maharashtra
72	RN Chidakashi Technologies Pvt Ltd	IvyCap Ventures Trust Fund III	10,09,93,705	56,22,99,536	56,22,99,536	UDYAM-MH-19-0115585	Small			Maharashtra
73	Sky Gate Hospitality Pvt Ltd	IvyCap Ventures Trust Fund III	8,28,85,524	46,14,79,177	46,14,79,177	UDYAM-HR-05-0003218	Small			Haryana
74	Transactree Technologies Private	IvyCap Ventures Trust Fund III	1,11,17,846	6,19,00,488	6,19,00,488	UDYAM-DL-08-0054603	Micro			Delhi
75	ZestIoT Technologies Pvt Ltd	IvyCap Ventures Trust Fund III	2,96,32,585	16,49,84,430	16,49,84,430	UDYAM-HR-10-0006999	Micro			Haryana
76	Virya Logistics Technologies Pvt Ltd	IvyCap Ventures Trust Fund III	9,42,94,392	52,49,99,981	52,49,99,981	UDYAM-TN-02-0118887	Micro			Tamil Nadu
77	Gradright Edtech Pvt Ltd	IvyCap Ventures Trust Fund III	5,38,83,686	30,00,06,540	30,00,06,540	UDYAM-TS-02-0043032	Micro			Telangana
78	Snitch Apparels Private Limited	IvyCap Ventures Trust Fund III	9,29,60,594	51,75,73,833	51,75,73,833	UDYAM-KR-03-0238256	Micro			Karnataka
79	Livespire Private Limited	IvyCap Ventures Trust Fund III	17,96,776	1,00,03,857	1,00,03,857	UDYAM-MH-26-0438719	Micro			Maharashtra
80	Clootrack Software Labs Pvt Ltd	IvyCap Ventures Trust Fund III	8,98,04,186	50,00,00,000			Micro			Kerala
		IvyCap Ventures Trust Fund III Total	**93,01,47,721**	**5,18,44,50,516**	**4,49,44,29,767**				-	
81	Sparsh Foods India Pvt. Ltd.	Jashvik Capital Fund I	14,66,66,667	1,10,00,00,000		UDYAM-KR-02-0006267	Micro			Karnataka
82	Jabsons Foods Private Limited	Jashvik Capital Fund I	6,66,67,580	50,00,06,852	50,00,06,852	UDYAM-GJ-06-0000562	Medium			Gujrat
83	Dr Batras Positive Health Clinic	Jashvik Capital Fund I	19,33,33,333	1,45,00,00,000		UDYAM-MH-19-0000244	Medium			Maharashtra
		Jashvik Capital Fund Total	**40,66,67,580**	**3,05,00,06,852**	**50,00,06,852**				-	
84	Bizcon Innovations Private Limited	Kae Capital Fund III	1,29,05,550	17,90,22,570	17,90,22,570	UDYAM-HR-16-000018	Small			Haryana
85	Hatica Technologies Private Limited	Kae Capital Fund III	43,25,337	5,99,99,994	5,99,99,994	UDYAM-HR-05-0037423	Micro			Haryana
86	Tradyl Private Limited	Kae Capital Fund III	58,84,738	8,32,08,240	8,32,08,240	UDYAM-KR-03-0084549	Micro	Female		Karnataka
87	Tatvartha Health Private Limited	Kae Capital Fund III	1,52,13,745	27,21,57,926	27,21,57,926	UDYAM-GJ-25-0019233	Micro	Female		Gujrat
88	Assurekit Technologies & Service	Kae Capital Fund III	83,63,935	11,60,22,412	11,60,22,412	UDYAM-MH-33-0097733	Micro			Maharashtra
89	Rooters Mobility Private Limited	Kae Capital Fund III	21,62,535	2,99,98,150	2,99,98,150	UDYAM-KR-03-0003852	Micro			Karnataka
90	Foxtale Consumer Private Limited	Kae Capital Fund III	1,96,73,533	38,88,12,304	38,88,12,304	UDYAM-MH-19-0125924	Micro	Female		Maharashtra
91	L8 Cones Interactive Private Limited	Kae Capital Fund III	17,25,445	2,39,34,939	2,39,34,939	UDYAM-KR-02-0034203	Micro			Karnataka
92	CONTLO TECHNOLOGIES PRIVATE	Kae Capital Fund III	1,72,62,881	23,94,66,375	23,94,66,375	UDYAM-KR-02-0035274	Micro			Karnataka
93	Eight Network Creations Private	Kae Capital Fund III	58,89,383	8,16,96,048	8,16,96,048	UDYAM-HR-05-0022496	Micro			Haryana
94	Lodestone Healthcare Private Limited	Kae Capital Fund III	1,24,13,710	17,21,99,877	17,21,99,877	UDYAM-KR-25-0028610	Micro			Karnataka
95	Gobblecube Technologies Private	Kae Capital Fund III	1,01,75,238	14,11,48,360	14,11,48,360	UDYAM-HR-05-0053258	Micro			Haryana
96	Onwo Trade India Private Limited	Kae Capital Fund III	58,84,801	12,16,60,840	12,16,60,840	UDYAM-KR-03-0194817	Micro			Karnataka
		Kae Capital Fund III Total	**12,18,80,831**	**1,90,93,28,035**	**1,90,93,28,035**				-	
97	Accurate Industrial Controls Private	Maharashtra Defence and Aerospace	3,00,00,000	30,00,00,000	30,00,00,000	UDYAM-MH-26-0004780	Small	Female		Maharashtra
98	Aman Aviation and Aerospace	Maharashtra Defence and Aerospace	1,60,00,000	16,00,00,000	16,00,00,000	UDYAM-MH-18-0053219	Small	Female		Maharashtra
99	Badawe Engineers Private Limited	Maharashtra Defence and Aerospace	1,20,00,000	12,00,00,000	6,98,00,000	UDYAM-MH-26-0049513	Small			Maharashtra
100	Core Energy Sysems Private Limited	Maharashtra Defence and Aerospace	3,00,00,000	30,00,00,000	30,00,00,000	UDYAM-MH33D0006442	Small	Female		Maharashtra
101	Crimson Energy Experts Private	Maharashtra Defence and Aerospace	75,00,000	7,50,00,000	7,50,00,000	UDYAM-MH-26-0016661	Small			Maharashtra
102	Cyronics Innovation Labs Private	Maharashtra Defence and Aerospace	46,50,000	4,65,00,000	4,65,00,000	UDYAM-MH-26-0010594	Small			Maharashtra
103	Dimension NXG Private Limited	Maharashtra Defence and Aerospace	43,00,000	4,30,00,000	4,30,00,000	UDYAM-MH-33-0117166	Small			Maharashtra
104	Dynalog India Limited	Maharashtra Defence and Aerospace	1,80,00,000	18,00,00,000	10,00,00,000	UDYAM-MH-18-0010318	Medium	Female		Maharashtra
105	FFS Industries Private Limited	Maharashtra Defence and Aerospace	1,78,50,000	17,85,00,000	17,85,00,000	UDYAM-MH19A0114711	Micro			Maharashtra

106	JSR Dynamics Private Limited	Maharashtra Defence and Aerospace	2,99,80,000	29,98,00,000	29,98,00,000	UDYAM-MH-20-0038375	Micro	Female		Maharashtra
107	Krasny Defence Technologies Limited	Maharashtra Defence and Aerospace	2,26,51,873	30,00,00,000	30,00,00,000	UDYAM-MH-33-0016069	Small			Maharashtra
108	Revamp Moto Private Limited	Maharashtra Defence and Aerospace	15,00,000	1,50,00,000	50,00,000	UDYAM-MH-23-0046209	Micro		OBC	Maharashtra
109	RRP S4E Innovation Private Limited	Maharashtra Defence and Aerospace	69,80,000	6,98,00,000	6,98,00,000	MH18A0020440	Micro			Maharashtra
110	Sagar Defence Engineering Private	Maharashtra Defence and Aerospace	2,28,80,986	30,40,00,000	30,40,00,000	UDYAM-MH-26-0217376	Small			Maharashtra
111	Shree Refrigerations Private Limited	Maharashtra Defence and Aerospace	2,65,82,266	30,00,00,000	30,00,00,000	UDYAM-MH-30-0003507	Small	Female		Maharashtra
112	Techera Engineering (India) Private	Maharashtra Defence and Aerospace	1,52,91,133	17,00,00,000	12,00,00,000	UDYAM-MH-26-0064789	Small			Maharashtra
113	Varsity Instruments Private Limited	Maharashtra Defence and Aerospace	3,00,00,000	30,00,00,000	30,00,00,000	UDYAM-TS-02-0012530	Medium			Telangana
114	Zeus Numerix Private Limited	Maharashtra Defence and Aerospace	90,00,000	9,00,00,000	9,00,00,000	U72900MH2004PTC147993	Micro			Maharashtra
115	Yeoman Marine Services Private	Maharashtra Defence and Aerospace	1,97,46,800	30,00,00,000	30,00,00,000	UDYAM-MH-26-0010594	Medium			Maharashtra
		Maharashtra Defence and Aerospace	**32,49,13,058**	**3,55,16,00,000**	**3,36,14,00,000**					-
116	Akshaamala Solutions Pvt Ltd	NABVENTURES Fund I	3,34,95,786	40,06,09,621	40,06,09,621	UP28D0013593	Micro			Uttar Pardesh
117	GFM Retail Private Limited	NABVENTURES Fund I	3,92,62,676	46,95,81,632	46,95,81,632	UDYAM-TN-08-0022236	Small			Tamil Nadu
118	Klonec Automation Systems Pvt Ltd	NABVENTURES Fund I	33,43,903	3,99,93,096	3,99,93,096	UDYAM-KR-26-0003519	Micro			Karnataka
	Nupa Technologies Private Limited	NABVENTURES Fund I	1,97,88,602	23,66,00,000	23,66,00,000	UDYAM-BR-24-0001562	Dup			
119	Satyukt Analytics Pvt Ltd	NABVENTURES Fund I	1,08,67,825	12,99,79,200	12,99,79,200	UDYAM-KR-03-0021308	Micro	Female		Karnataka
120	Vilcart Solutions Private Limited	NABVENTURES Fund I	2,21,67,119	26,51,18,827	26,51,18,827	UDYAM-KR-21-0003450	Small			Karnataka
121	VnF Ideas Private Limited	NABVENTURES Fund I	1,33,77,917	15,99,99,888	15,99,99,888	MH19E0083918	Small			Maharashtra
122	TraceX Technologies Private Limited	NABVENTURES Fund I	55,03,959	6,61,06,368	6,61,06,368	KR03A0111542	Micro			Karnataka
123	SLO Technologies Private Limited	NABVENTURES Fund I	2,17,38,964	25,99,98,023	25,99,98,023	UDYAM-MH-19-0010943	Medium			Maharashtra
124	KBCols Sciences Pvt. Ltd	NABVENTURES Fund I	31,35,275	3,74,97,900	3,74,97,900	UDYAM-MH-26-0510409	Micro	Female		Maharashtra
125	Dr Jackfruit India Private Limited	NABVENTURES Fund I	2,34,03,660	27,99,07,780	20,15,08,831	UDYAM-KL-01-0000434	Micro			Kerala
126	Growth logistics Pvt Limited	NABVENTURES Fund I	25,08,147	2,99,97,440	2,99,97,440	UDYAM-MH-19-0132193	Micro	Female		Maharashtra
127	Homeville Consulting Private Limited	NABVENTURES Fund I	4,76,48,829	56,98,80,000	56,98,80,000	UDYAM-MH-26-0410059	Micro			Maharashtra
		NABVENTURES Fund I Total	**24,62,42,662**	**2,94,52,69,776**	**2,86,68,70,827**					-
128	Fibmold Packaging Private Limited	Omnivore Agritech & Climate Sustainability	4,60,31,979	32,42,00,000	32,42,00,000	UDYAM-KR-02-0051867	Micro			Karnataka
129	Finhaat Technologies Private Limited	Omnivore Agritech & Climate Sustainability	3,90,46,250	27,50,00,000	22,50,00,000		Micro			Maharashtra
130	Ayekart Fintech Private Limited	Omnivore Agritech & Climate Sustainability	3,54,96,591	25,00,00,000	12,50,00,000	UDYAM-MH-18-0058125	Micro			Maharashtra
131	Alt Material Innovations Private	Omnivore Agritech & Climate Sustainability	3,40,76,728	24,00,00,000	23,30,00,000	UDYAM-KR-03-0279033	Micro			Karnataka
		Omnivore Agritech & Climate	**15,46,51,548**	**1,08,92,00,000**	**90,72,00,000**					-
132	Camions Logistics Solutions Private	Paragon Partners Growth Fund II	5,55,34,678	75,00,02,162	75,00,02,162	UDYAM-HR-05-0005672	Medium			Haryana
	GFM Retail Private Limited	Paragon Partners Growth Fund II	7,78,85,812	1,04,44,20,676	1,04,44,20,676	UDYAM-TN-08-002236	Dup			
133	Pep Technologies Private Limited	Paragon Partners Growth Fund II	5,96,53,819	84,99,52,760	84,99,52,760	MH18D0153338	Micro			Maharashtra
134	Mountain Trail Foods Private Limited	Paragon Partners Growth Fund II	1,27,19,626	17,17,80,000	17,17,80,000	UDYAM-KR03F0048611	Medium			Karnataka
135	Everest Fleet Private Limited	Paragon Partners Growth Fund II	3,67,88,444	50,38,18,716	50,38,18,716	UDYAM-MH-19-0064617	Medium			Maharashtra
		Paragon Partners Growth Fund II Total	**24,25,82,378**	**3,31,99,74,314**	**3,31,99,74,314**					-
136	Light Information Systems Private	Pavestone Technology Fund	9,76,53,741	50,00,00,000	50,00,00,000	UDYAM-MH-26-0095637	Micro			Maharashtra
137	Newspace Research and Technologies	Pavestone Technology Fund	11,31,42,266	70,00,00,000	70,00,00,000	UDYAM-UP-28-0017008	Small			Uttar Pardesh
138	Bellatrix Aerospace Private Limited	Pavestone Technology Fund	1,66,64,658	10,00,00,000	10,00,00,000	UDYAM-KR-03-0060763	Small			Karnataka
139	LivNSense Technologies	Pavestone Technology Fund	1,33,33,328	8,00,00,000	8,00,00,000	KR03D0075439	Small	Female		Karnataka
		Pavestone Technology Fund Total	**24,07,93,993**	**1,38,00,00,000**	**1,38,00,00,000**					-
140	Deepvision Technologies Pvt Ltd,	Pontaq – NextGen Technology Fund-1	4,34,070	25,04,250	25,04,250	UDYAM-KR-03-0142905	Micro		OBC	Karnataka
141	FX UAV Technologies Pvt Ltd, Cuttack.	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-OD-07-0006577	Micro			Orrisa
142	HFIL Technologies Pvt Ltd, Kangra, HP	Pontaq – NextGen Technology Fund-1	4,33,415	25,00,470	25,00,470	UDYAM-HP-04-0001787	Micro			Himachal Pradesh
143	Arkinsion AI Pvt. Ltd.	Pontaq – NextGen Technology Fund-1	1,73,420	10,00,500	10,00,500	UDYAM-UP-31-0004765	Micro			Uttar Pradesh
144	Arms4Ai Pvt. Ltd.	Pontaq – NextGen Technology Fund-1	4,33,552	25,01,250	25,01,250	UDYAM-DL-11-0003182	Micro	Female		Uttar Pradesh
145	Black Eye Technologies Private	Pontaq – NextGen Technology Fund-1	4,34,455	25,06,471	25,06,471	UDYAM-PB-12-0047445	Micro			Punjab
146	Cappatery Pvt ltd	Pontaq – NextGen Technology Fund-1	4,33,885	25,03,182	25,03,182	UDYAM-OD-19-0022775	Micro			Orrisa
147	Clarila Technologies Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-KR-03-0152884	Micro			Karnataka
148	Coratia Technologies Pvt Ltd	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-OD-30-0008349	Micro		OBC	Orrisa
149	Dweepi Innovations Pvt Ltd	Pontaq – NextGen Technology Fund-1	4,33,194	24,99,196	24,99,196	AP10A0016043	Micro	Female		Andhra Pradesh
150	Electromotion Evidyut Vehicles	Pontaq – NextGen Technology Fund-1	4,34,460	25,06,500	25,06,500	UDYAM-CG-14-0022232	Micro			Chandigarh
151	Inovmac Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-AP-10-0005556	Micro			Andhra Pradesh
152	Intellewings	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-HR-13-0004884	Micro			Haryana
153	Poultrymon (MLIT SOL Private	Pontaq – NextGen Technology Fund-1	17,33,333	1,00,00,000	1,00,00,000	UDYAM-TS-09-0032644	Micro	Female	OBC	Telangana
154	Primary Health tech Pvt Ltd, Delhi	Pontaq – NextGen Technology Fund-1	4,35,846	25,14,494	25,14,494	UDYAM-AS-16-0000802	Micro			Assam
155	Schooglink Pvt. Ltd.	Pontaq – NextGen Technology Fund-1	4,33,631	25,01,715	25,01,715	KR02E0016293	Small			Karnataka
156	Sensegiz Technologies Pvt Ltd,	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-KR-04-0001440	Micro			Karnataka
157	Suhora Technologies Pvt Ltd,	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UP28E0035232	Micro			Uttar Pradesh
158	VRRSP Technologies Pvt Ltd	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-MH33D0011396	Micro	Female		Maharashtra
159	Arivation FashionTech Private	Pontaq – NextGen Technology Fund-1	4,34,982	25,09,509	25,09,509	UDYAM-HR-05-0037675	Micro			Haryana
160	Axle Mechanic Technologies Private	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-HR-05-0024600	Micro			Haryana
161	Cognicue Analytics Private Limited	Pontaq – NextGen Technology Fund-1	4,33,449	25,00,669	25,00,669	UDYAM-GA-01-0008128	Micro		SC	Goa
162	Ecoprosus India Private Limited	Pontaq – NextGen Technology Fund-1	4,33,554	25,01,272	25,01,272	UDYAM-KR-03-0004978	Micro			Karnataka
163	Felis Leo Widgets Private Limited	Pontaq – NextGen Technology Fund-1	8,66,762	50,00,550	50,00,550	UDYAM-OD-19-0023655	Micro	Female		Orrisa

164	Krishigati Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-MH-26-0208414	Micro	Female	OBC	Maharashtra
165	Learning Matters Private Limited	Pontaq – NextGen Technology Fund-1	4,33,244	24,99,487	24,99,487	UDYAM-KR-03-0086991	Micro			Karnataka
166	Les Aider Wellness Private Limited	Pontaq – NextGen Technology Fund-1	1,73,472	10,00,800	10,00,800	UDYAM-WB-10-0044915	Micro	Female		West Bengal
167	Moon Light Global Solutions Private	Pontaq – NextGen Technology Fund-1	3,46,709	20,00,244	20,00,244	UDYAM-AP-10-0023309	Micro	Female		Andhra Pradesh
168	One12 Innovations Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-PY-03-0006014	Micro			Pondicherry
169	Ouranos Robotics Private Limited	Pontaq – NextGen Technology Fund-1	4,33,767	25,02,500	25,02,500	UDYAM-MP-24-0016220	Micro	Female		Madhya Pradesh
170	R2E Technologies Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-UK-08-00000095	Micro	Female		Uttrakhand
171	Sequretek IT Solutions Private Limited	Pontaq – NextGen Technology Fund-1	4,33,365	25,00,182	25,00,182	UDYAM-MH-19-0054040	Small			Maharashtra
172	Shomish Edtech Private Limited	Pontaq – NextGen Technology Fund-1	4,33,335	25,00,010	25,00,010	UDYAM-TR-08-0003250	Micro			Tripura
173	Shreem Datatech Solutions Private	Pontaq – NextGen Technology Fund-1	4,33,593	25,01,500	25,01,500	UDYAM-KR-03-0147304	Micro			Karnataka
174	SPK-MAK Technologies Private	Pontaq – NextGen Technology Fund-1	4,33,366	25,00,190	25,00,190	UDYAM-OD-19-0023919	Micro		SC	Orrisa
175	Sunne Edtech Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-TN-02-0116422	Micro	Female		Tamil Nadu
176	Thinkraw innovative solutions private	Pontaq – NextGen Technology Fund-1	4,33,724	25,02,256	25,02,256	UDYAM-OD-15-0002965	Micro	Female		Orrisa
177	Umarobotics Technology Private	Pontaq – NextGen Technology Fund-1	4,33,827	25,02,849	25,02,849	UDYAM-UK-06-0012021	Micro			Uttrakhand
178	Water N Spices Foodsz Private Limited	Pontaq – NextGen Technology Fund-1	2,62,947	15,17,000	15,17,000	UDYAM-JH-20-0002827	Micro			Jharkhand
179	Waterbot Online Solutions Private	Pontaq – NextGen Technology Fund-1	4,34,373	25,06,000	25,06,000	UDYAM-KR-03-0025566	Micro	Female		Karnataka
180	Wonderquill Business Solutions	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-TS-02-0054684	Micro	Female		Telangana
181	Silvergenie Private Limited	Pontaq – NextGen Technology Fund-1	1,72,702	9,96,360	9,96,360	UDYAM-DL-08-0001259	Micro			Delhi
182	Tenvo Business Solutions Private	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-TN-02-0129713	Micro	Female		Tamil Nadu
183	Govidyouth Mobility Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-MH-26-0283172	Micro			Maharashtra
184	Arficus Private Limited	Pontaq – NextGen Technology Fund-1	4,33,358	25,00,140	25,00,140	UDYAM-RJ-32-0014907	Micro			Rajasthan
185	Raamsetu Agrotech Private Limited	Pontaq – NextGen Technology Fund-1	4,33,265	24,99,604	24,99,604	UDYAM-MP-08-0007084	Micro		OBC	Madhya Pradesh
186	Shree Raj Govind Technologies	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-RJ-25-0038808	Micro			Rajasthan
187	Fides Medtech Private Limited	Pontaq – NextGen Technology Fund-1	4,33,203	24,99,250	24,99,250	UDYAM-TS-09-0023290	Micro	Female	OBC	Telangana
188	Manodayam Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-DL-11-0049075	Micro			Delhi
		Pontaq – NextGen Technology Fund-1	**2,19,40,256**	**12,65,78,400**	**12,65,78,400**					-
189	Aayuv Technologies Private Limited	Sabre Partners Fund – 2019	3,91,97,093	24,00,00,000	24,00,00,000	UDYAM-TS-02-0004508	Small			Telangana
190	Cointribe Technologies Pvt Ltd	Sabre Partners Fund – 2019	1,60,19,199	9,80,86,175	9,80,86,175	DL03E0004771	Small			Delhi
191	Monepeak Fintech Pvt Ltd	Sabre Partners Fund – 2019	2,23,56,179	13,68,00,000	13,68,00,000	UDYAM-KR-03-0075530	Micro			Karnataka
192	Veeda Clinical Research Pvt Ltd	Sabre Partners Fund – 2019	9,63,55,997	58,99,91,508	58,99,91,508	UDYAM-GJ-01-0002792	Medium			Gujrat
193	Wellspring Healthcare Private Limited	Sabre Partners Fund – 2019	10,93,32,097	66,94,44,675	66,94,44,675	UDYAM-MH-19-0058910	Small			Maharashtra
		Sabre Partners Fund – 2019 Total	**28,32,60,564**	**1,73,43,22,358**	**1,73,43,22,358**					-
194	Blue Planet Environmental Solutions	SVL-SME Fund (Neev II)	13,50,00,558	1,00,00,00,000	1,00,00,00,000	MH33A0224837	Micro			Maharashtra
195	Chakr Innovation Private Limited	SVL-SME Fund (Neev II)	9,44,99,980	70,00,00,000	70,00,00,000	DL01B0003067	Micro			Delhi
196	GPS Renewables Private Limited	SVL-SME Fund (Neev II)	16,87,49,929	1,25,00,00,000	1,25,00,00,000	KR03A0041057	Small			Karnataka
197	Hygenco Green Energies Private	SVL-SME Fund (Neev II)	17,48,24,833	1,29,50,00,000	1,29,50,00,000	UDYAM-MP-20-0010225	Micro			Madhya Pradesh
198	Nutrifresh Farm Tech India Private	SVL-SME Fund (Neev II)	17,00,99,976	1,26,00,00,000	1,26,00,00,000	UDYAM-MH-26-0023775	Micro			Maharashtra
		SVL-SME Fund (Neev II) Total	**74,31,75,276**	**5,50,50,00,000**	**5,50,50,00,000**					-
199	Atulaya Healthcare Private Limited	Tata Capital Healthcare Fund II	3,43,75,001	55,00,00,000	55,00,00,000	UDYAM-CH-01-0000264	Small			Chandigah
200	Linux Laboratories	Tata Capital Healthcare Fund II	4,06,25,000	65,00,00,000	65,00,00,000	UDYAM-TN-02-0113332	Medium			Tamil Nadu
201	Anderson Diagnostic Services Private	Tata Capital Healthcare Fund II	3,43,75,000	55,00,00,000	55,00,00,000	UDYAM-TN-02-0014425	Medium			Tamil Nadu
202	Cellcure Cancer Centre Private Limited	Tata Capital Healthcare Fund II	4,68,75,000	75,00,00,000	75,00,00,000	UDYAM-MH-19-0033135	Small			Maharashtra
203	Apex Kidney Care	Tata Capital Healthcare Fund II	4,02,66,903	65,50,00,000	65,50,00,000	UDYAM-MH-18-0287569	Small			Maharashtra
		Tata Capital Healthcare Fund II Total	**19,65,16,904**	**3,15,50,00,000**	**3,15,50,00,000**					
204	Covalense Digital Solutions Pvt. Ltd.	Ubharte Sitaare Fund	4,37,50,000	25,00,00,000	25,00,00,000	UDYAM-KR-03-0030969	Small			Karnataka
205	Serosoft Solutions Private Limited	Ubharte Sitaare Fund	5,25,00,000	30,00,00,000	30,00,00,000	UDYAM-MP-23-0047330	Micro			Madhya Pradesh
206	Omnibrx Biotechnologies Pvt Ltd	Ubharte Sitaare Fund	5,25,00,000	30,00,00,000	30,00,00,000	UDYAM-GJ-01-0087940	Micro			Gujrat
	Transformative Learnings	Ubharte Sitaare Fund	5,25,00,000	30,00,00,000	30,00,00,000	UDYAM-HR-05-0054863	Dup			
	Waterwala Labs Private Limited	Ubharte Sitaare Fund	2,27,50,000	13,00,00,000		UDYAM-KR-03-0059915	Dup			
207	Myelin Foundry Private Limited	Ubharte Sitaare Fund	4,37,50,000	25,00,00,000		UDYAM - KR- 03-0116853	Micro			Karnataka
208	OTPless Solutions Private Limited	Ubharte Sitaare Fund	2,90,50,000	16,60,00,000		UDYAM-GJ-22-0246173	Micro			Gujrat
		Ubharte Sitaare Fund Total	**29,68,00,000**	**1,69,60,00,000**	**1,15,00,00,000**					-
209	Surfboats Solutions Private Limited	Roots Ventures-II Fund	3,32,49,882	24,99,99,110	24,99,99,110	UDYAM-GJ-01-0171864	Small			Gujrat
210	Godesi Mandi Private Limited	Roots Ventures-II Fund	1,32,99,518	9,99,96,375	9,99,96,375	UDYAM-KR-03-0076828	Micro	Female		Karnataka
211	Illuminify Technologies Private	Roots Ventures-II Fund	13,29,159	99,93,674	3,50,00,000	UDYAM-TN-02-0007249	Micro			Tamil Nadu
212	Asar Green Kabadi Private Limited	Roots Ventures-II Fund	1,59,86,667	12,00,00,000	6,50,00,000	UDYAM-MP-10-0001198	Micro			Madhya Pradesh
		Roots Ventures-II Fund Total	**6,38,65,226**	**47,99,89,159**	**44,99,95,485**					-
213	Aqgromalin Farmtech Services Private	Zephyr Peacock India Growth Fund	1,68,76,160	8,99,05,875	8,99,05,875	UDYAM-TN-11-0004773	Micro			Tamil Nadu
214	Intelligent Retail Private Limited	Zephyr Peacock India Growth Fund	8,66,64,420	50,00,00,000	49,81,57,770	UDYAM-KR-03-0027888	Small			Karnataka
215	ZippMat Private Limited	Zephyr Peacock India Growth Fund	2,39,19,528	12,74,28,637	12,74,28,637	UDYAM-MH-33-0118047	Micro			Maharashtra
216	Batx Energies Private Limited	Zephyr Peacock India Growth Fund	2,83,97,856	25,35,00,000	25,21,41,495	UDYAM-HR-05-0005446	Micro			Haryana
217	Shambhu Technology Services Private	Zephyr Peacock India Growth Fund	3,20,59,031	22,32,00,000	21,77,47,389	UDYAM-DL-01-0001977	Micro			Delhi
		Zephyr Peacock India Growth Fund Total	**18,79,16,995**	**1,19,40,34,512**	**1,18,53,81,166**					-
218	Zoivane Naturale Cosmetics Private	GVFL Emerging Enterprises Venture Capital	80,00,000	5,00,00,000	5,00,00,000	UDYAM-GJ-22-0118071	Micro			Gujrat
219	Gamerji E-Sports Pvt Ltd	GVFL Emerging Enterprises Venture Capital	1,60,00,000	10,00,00,000	10,00,00,000	UDYAM-GJ-01-0162341	Micro			Gujrat

220	Saarthi Pedagogy Pvt Ltd	GVFL Emerging Enterprises Venture Capital	1,60,00,000	10,00,00,000	10,00,00,000	UDYAM-GJ-01-0070669	Micro		Gujrat
221	Heni Innovations Private Limited	GVFL Emerging Enterprises Venture Capital	1,60,00,000	10,00,00,000	10,00,00,000	UDYAM-GJ-22-0150182	Micro		Gujrat
		GVFL Emerging Enterprises Venture Capital	**5,60,00,000**	**35,00,00,000**	**35,00,00,000**				
222	Angel Expanders Private Limited	SVAS Winning Businesses	6,40,00,000	32,00,00,000	32,00,00,000	UDYAM-DL-08-0006194	Micro		Delhi
223	Multi-Verse Technologies Private	SVAS Winning Businesses	1,97,06,667	9,85,33,333	7,85,33,333	UDYAM-KR-03-0163204	Micro		Karnataka
224	Dhanush Healthcare systems Private	SVAS Winning Businesses	80,00,000	4,00,00,000	4,00,00,000	UDYAM-TS-02 E-0040697	Micro		Telangana
225	Creyatech Private Limited	SVAS Winning Businesses	1,03,33,333	5,16,66,666	5,16,66,666	UDYAM-DL-03-00006532	Micro		Delhi
		SVAS Winning Businesses Total	**10,20,40,000**	**51,01,99,999**	**49,01,99,999**			**-**	
226	Indifi Technologies Private Limited	India Advantage Fund S5 I	11,31,78,779	1,70,00,00,000	1,70,00,00,000	UDYAM-HR-05-0066168	Small		Haryana
		India Advantage Fund S5 I Total	**11,31,78,779**	**1,70,00,00,000**	**1,70,00,00,000**				
227	Eeki Automation Private Limited	Avaana Sustainability Fund	2,07,48,418	10,37,42,088	10,37,42,088	UDYAM-RJ-24-0024121	Micro		Rajasthan
228	Aerem Solutions Private Limited	Avaana Sustainability Fund	3,66,86,000	18,34,30,000	18,28,77,193	UDYAM-MH-18-0118077	Micro		Maharashtra
229	Kazam EV Tech Private Limited	Avaana Sustainability Fund	3,45,00,000	17,25,00,000	17,25,00,716	UDYAM-MH-33-0078284	Micro		Maharashtra
230	Carboledger India Private Limited	Avaana Sustainability Fund	38,57,989	2,06,93,790	2,06,93,790	UDYAM-MH-27-0090289	Micro		Maharashtra
231	Sentra World Technologies Private	Avaana Sustainability Fund	2,30,70,986	12,37,50,000	12,37,50,000	UDYAM-KR-03-0236343	Micro		Karnataka
		Avaana Sustainability Fund Total	**11,88,63,393**	**60,41,15,878**	**60,35,63,787**			**-**	
232	AMPM Fashions Pvt Ltd	Cactus Partners Fund I	2,81,11,111	23,00,00,000	6,19,86,754	UDYAM-DL-09-0002870	Small	Female	Delhi
233	Rubix Data Sciences Pvt Ltd	Cactus Partners Fund I	75,76,159	6,20,00,000	25,00,01,090	UDYAM-MH-19-0028772	Micro		Maharashtra
234	Zenith Drinks Pvt Ltd	Cactus Partners Fund I	1,77,72,679	14,54,00,000	14,54,12,827	UDYAM-DL-03-0004991	Micro		Delhi
235	Lohum Cleantech Pvt Ltd	Cactus Partners Fund I	5,46,74,418	44,72,70,000	12,01,45,993	UDYAM-DL-02-0004158	Micro		Delhi
236	Vitraya Technologies Pvt Ltd	Cactus Partners Fund I	1,46,84,510	12,01,09,612	50,50,00,000	UDYAM-PB-20-0010470	Micro	Female	Punjab
237	Adjetter Media Network Private	Cactus Partners Fund I	3,91,11,111	32,00,00,000	31,99,93,632	UDYAM-KR-03-0063779	Small		Karnataka
		Cactus Partners Fund I Total	**16,19,29,989**	**1,32,47,79,612**	**1,40,25,40,296**			**-**	
238	Transformative Learnings Pvt Ltd	Grand Anicut Fund 3	4,10,05,064	50,56,01,548	29,28,00,000	UDYAM-HR-05-0054863	Micro		Haryana
239	Neemans Pvt Ltd	Grand Anicut Fund 3	2,42,19,458	27,29,96,126	17,28,00,000	UDYAM-TS-02-0057000	Micro		Telangana
240	Earth Rhythm Pvt Ltd	Grand Anicut Fund 3	2,52,02,190	36,00,15,644	18,00,00,000	UDYAM-HR-05-0010228	Micro		Haryana
241	Wheelocity Fresh Pvt Ltd	Grand Anicut Fund 3	1,71,64,606	24,56,04,332	12,30,00,000	UDYAM-TN-02-0162939	Micro		Tamil Nadu
242	Muhavra Enterprises Pvt Ltd	Grand Anicut Fund 3	2,80,01,966	34,98,22,932	22,06,00,000	UDYAM-HR-05-0015540	Micro		Haryana
243	XYXX Apparels Private Limited	Grand Anicut Fund 3	2,65,99,567	17,60,00,000	19,25,00,000	UDYAM-GJ-22-0147062	Small		Gujrat
		Grand Anicut Fund 3 Total	**16,21,92,851**	**1,91,00,40,582**	**1,18,17,00,000**				
244	Sukino Healthcare Solutions Private	Stakeboat Capital Fund II	7,23,02,844	50,00,00,000	50,00,00,000	UDYAM-KR-03-0061561	Small		Karnataka
245	Newgen Digitalworks Private Limited	Stakeboat Capital Fund II	8,81,99,669	61,00,00,000	61,00,00,000	UDYAM-TN-02-0002532	Small		Tamil Nadu
246	SBCDC Software Private Limited	Stakeboat Capital Fund II	8,88,02,868	61,24,33,572	61,40,00,000	UDYAM -KR-03-0280873	Micro		Karnataka
		Stakeboat Capital Fund II Total	**24,93,05,381**	**1,72,24,33,572**	**1,72,40,00,000**				
247	GigaFun Studios Private Limited	Fireside Ventures Investment Fund III	56,66,966	6,48,00,000	6,48,00,000	UDYAM-KR-03-0221366	Micro		Karnataka
	Intelligent Retail Private Limited	Fireside Ventures Investment Fund III	5,07,23,123	58,00,00,000	58,00,00,000	UDYAM-KR-03-0027888	Dup		
248	Jetapult Private Limited	Fireside Ventures Investment Fund III	3,61,77,278	44,00,00,000	41,40,81,109	UDYAM-MH-26-0351204	Micro		Maharashtra
249	Summersalt Lifestyle Private Limited	Fireside Ventures Investment Fund III	2,03,74,861	25,00,00,000	23,32,08,400	UDYAM-HR-05-0055902	Small		Haryana
250	Fraicheur Retail Private Limited	Fireside Ventures Investment Fund III	2,79,57,636	34,00,00,000	33,61,99,982	UDYAM-KR-03-0293897	Micro		Delhi
251	Samplytics Technologies Private	Fireside Ventures Investment Fund III	72,33,259	8,27,10,076	8,27,10,076		Micro		Karnataka
252	Seven Turns Private Limited The Good	Fireside Ventures Investment Fund III	2,49,76,941	28,56,03,600	28,56,03,600	UDYAM-TN-02-0091737	Micro		Tamil Nadu
253	Sweet Karam Coffee India Private	Fireside Ventures Investment Fund III	1,04,94,446	12,00,00,744	12,00,00,744	UDYAM-TN-02-0174156	Micro		Tamil Nadu
254	Renaura Wellness Private Limited -	Fireside Ventures Investment Fund III	2,62,35,952	30,00,00,000	26,25,03,360	UDYAM-KR-03-0004845	Micro		Karnataka
255	Mindcrescent Wellness Ventures	Fireside Ventures Investment Fund III	3,18,32,955	36,40,00,000	36,43,93,040	UDYAM-MH-19-0232585	Micro		Maharashtra
256	Happi Planet Eco Products Private	Fireside Ventures Investment Fund III	74,07,284	8,47,00,000	8,46,16,495	UDYAM-MH-19-0125951	Micro		Maharashtra
257	Dev Milk Foods Private Limited-	Fireside Ventures Investment Fund III	2,62,35,952	30,00,00,000	30,00,00,000	UDYAM-RJ-17-0049337	Small		Rajasthan
		Fireside Ventures Investment Fund III Total	**27,53,16,652**	**3,21,18,14,420**	**3,12,81,16,806**			**-**	
258	Exotel Techcom Private Limited	Singularity Growth Opportunities Fund I	75,32,949	8,47,10,682	8,47,10,682	UDYAM-KR-03-0071163	MEDIUM		Karnataka
259	Service Lee Technologies Private	Singularity Growth Opportunities Fund I	4,46,08,179	50,16,34,760	38,83,97,118	UDYAM-MH-19-0077405	MEDIUM		Maharashtra
	Pep Technologies Private Limited	Singularity Growth Opportunities Fund I	3,55,72,262	40,00,22,670	40,00,22,670	UDYAM-MH-18-0165342	Dup		
	Xyxx Apparels Private Limited	Singularity Growth Opportunities Fund I	2,52,54,856	28,39,99,798	28,39,99,798	UDYAM-GJ-22-0147062	Dup		
260	Webklipper Technologies Private	Singularity Growth Opportunities Fund I	3,11,23,819	34,99,98,363	34,99,98,363	UDYAM-MH-18-0216406	Medium		Maharashtra
261	Purple Style Labs Private Limited	Singularity Growth Opportunities Fund I	2,92,56,527	32,50,00,000	35,00,00,000	MH19D0059762	Micro		Maharashtra
262	Orocorp Technologies Private Limited	Singularity Growth Opportunities Fund I	2,48,86,334	28,00,00,000	27,99,88,263	UDYAM-TN-02-0198399	Micro		Tamil nadu
263	More Consumer Brands Private	Singularity Growth Opportunities Fund I	88,92,561	10,00,00,000	5,00,00,000	UDYAM-MH-19-0028186	Micro		Maharashtra
	Lohum Cleantech Private Limited	Singularity Growth Opportunities Fund I	2,66,77,684	30,00,00,000	22,73,52,252	UDYAM-DL-02-0004158	Dup	Female	
	Veeda Clinical Research Limited	Singularity Growth Opportunities Fund I	2,66,77,712	30,00,00,308	30,00,00,012	UDYAM-GJ-01-0002792	Dup		
264	TOMORROWLAND APPARELS	Singularity Growth Opportunities Fund I	2,22,31,404	25,00,00,000		UDYAM-MH-19-0269752	Small		Maharashtra
265	Extrapolate Advisors Private Limited	Singularity Growth Opportunities Fund I	1,33,38,842	15,00,00,000		UDYAM-WB-10-0012963	Micro		West Bengal
		Singularity Growth Opportunities Fund I	**29,60,53,130**	**3,32,53,66,581**	**2,71,44,69,158**			**0**	
266	All Building Materials Technologies	Whiteboard Capital Fund – II	20,00,000	2,80,00,000	-	UDYAM-TS-02-0070356	Micro		Telangana
267	Aroleap Fitness Private Limited	Whiteboard Capital Fund – II	21,72,477	3,04,14,678	1,50,11,226	UDYAM-KR-03-0041446	Micro		Karnataka
268	Blutron Technologies Private Limited	Whiteboard Capital Fund – II	16,66,264	2,00,00,000	2,00,03,170	UDYAM-DL-03-0026874	Micro		Delhi
269	Chaupal (Bosna Digital	Whiteboard Capital Fund – II	28,57,143	4,00,00,000	50,00,000	UDYAM-CH-01-0007672	Micro		Chandigarh
270	Custiv Manufacturing Solutions	Whiteboard Capital Fund – II	15,25,190	2,13,52,656	2,13,36,873	UDYAM-KR-03-0015057	Micro		Karnataka

271	Dezerv Investments Private Limited	Whiteboard Capital Fund – II	6,94,052	97,16,722	97,16,722	UDYAM-MH-18-0076277	Micro			Maharashtra
272	Digiaccel Technologies Private Limited	Whiteboard Capital Fund – II	14,75,490	2,06,56,860	2,06,56,860	UDYAM-KR-03-0188600	Micro			Karnataka
273	Early Steps Academy Private Limited	Whiteboard Capital Fund – II	16,18,563	2,26,59,888	2,23,51,257	UDYAM-KR-3-240005	Micro	Female		Karnataka
274	Finnoto Solutions Private Limited	Whiteboard Capital Fund – II	19,64,286	2,75,00,000	2,75,00,811	UDYAM-KR-03-0238265	Micro			Karnataka
275	Healthlicious Basil Foodtech Private	Whiteboard Capital Fund – II	14,99,761	2,09,96,657	1,94,81,995	UDYAM-DL-06-0072679	Micro	Female		Delhi
276	Klip Solutions Private Limited	Whiteboard Capital Fund – II	10,28,634	1,44,00,880	1,44,00,914	UDYAM-HR-05-0060826	Micro			Haryana
277	Listed Dotfans Private Limited	Whiteboard Capital Fund – II	28,57,143	4,00,00,000	4,09,00,000	UDYAM-DL-02-0043283	Micro			Delhi
278	Mindgrove Technologies Private	Whiteboard Capital Fund – II	5,61,321	78,58,488	78,58,625	UDYAM-TN-02-0113886	Micro			Tamil Nadu
279	Moreficent (Xvirtual Systems Private	Whiteboard Capital Fund – II	7,35,116	1,02,91,623	99,98,250	UDYAM-DL-09-0011292	Micro			Delhi
280	Mymuse India Private Limited	Whiteboard Capital Fund – II	14,34,803	2,00,87,246	5,50,92,968	UDYAM-MH-19-0028215	Micro	Female		Maharashtra
281	Now&Me Enterprises Private Limited	Whiteboard Capital Fund – II	13,03,255	1,82,45,575	1,82,45,575	UDYAM-DL-11-0051510	Micro	Female		Delhi
	Onwo Trade India Private Limited	Whiteboard Capital Fund – II	3,64,286	51,00,000	51,02,830	UDYAM-KR-03-0194817	Dup			
282	Openvitae Technologies Private	Whiteboard Capital Fund – II	18,75,000	2,62,50,000	2,62,50,525	UDYAM-KL-02-0052465	Micro	Female		Kerala
283	Palaestra Technologies Private	Whiteboard Capital Fund – II	7,99,089	1,11,87,243	1,10,40,241	UDYAM-KR-03-0240054	Micro			Karnataka
284	Poincare Technologies Pvt Ltd	Whiteboard Capital Fund – II	1,33,277	18,65,873	18,65,873	UDYAM-KR-03-0258067	Micro			Karnataka
285	Praxia (Novus Procura India Private	Whiteboard Capital Fund – II	18,57,143	5,60,00,000	2,26,82,781	UDYAM- MH-27-0057703	Micro			Maharashtra
286	Profectus Technologies Private	Whiteboard Capital Fund – II	30,13,289	4,21,86,045	5,21,83,461	UDYAM-KR-03-0142293	Micro			Karnataka
287	Radio Rocket Private Limited	Whiteboard Capital Fund – II	21,42,620	2,99,96,677	2,99,96,677	UDYAM-DL-08-0027197	Micro			Delhi
288	Remedo Clinitech Private Limited	Whiteboard Capital Fund – II	21,38,819	2,99,43,470	5,99,44,698	UDYAM-MH-19-0049978	Micro			Maharashtra
289	Revoh (Revoh Innovations Private	Whiteboard Capital Fund – II	12,50,000	1,75,00,000	1,75,00,080	UDYAM-TN-02-0071976	Micro			Tamil Nadu
290	Shouto (Shouto Technologies Private	Whiteboard Capital Fund – II	8,92,857	1,25,00,000	Not going ahead with t	UDYAM-KR-03-0237046	Micro			Karnataka
291	Stimveda Neurosciences Private	Whiteboard Capital Fund – II	16,07,786	3,37,59,000	1,12,59,000	UDYAM-DL-03-0027160	Micro	Female		Delhi
292	The Unbottled Company (Unbottle	Whiteboard Capital Fund – II	21,42,857	3,00,00,000	3,00,00,161	UDYAM-KR-03-0159221	Micro	Female		Karnataka
	Tradyl Private Limited	Whiteboard Capital Fund – II	11,65,516	2,43,31,297	1,63,17,292	UDYAM-KR-03-0084549	Dup	Female		
293	Waltr (Kre38 Labs Private Limited)	Whiteboard Capital Fund – II	14,28,571	4,00,02,559	4,00,02,557	UDYAM-KR-03-0237046	Micro			Karnataka
294	Breeo Solutions Private Limited	Whiteboard Capital Fund – II	17,09,431	2,05,21,380	3,00,23,994	UDYAM-KR-03-0262872	Micro			Karnataka
	Brio Hospitality Private Limited	Whiteboard Capital Fund – II	37,48,443	4,49,99,316	4,49,97,116		Dup			
295	Griot Retail Tech Pvt. Ltd. (Doto Kids)	Whiteboard Capital Fund – II	29,15,500	3,50,00,000	3,65,18,031	UDYAM-KR-03-0292025	Micro			Karnataka
296	Jugyah Real Estate Services Private	Whiteboard Capital Fund – II	6,84,226	82,14,000	82,14,000	UDYAM-MH-18-0295918	Micro			Maharashtra
297	Neuracle Health Pvt Ltd (Marble	Whiteboard Capital Fund – II	11,49,540	1,38,00,000		UDYAM-DL-03-0027160	Micro			Delhi
		Whiteboard Capital Fund – II Total	**5,64,11,748**	**83,53,38,134**	**75,14,54,563**					
298	Iron Kettle Private Limited	Menterra Social Impact Fund II	1,04,90,630	5,62,00,000	5,62,00,000	UDYAM-KR-03-0159548	Micro			Karnataka
299	Teralumen Solutions Pvt Ltd	Menterra Social Impact Fund II	4,66,665	25,00,000	25,00,000	UDYAM-TN-08-0000211	Micro			Tamil Nadu
300	Medhavi Professional Services Pvt Ltd	Menterra Social Impact Fund II	23,89,325	1,28,00,000	1,28,00,000	UDYAM-DL10D0014650	Micro			Delhi
		Menterra Social Impact Fund II Total	**1,33,46,620**	**7,15,00,000**	**7,15,00,000**					
301	Heuristix Digital Technologies Private	TrueScale Venture Growth Fund I	5,81,14,039	26,00,17,941	26,00,17,941	UDYAM-MH-18-0008015	Small			Maharashtra
302	Octopolis Technologies Private	TrueScale Venture Growth Fund I	2,50,90,255	18,81,76,912	18,81,76,912	UDYAM-KR-03-0080596	Micro			Karnataka
		TrueScale Venture Growth Fund I Total	**8,32,04,294**	**44,81,94,853**	**44,81,94,853**					
303	Aeroquill Technologies Private Limited	Antler Innovation India Fund I Total	23,30,942	2,79,82,500	2,79,82,500	UDYAM-KR-03-0330736	Micro			Karnataka
304	Allevaraev Labs Private Limited	Antler Innovation India Fund I Total	20,84,366	2,50,22,400	2,50,22,400	UDYAM-MH-26-0562701	Micro			Maharashtra
305	Antler Incubator Private Limited	Antler Innovation India Fund I Total	1,91,69,477	23,01,25,769	24,30,74,669	UDYAM-KR-03-0329822	Micro			Karnataka
306	Cattleguru Private Limited	Antler Innovation India Fund I Total	16,66,000	2,00,00,000	2,00,00,000	UDYAM-HR-07-0009077	Micro			Haryana
307	Climb Foods Private Limited	Antler Innovation India Fund I Total	17,51,323	2,10,24,291	2,10,24,291	UDYAM-RJ-17-0064320	Micro			Rajasthan
308	Cricinshots Gaming Private Limited	Antler Innovation India Fund I Total	11,51,623	1,38,25,000	2,05,00,000	UDYAM-MH-26-0278566	Micro			Maharashtra
309	Deftronin Technologies Private	Antler Innovation India Fund I Total	12,09,139	1,45,15,476	1,45,15,476	UDYAM-KR-03-0330290	Micro			Karnataka
310	Figrfast Systems Private Limited	Antler Innovation India Fund I Total	16,66,000	2,00,00,000	2,00,00,000	UDYAM-DL-06-0103794	Micro			Delhi
311	Good Memories Private Limted	Antler Innovation India Fund I Total	15,81,242	1,89,82,500	1,89,82,500	UDYAM-KR-03-0089543	Micro			Karnataka
312	Growthduty AI Private Limited	Antler Innovation India Fund I Total	17,27,536	2,07,38,732	2,07,38,732	UDYAM-KR-03-0330082	Micro			Karnataka
313	Guardians EMS Private Limited	Antler Innovation India Fund I Total	17,43,053	2,09,25,000	2,09,25,000	UDYAM-DL-10-0056290	Micro			Delhi
314	IDQ Innovation Private Limited	Antler Innovation India Fund I Total	29,79,314	3,57,66,080	3,57,66,080	UDYAM-DL-09-0011592	Micro			Delhi
315	Innobits Solutions Private Limited	Antler Innovation India Fund I Total	24,59,018	2,95,20,024	2,95,20,024	UDYAM-KR-03-0129794	Micro			Karnataka
316	Inspecity Space Laboratories Private	Antler Innovation India Fund I Total	19,98,902	2,39,96,424	2,39,96,424	UDYAM-MH-33-0241542	Micro		OBC	Maharashtra
317	Magneum Techonology Private	Antler Innovation India Fund I Total	24,53,561	2,94,54,512	2,94,54,512	UDYAM-UP-28-0031526	Micro			Uttar Pradesh
318	Mysa Innovations Private Limited	Antler Innovation India Fund I Total	22,01,046	2,64,23,124	2,64,23,124	UDYAM-KR-03-0313875	Micro			Karnataka
319	Neobrix SaaS Solutions Private Limited	Antler Innovation India Fund I Total	20,65,840	2,48,00,000	2,48,00,000	UDYAM-MH-33-0404018	Micro			Maharashtra
320	Neofinverv Technologies Private	Antler Innovation India Fund I Total	15,82,875	1,90,02,100	1,90,02,100	UDYAM-HR-05-0087435	Micro			Haryana
321	OnArrival Travel Technology Private	Antler Innovation India Fund I Total	11,07,890	1,33,00,000	1,33,00,000	UDYAM-KR-03-0332579	Micro			Karnataka
322	Platiga Technologies Private Limited	Antler Innovation India Fund I Total	23,34,415	2,80,24,186	2,80,24,186	UDYAM-MH-18-0290792	Micro			Maharashtra
323	Sahaj Gaming and Edutainment	Antler Innovation India Fund I Total	23,90,703	2,86,99,920	2,86,99,920	UDYAM-KR-03-0330702	Micro			Karnataka
324	Sangti Solutions Private Limited	Antler Innovation India Fund I Total	17,43,053	2,09,25,000	2,09,25,000	UDYAM-MP-23-0117020	Micro			Madhya Pradesh
325	Yellowpedal Technologies Private	Antler Innovation India Fund I Total	34,36,702	4,12,56,923	4,12,56,923	UDYAM-DL-11-0064467	Micro			Delhi
		Antler Innovation India Fund I Total	**6,28,34,019**	**75,43,09,961**	**77,39,33,861**					
326	Dhruva Space Private Limited	IAN Alpha Fund	2,46,15,385	16,00,00,000	16,00,00,000	UDYAM-TS-02-0054772	Micro			Telangana
		IAN Alpha Fund Total	**2,46,15,385**	**16,00,00,000**	**16,00,00,000**					
327	A-1 Cuisines Private Limited	9Unicorns Accelerator Fund	5,19,124	1,07,10,000	1,07,10,000	UDYAM-MH-19-0011209	Micro			Maharashtra

328	Adonmo Private Limited	9Unicorns Accelerator Fund	11,52,236	2,37,71,658	2,37,71,658	TS09D0025300	Small			Telangana
329	Aesthetic Nutrition Private Limited	9Unicorns Accelerator Fund	70,75,627	14,59,76,500	14,59,76,500	UDYAM-DL-08-0028263	Small			Delhi
330	Alnourish Healthy Foods Private	9Unicorns Accelerator Fund	1,83,220	37,80,000	37,80,000	UDYAM-HR-05-0041646	Micro			Haryana
331	Alphaa Ai Data Private Limited	9Unicorns Accelerator Fund	8,96,724	1,85,00,208	1,85,00,208	UDYAM-DL-02-0008545	Micro			Delhi
332	Andor Communications Private	9Unicorns Accelerator Fund	12,11,942	2,50,03,440	2,50,03,440	DL02E0020475	Small			Delhi
333	Ans Digital Private Limited	9Unicorns Accelerator Fund	7,27,065	1,50,00,000	1,50,00,000	Not Available	Micro			Delhi
334	Assiduus Distribution Private Limited	9Unicorns Accelerator Fund	36,35,325	7,50,00,001	7,50,00,001	UDYAM-KR03D0066222	Small	Female		Karnataka
335	August Jewellery Private Limited	9Unicorns Accelerator Fund	53,07,957	10,95,07,894	10,95,07,894	UDYAM-KR-03-0000062	Medium			Karnataka
336	Axiom Ayurveda Private Limited	9Unicorns Accelerator Fund	29,08,261	6,00,02,859	6,00,00,019	UDYAM-HR-01-0008093	Medium			Haryana
337	Basic Enterprises Private Limited	9Unicorns Accelerator Fund	2,90,857	60,00,640	60,00,640	UDYAM-HR-05-0000843	Micro			Haryana
338	Biddano Private Limited	9Unicorns Accelerator Fund	4,99,657	1,03,08,363	1,03,08,363	UDYAM-MH-26-0516978	Micro			Maharashtra
339	Bigfoot Retail Solutions Private	9Unicorns Accelerator Fund	45,60,516	9,40,87,531	9,40,87,531	UDYAM-MH-19-0056617	Small			Maharashtra
340	Blu-Smart Mobility Private Limited	9Unicorns Accelerator Fund	26,65,905	5,50,00,000	5,50,00,000	UDYAM-GJ-01-0039950	Micro			Gujrat
	Bombay Autism Services Private	9Unicorns Accelerator Fund	11,19,680	2,31,00,000	2,31,00,000	UDYAM-MH-33-0185606	Dup	Female		
341	Brio Hospitality Private Limited	9Unicorns Accelerator Fund	12,11,681	2,49,98,052	2,49,98,052	UDYAM-MH-19-0142739	Micro			Maharashtra
342	Bycyshare Technologies Private	9Unicorns Accelerator Fund	65,53,723	13,52,09,166	6,50,11,627	UDYAM-HR-05-0017664	Micro	Female		Haryana
343	Celebrity Konnections Tech Private	9Unicorns Accelerator Fund	7,27,128	1,50,01,302	1,50,01,302	MH26D0222780	Micro			Maharashtra
344	Crescere Technologies Private Limited	9Unicorns Accelerator Fund	4,85,195	1,00,10,000	1,00,10,000	UDYAM-DL-08-0036698	Micro			Delhi
345	Curapy Health Private Limited	9Unicorns Accelerator Fund	4,12,246	85,05,000	85,05,000	UDYAM-KR-03-0019502	Micro	Female		Karnataka
346	Cusmat Technologies Private Limited	9Unicorns Accelerator Fund	4,84,753	1,00,00,879	1,00,00,879	TS02E0064431	Small			Telangana
347	Dcg Tech Limited	9Unicorns Accelerator Fund	6,97,982	1,44,00,000	1,44,00,000	UDYAM-HR-05-0008967	Small			Haryana
348	Deepsync Technologies Private	9Unicorns Accelerator Fund	1,69,680	60,03,510	35,00,652	UDYAM-CH-01-0013460.	Micro			Chandigarh
349	Ecovia Tech Private Limited	9Unicorns Accelerator Fund	18,17,624	3,74,99,211	3,74,99,211	UDYAM-GJ-22-0038506	Micro			Gujrat
350	Edgeneural Ai Private Limited	9Unicorns Accelerator Fund	1,33,460	27,53,405	27,53,405	MH30D002978	Small			Maharashtra
351	Ekank Technologies Private Limited	9Unicorns Accelerator Fund	9,08,773	1,87,48,800	1,87,48,800	UDYAM-DL-10-0020385	Micro			Delhi
352	Elec Torq Technologies Private Limited	9Unicorns Accelerator Fund	27,38,149	5,64,90,462	1,64,90,462	UDYAM-DL-10-0022992	Micro			Delhi
353	Ethereal Machines Private Limited	9Unicorns Accelerator Fund	11,27,265	2,32,56,482	1,50,04,092	UDYAM-KR-03-0172242	Micro			Karnataka
354	Evenflow Brands Tech Private Limited	9Unicorns Accelerator Fund	30,49,068	6,29,05,000	6,29,05,000	UDYAM-MH-19-0092812	Micro			Maharashtra
355	Extraaedge Technology Solutions	9Unicorns Accelerator Fund	2,90,544	59,94,177	59,94,177	UDYAM-MH-26-0412255	Micro			Maharashtra
356	Fashor Lifestyle Pvt Ltd	9Unicorns Accelerator Fund	9,69,355	1,99,98,660	1,99,98,660	UDYAM-RJ-17-0064712	Small	Female		Rajasthan
357	Feed Forward Technologies Private	9Unicorns Accelerator Fund	2,42,926	50,11,776	50,11,776	UDYAM-BR-26-0030809	Micro			Bihar
358	Fembuddy Private Limited	9Unicorns Accelerator Fund	10,90,565	2,24,99,329	74,99,441	UDYAM-KR-03-0141607	Micro	Female		Karnataka
359	Fitterfly Healthtech Private Limited	9Unicorns Accelerator Fund	40,74,016	8,40,50,592	8,40,50,592	UDYAM-MH-19-0114396	Micro			Maharashtra
360	Fleek Technologies Private Limited	9Unicorns Accelerator Fund	13,23,424	2,73,03,415	73,03,415	UDYAM-KR-03-0105471	Micro		Karnataka	
361	Flickstree Productions Private Limited	9Unicorns Accelerator Fund	19,34,616	3,99,12,852	3,99,12,852	UDYAM-MH-18-0175135	Micro			Maharashtra
362	Flive Consulting Private Limited	9Unicorns Accelerator Fund	9,49,530	1,95,89,645		UDYAM-DL-03-0004235	Small			Delhi
363	Freightbro Logistics Private Limited	9Unicorns Accelerator Fund	2,42,174	49,96,268	49,96,268	UDYAM-TN-02-0038589	Small			Tamil Nadu
364	Freightify Solutions India Private	9Unicorns Accelerator Fund	8	170	170	UDYAM-TN-02-0038589	Small			Tamil Nadu
	Gajju Technologies Private Limited	9Unicorns Accelerator Fund	36,36,654	7,50,27,428	7,50,27,428	MH18D0211204	Dup			
365	Gamepe Technologies Private Limited	9Unicorns Accelerator Fund	10,47,938	2,16,19,893	2,16,19,893	UDYAM-MP-15-0000211.	Micro			Madhya Pradesh
366	Gigforce Private Limited	9Unicorns Accelerator Fund	16,97,345	3,50,17,752	3,50,17,752	UDYAM-HR-03-0015146	Micro			Haryana
367	Goat Brand Labs Private Limited	9Unicorns Accelerator Fund	54,55,056	11,25,42,678	11,25,42,678	UDYAM-KR-03-0085194	Micro			Karnataka
368	Greenikk Sustainable Ventures	9Unicorns Accelerator Fund	3,13,964	64,77,363	64,77,363	UDYAM-KL-12-0029613	Micro			Kerala
369	Growthpond Technology Private	9Unicorns Accelerator Fund	17,71,178	3,65,40,984	3,65,40,984	UDYAM-KR-03-0141643	Micro			Karnataka
370	Gsharp Media Private Limited	9Unicorns Accelerator Fund	7,25,987	1,49,77,770	1,49,77,770	UDYAM-MH-19-0056617	Micro			Maharashtra
371	Hesa Enterprises Private Limited	9Unicorns Accelerator Fund	3,63,532	75,00,000	75,00,000	TS02E0048677	Micro	Female		Telangana
372	Instoried Research Labs Private	9Unicorns Accelerator Fund	27,75,064	5,72,52,046	5,72,52,046	UDYAM-KR-03-0112732	Micro			Karnataka
	Jetapult Private Limited (Jetapult).	9Unicorns Accelerator Fund	33,94,573	7,00,33,076	7,00,33,076	UDYAM-MH-26-0351204	Dup			
373	Join Ventures Private Limited	9Unicorns Accelerator Fund	54,52,667	11,24,93,400	11,24,93,400	UDYAM-MH-33-0176960	Micro			Maharashtra
374	Kid Aptivity Technologies Private	9Unicorns Accelerator Fund	3,61,400	74,56,010	74,56,010	Not Available	Micro			Delhi
375	Knoctowl Technologies Pvt Ltd	9Unicorns Accelerator Fund	3,87,668	79,97,941	79,97,941	UDYAM-MH-26-0099762	Micro			Maharashtra
376	Leaf And Nuts Private Limited	9Unicorns Accelerator Fund	4,85,266	1,00,11,474	1,00,11,474	UDYAM-KR-03-0119945	Micro			Karnataka
377	Leverage Ed-Tech Private Limited	9Unicorns Accelerator Fund	36,35,544	7,50,04,514	7,50,04,514	UDYAM-DL-08-0059443	Small			Delhi
378	Mannatron Tech Private Limited	9Unicorns Accelerator Fund	10,66,486	2,20,02,568	2,20,02,568	UDYAM-MH-18-0089257	Micro	Female		Maharashtra
379	Meme Chat Private Limited	9Unicorns Accelerator Fund	2,47,471	51,05,552	51,05,552	UDYAM-HR-05-0050139	Small			Haryana
380	Merapashu360 Private Limited	9Unicorns Accelerator Fund	10,66,362	2,20,00,000	2,20,00,000	UDYAM-DL-06-0032968	Micro			Delhi
381	Mitron Tv Private Limited	9Unicorns Accelerator Fund	13,68,820	2,82,39,980	2,82,39,980	UDYAM-KR-03-0006944	Micro			Karnataka
382	Mjvs Fashion Services Private Limited	9Unicorns Accelerator Fund	42,42,424	8,75,25,000	5,74,91,148	UDYAM-MH-18-0155941	Micro			Maharashtra
383	Nabosh Technologies Private Limited	9Unicorns Accelerator Fund	18,43,520	3,80,33,461	3,80,33,461	UDYAM-KR-03-0118728	Micro			Karnataka
384	Navia Life Care Private Limited	9Unicorns Accelerator Fund	9,69,463	2,00,00,888	2,00,00,888	UDYAM-DL-08-0005856	Micro	Female		Delhi
385	Numadic Iot Private Limited	9Unicorns Accelerator Fund	17,01,841	3,51,10,505	3,51,10,505	UDYAM-GA-01-0003748	Micro			Goa
386	Omnia Information Private Limited	9Unicorns Accelerator Fund	20,60,757	5,82,63,428	2,25,02,341	UDYAM-DL-10-0052571	Micro			Delhi
387	One Stack Solution Private Limited	9Unicorns Accelerator Fund	5,81,313	1,19,93,000	69,93,000	UDYAM-MH-18-0047074	Small			Maharashtra
388	Opus Net Private Limited	9Unicorns Accelerator Fund	96,942	20,00,001	20,00,001	UDYAM-MH-26-0097149	Small			Maharashtra
389	Oshun Food Products Private Limited	9Unicorns Accelerator Fund	3,63,288	74,94,948	74,94,948	UDYAM-MH-19-0114514	Micro			Haryana

390	Prescinto Technologies Private	9Unicorns Accelerator Fund	11,29,859	2,33,10,000	2,33,10,000	UDYAM-GJ-01-0040292	Micro		Gujrat
391	Qans Consumer Products Private	9Unicorns Accelerator Fund	3,63,487	2,74,98,446	74,99,052	UDYAM-KR-03-0070876	Micro		Karnataka
392	Quality Tutorials Private Limited	9Unicorns Accelerator Fund	18,17,686	3,75,00,480	3,75,00,480	Not Available	Micro		Maharashtra
393	Quantduo Technologies Private	9Unicorns Accelerator Fund	10,82,492	2,23,32,769	2,23,32,769	UDYAM-KR-03-0165198	Micro	Female	Karnataka
394	Qzense Labs Private Limited	9Unicorns Accelerator Fund	1,17,252	24,19,020	24,19,020	UDYAM-KR-03-0040334	Micro	Female	Karnataka
395	Raidenbit Interactive Private Limited	9Unicorns Accelerator Fund	5,63,065	1,16,16,538	1,16,16,538	UDYAM-DL-11-0067592	Micro		Delhi
396	Renee Cosmetics Private Limited	9Unicorns Accelerator Fund	82,40,354	17,00,05,870	10,00,04,519	UDYAM-GJ-01-0085106	Micro	Female	Gujrat
397	Rooter Sports Technologies Private	9Unicorns Accelerator Fund	36,35,581	7,50,05,286	7,50,05,286	UDYAM-DL-08-0041099	Micro		Delhi
398	Shapos Services Private Limited	9Unicorns Accelerator Fund	36,37,666	7,50,48,292	7,50,48,292	UDYAM-KR-03-0031162	Micro		Karnataka
399	Sharenest Private Limited	9Unicorns Accelerator Fund	4,87,134	1,00,50,000	1,00,50,000	UDYAM-MH-18-0144102	Micro		Maharashtra
400	Shodashi Sutras Private Limited	9Unicorns Accelerator Fund	4,36,912	90,13,884	90,13,884	UDYAM-MH-19-0081018	Micro	Female	Maharashtra
401	Shorea Softech Private Limited	9Unicorns Accelerator Fund	26,91,095	5,55,19,690	2,55,02,400	UDYAM-DL-08-0033260	Micro		Delhi
402	Signalx Private Limited	9Unicorns Accelerator Fund	2,42,884	50,10,908	50,10,908	Not Available	Micro		Telangana
403	Skintouch Beauty Private Limited	9Unicorns Accelerator Fund	4,61,668	95,24,628	95,24,628	UDYAM-GJ-05-0014308	Micro	Female	Gujrat
404	Smooth Tag Technologies Private	9Unicorns Accelerator Fund	2,42,655	50,06,190	50,06,190	UDYAM-MP-23-0060991	Micro	Female	Madhya Pradesh
405	Stella Shared Spaces Private Limited	9Unicorns Accelerator Fund	14,53,555	2,99,88,140	2,99,88,140	UDYAM-KR-03-0119778	Micro		Karnataka
406	Superkwik Foods (India) Private	9Unicorns Accelerator Fund	1,45,534	30,02,489	30,02,489	UDYAM-HR-05-0007510	Micro		Haryana
407	Sustainable Reference Analytics	9Unicorns Accelerator Fund	4,85,510	1,00,16,511	1,00,16,511	Not Available	Micro	Female	Maharashtra
408	Swmabhan Commerce Private Limited	9Unicorns Accelerator Fund	6,10,316	1,25,91,369	98,57,781	UDYAM-DL-03-0008467	Micro		Delhi
409	Tanvi Fitness Private Limited	9Unicorns Accelerator Fund	20,35,878	4,20,01,984	4,20,01,984	UDYAM-DN-01-0007433	Medium		Dadra and Nagar Ha
410	Tartanhq Solutions Private Limited	9Unicorns Accelerator Fund	10,16,909	2,09,79,750	2,09,79,750	UDYAM-MH-33-0065859	Micro		Maharashtra
411	Tech4Billion Media Private Limited	9Unicorns Accelerator Fund	17,82,448	3,67,73,496	3,67,73,496	UDYAM-KR-03-0010252	Micro		Karnataka
412	Tru Native F&B Private Limited	9Unicorns Accelerator Fund	3,39,357	70,01,231	70,01,231	MH-19-0138322	Micro		Maharashtra
413	Trudel Fashions Private Limited	9Unicorns Accelerator Fund	10,60,011	2,18,68,967	2,18,68,967	UDYAM-KR-03-0154900	Micro	Female	Karnataka
414	Tyreplex Technologies And	9Unicorns Accelerator Fund	17,66,179	3,64,37,846	3,64,37,846	UDYAM-DL-10-0011085	Micro		Delhi
415	Vc Agritech Private Limited	9Unicorns Accelerator Fund	1,69,722	35,01,524	35,01,524	Not Available	Medium		Karnataka
416	Vsa Health & Wellness Private Limited	9Unicorns Accelerator Fund	7,26,412	1,49,86,534	1,49,86,534	UDYAM-HR05A0017582	Micro		Haryana
417	Waterwala Labs Private Limited	9Unicorns Accelerator Fund	36,35,440	7,50,02,370	7,50,02,370	UDYAM-KR-03-0059915	Micro		Karnataka
	Zenith Drinks Private Limited	9Unicorns Accelerator Fund	6,10,739	1,26,00,090	1,26,00,090	UDYAM-DL-03-0004991	Dup		
418	Zingbus Technology Private Limited	9Unicorns Accelerator Fund	4,22,624	87,19,107	87,19,107	HR07A0000763	Micro		Haryana
419	Zorro Internet Private Limited	9Unicorns Accelerator Fund	17,92,640	3,69,83,772	3,69,83,772	UDYAM-DL-05-0010094	Micro		Delhi
420	Biz Hero India Private Limited (Now	9Unicorns Accelerator Fund	12,02,289	2,00,07,405	2,00,07,405	UDYAM-WB-10-0005093	Small		West Bengal
421	Earth Crust Private Limited (Let'S Try)	9Unicorns Accelerator Fund	24,03,667	3,99,99,638	-	UDYAM-DL-06-0008341	Micro		Delhi
422	Flickstree Productions Private Limited	9Unicorns Accelerator Fund	9,01,383	1,50,00,000	-	UDYAM-MH-18-0175135	Micro		Maharashtra
423	Greenikk Sustainable Ventures	9Unicorns Accelerator Fund	4,50,692	75,00,000	-	UDYAM-KL-12-0029613	Micro		Kerela
424	Aubotz Labs Pvt Ltd (Peppermint	9Unicorns Accelerator Fund	24,03,688	4,00,00,000	-	UDYAM-MH-19-0037341	Micro		Maharashtra
		9Unicorns Accelerator Fund Total	**15,47,03,565**	**3,35,24,33,130**	**2,88,08,41,771**				**0**
425	Baldor Technology Private Limited	Elev8-Capital Fund I	4,93,82,716	59,06,17,284	59,06,17,284	UDYAM-MH-19-0014887	Medium		Maharashtra
		Elev8-Capital Fund I Total	**4,93,82,716**	**59,06,17,284**	**59,06,17,284**				
426	AI Palette India Pvt Ltd	Exfinity Technology Fund- Series III	1,57,02,368	15,70,23,680	15,70,23,680	UDYAM-KR-03-0220858	Micro		Karnataka
427	Awidit Systems Pvt Ltd	Exfinity Technology Fund- Series III	2,25,16,784	22,51,67,844	22,51,67,844	UDYAM-DL-01-0002896	Micro		Delhi
428	Qritive AI India Pvt Ltd	Exfinity Technology Fund- Series III	97,85,625	9,78,56,250	9,78,56,250	UDYAM-MH-26-0358281	Micro	Female	Maharashtra
429	AMIDC Automation Technologies Pvt	Exfinity Technology Fund- Series III	1,83,47,001	18,34,70,005	15,59,22,849	UDYAM-KR-03-0066017	Small		Karnataka
430	Chara Technologies Pvt Ltd	Exfinity Technology Fund- Series III	1,58,99,858	15,89,98,584	15,89,98,584	UDYAM-KR-03-0032333	Micro		Karnataka
	Credilio Financial Technologies Pvt Ltd	Exfinity Technology Fund- Series III	1,74,95,522	17,49,55,224	7,50,44,864	UDYAM-MH-19-0014045	Dup		
431	Cyllid Technologies Private Limited	Exfinity Technology Fund- Series III	1,61,97,664	16,19,76,640	16,19,76,640	UDYAM-KR-03-0069124	Micro		Karnataka
432	Autoverse Mobility Private Limited	Exfinity Technology Fund- Series III	1,20,00,067	12,00,00,667	12,00,00,667	UDYAM-KR-03-0258324	Micro		Karnataka
433	Ragaai Private Limited	Exfinity Technology Fund- Series III	41,00,000	4,10,00,000	4,10,00,000	UDYAM-KR-03-0289432	Micro		Karnataka
434	Zyla Health Private Limited	Exfinity Technology Fund- Series III	1,60,00,000	16,00,00,000	18,50,00,000	UDYAM-DL-08-0005883	Micro		Delhi
		Exfinity Technology Fund- Series III Total	**14,80,44,890**	**1,48,04,48,894**	**1,37,79,91,378**				**0**
		total check	8,92,30,11,822	76,48,97,61,320	67,19,97,47,874				
			892	7,649	6,720				

Contributors	Government of India	NVCFL	NSIC
Country	India	India	India
Amount of Contribution	Rs. 10,000 Cr	Rs. 5 Cr	Rs. 1 Cr
% of the holding	99.94%	0.049%	0.001%

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

[For private circulation only]

SELF RELIANT INDIA (SRI) FUND

(A Category II Alternative Investment Fund registered with the Securities and Exchange Board of India by NVCFL, a company organised in India)

Registration Number: IN/AIF2/21-22/0924

March 2024

INVESTMENT MANAGER
SBICAP Ventures Limited

SPONSOR
The National Small Industries Corporation Limited

ANCHOR INVESTOR
Government of India

Name of the Investor: **Copy No:**

DISCLAIMER AND IMPORTANT NOTICE

This private placement memorandum is being furnished to the Contributors on a confidential basis for them to consider investing in the units of **Self Reliant India (SRI) Fund** (the "**Fund**" or "**SRI Fund**"), and may not be used for any other purpose. The Fund is the first scheme of NSIC Venture Capital Fund Limited ("**NVCFL**") and is established with the object of supporting certain Daughter Funds (as defined below) which will in turn provide growth capital to Micro, Small and Medium Enterprises (MSMEs).

The information contained in this Memorandum may not be provided to others who are not directly concerned with your decision regarding such investment. This Memorandum may not be reproduced or provided to others without the prior written consent of the Investment Manager. By accepting delivery of this Memorandum, you agree to the foregoing, and to return this Memorandum if you do not purchase the Units (as defined herein) of the Fund, as the case may be. The information contained in this Memorandum is not open to public circulation and if the same were to fall into the hands of an unauthorised person, the offer made in this Memorandum shall not be valid to them; however, such person shall be bound by the confidentiality of this Memorandum.

Name of investor: _____ Copy No: _____

DISCLAIMER

THIS MEMORANDUM IS ISSUED IN CONNECTION WITH AND RELATES TO AN INVESTMENT IN THE FUND OPERATING TO ASSISTAND SUPPORT THE DAUGHTER FUNDS (AS DEFINED BELOW), ORGANIZED AS A PUBLIC LIMITED COMPANY UNDER THE COMPANIES ACT, 2013AND IS REGISTERED WITH SEBI AS A CATEGORY II AIF UNDER THE AIF REGULATIONS.

NO PERSON HAS BEEN AUTHORISED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN AS CONTAINED IN THIS MEMORANDUM. IF GIVEN OR MADE, SUCH ADDITIONAL INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE UNITS OF THE FUND DESCRIBED HEREIN IN ANY STATE OR OTHER JURISDICTION WHERE, OR TO ANY PERSON OR ENTITY TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

THE UNITS MENTIONED HEREIN ARE NOT BEING OFFERED FOR SALE OR SUBSCRIPTION,BUT ARE BEING PRIVATELY PLACED WITH A LIMITED NUMBER OF INVESTORS IN INDIA.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF PERSONS INTERESTED IN A POSSIBLE INVESTMENT IN THE FUND, AND ANY REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS WITHOUT THE PRIOR WRITTEN CONSENT OF THE INVESTMENT MANAGER IS STRICTLY PROHIBITED. THE INFORMATION CONTAINED IN THIS MEMORANDUM OR ANY PART THEREOF MAY NOT BE DISCLOSED IN ANY MANNER TO OTHER PERSON WHO IS NOT DIRECTLY AND IMMEDIATELY RESPONSIBLE FOR OR ASSISTING THE PROSPECTIVE INVESTORS WITH THEIR DECISION REGARDING AN INVESTMENT IN THE FUND, AND PROSPECTIVE INVESTORS WILL ENSURE THAT ANY PERSON TO WHOM INFORMATION CONTAINED IN THIS MEMORANDUM IS DISCLOSED BY THEM IN ACCORDANCE WITH THE ABOVE WILL ALSO MAINTAIN CONFIDENTIALITY OF SUCH INFORMATION. BY ACCEPTING DELIVERY OF THIS MEMORANDUM, EACH RECIPIENT AGREES TO THE FOREGOING AND TO RETURN THIS MEMORANDUM AND ANY COPIES THEREOF (INCLUDING ANY SOFT COPIES IF ANY) IF THEY DO NOT PURCHASE AN INTEREST IN THE FUND.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE UNITS DESCRIBED HEREIN FROM ANY PERSON OTHER THAN THE PERSON WHOSE NAME APPEARS ON THE COVER PAGE OF THIS MEMORANDUM. NO PERSON, OTHER THAN SUCH PERSON, RECEIVING A COPY OF THIS MEMORANDUM MAY TREAT THE SAME AS CONSTITUTING AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE UNITS OF THE FUND DESCRIBED HEREIN.

THE INVESTMENT MANAGER HAS TAKEN ALL REASONABLE CARE TO ENSURE THAT THE INFORMATION IN THIS MEMORANDUM IS TRUEAND ACCURATE IN ALL MATERIAL RESPECTS AND THAT THERE ARE NO MATERIAL FACTS, THE OMISSION OF WHICH WOULD MAKE MISLEADING ANY STATEMENT IN THIS MEMORANDUM, WHETHER OF FACT OR OPINION. NO OTHER REPRESENTATION, WARRANTY OR UNDERTAKING IS GIVEN IN RESPECT OF THE INFORMATION IN THIS MEMORANDUM BY THE INVESTMENT MANAGER OR BY ANY OTHER PERSON ANDNEITHER THE INVESTMENT MANAGER NOR ANY OTHER PERSON TAKES RESPONSIBILITY FOR THE CONSEQUENCES OF RELIANCE UPON ANY STATEMENT OR INFORMATION CONTAINED IN, OR ANY OMISSIONS FROM, THIS MEMORANDUM. INVESTORS SHOULD REVIEW THE FUND DOCUMENTS CAREFULLY. NOTHINGIN THIS MEMORANDUM, THE INFORMATION CONTAINED IN IT OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE FUND (OTHER THAN THE FUND DOCUMENTS, THE TERMS SET OUT IN THE SUMMARY OF PRINCIPAL TERMS SECTION OF THIS MEMORANDUM TO THE EXTENT INCORPORATED IN THE FUND

DOCUMENTS BY REFERENCE, AND THE CONFIDENTIALITY UNDERSTANDING CONTAINED HEREIN) SHALL FORM THE BASIS OF ANY CONTRACT.

THE INFORMATION IN THIS MEMORANDUM IS CURRENT AS AT THE DATE OF THIS MEMORANDUM, AND MAY BE SUPPLEMENTED, AMENDED OR MODIFIED FROM TIME TO TIME BY ANY FURTHER INFORMATION IN A SUPPLEMENTAL INFORMATION MEMORANDUM IN WHICH EVENT THE INFORMATION IN THIS MEMORANDUM SHALL BE READ AS SUPPLEMENTED, AMENDED OR MODIFIED BY SUCH ADDITIONAL INFORMATION, AS THE CASE MAY BE.

PAST PERFORMANCE OF INVESTMENTS MADE BY THE AFFILIATES, DIRECTORS OR EMPLOYEES OF THE INVESTMENT MANAGER IS NOT AN ASSURANCE OF THE RESULTS OF FUTURE INVESTMENTS. THROUGHOUT THIS MEMORANDUM, EXCEPT AS OTHERWISE NOTED, THE PERFORMANCE INFORMATION PRIMARILY RELATES TO THE PERFORMANCE OF THE OTHER FUNDS MANAGED BY THE INVESTMENT MANAGER. THE INFORMATION RELATING TO CERTAIN PRIOR INVESTMENTS MADE BY SUCH OTHER FUNDS IS INCLUDED TO HELP ILLUSTRATE THE PROPOSED INVESTMENT APPROACH OF THE FUND. THE FUND MAY OR MAY NOT PARTICIPATE IN ANY OF THESE INVESTMENTS, AND THERE CAN BE NO ASSURANCE THAT COMPARABLE INVESTMENTS WILL BE AVAILABLE TO THE FUND. IT SHOULD NOT BE ASSUMED THAT INVESTMENTS MADE BY THE FUND IN THE FUTURE WILL BE PROFITABLE OR WILL EQUAL THE PERFORMANCE OF THE INVESTMENTS INCLUDED IN ANY SUCH LIST.

THE FUND ALSO RESERVES THE RIGHT TO CLOSE THE CONTRIBUTION BOOKS BEFORE THE INDICATED AMOUNT OF CAPITAL HAS BEEN CONTRIBUTED AND MAY CONTINUE TO SOLICIT CAPITAL COMMITMENTS AFTER THE CLOSING OF THE CONTRIBUTION BOOKS.

INVESTORS IN THE FUND ARE NOT BEING OFFERED ANY GUARANTEED OR ASSURED RETURNS. INVESTMENTS BY THE FUND ARE SUBJECT TO MARKET RISKS AND THERE IS NO ASSURANCE OR GUARANTEE THAT THE OBJECTIVES OF THE FUND WILL BE ACHIEVED. HOWEVER, INVESTMENT MANAGER SHALL TAKE ADEQUATE EFFORTS TOWARDS ENSURING THE INVESTMENT OBJECTIVE OF THE FUND. AS WITH ANY SECURITIES INVESTMENT, THE NET ASSET VALUE OF THE UNITS CAN GO UP OR DOWN ON ACCOUNT OF FACTORS AND FORCES AFFECTING THE VALUES AND INCOME GENERATED BY THE FUND'S PORTFOLIO OF SECURITIES SUCH AS ANY CHANGE IN CAPITAL AND MONEY MARKETS, INTEREST RATES, TRADING VOLUMES, GOVERNMENT AND / OR RESERVE BANK OF INDIA POLICY, TAXATION, POLITICAL, ECONOMIC OR OTHER DEVELOPMENTS. THE FUND IS NOT ASSURING THAT IT WILL MAKE PERIODICAL DISTRIBUTIONS, THOUGH IT COULD HAVE AN INTENTION OF DOING SO. ALL DISTRIBUTIONS BY THE FUND ARE DEPENDENT ON THE RETURNS ACHIEVED AND SUBJECT TO AVAILABILITY OF DISTRIBUTABLE SURPLUS IN THE FUND.

INVESTMENT IN UNITS OF THE FUND IS BEING OFFERED TO INVESTORS WHO ARE BASED IN INDIA AND INVOLVES SIGNIFICANT RISKS. SEE **"SECTION VIII:RISK FACTORS AND CONFLICTS OF INTEREST"** FOR A DISCUSSION OF SOME OF THE RISK FACTORS THAT SHOULD BE CONSIDERED BY THE PROSPECTIVE INVESTORS. CONTRIBUTORS (AS DEFINED HEREIN) SHOULD HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE RISKS AND LACK OF LIQUIDITY, WHICH ARE CHARACTERISTICS OF THE INVESTMENTS DESCRIBED HEREIN. THERE WILL BE NO PUBLIC MARKET FOR THE OWNERSHIP INTERESTS IN THE FUND AND SUCH INTERESTS WILL NOT, SUBJECT TO CERTAIN LIMITED EXCEPTIONS, BE TRANSFERABLE.

IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND DOCUMENTS (AS DEFINED HEREIN) AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE UNITS HAVE NOT BEEN RECOMMENDED BY ANY SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, NO AUTHORITY HAS CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY

REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INFORMATION ON TAXATION CONTAINED IN THIS MEMORANDUM IS A SUMMARY OF CERTAIN TAX CONSIDERATIONS BUT IS NOT INTENDED TO BE A COMPLETE DISCUSSION OF ALL TAX IMPLICATIONS. THE CONTENTS OF THIS MEMORANDUM ARE NOT TO BE CONSTRUED AS INVESTMENT, LEGAL, OR TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN COUNSEL, ACCOUNTANT, OR INVESTMENT MANAGER AS TO LEGAL, TAX, AND RELATED MATTERS CONCERNING THEIR INVESTMENT. THIS MEMORANDUM IS QUALIFIED IN ITS ENTIRETY BY THE FORMS OF CONTRIBUTION AGREEMENT AND THE INVESTMENT MANAGEMENT AGREEMENT,(AS AMENDED FROM TIME TO TIME) AS APPLICABLE, PROVIDED HEREWITH AND ANY CONFLICT BETWEEN ANY STATEMENT MADE HEREIN AND ANY PROVISION OF THE CONTRIBUTION AGREEMENT OR THE INVESTMENT MANAGEMENT AGREEMENT, AS THE CASE MAY BE, SHALL BE RESOLVED IN FAVOUR OF THE LATTER THREE DOCUMENTS.

UNITS THAT ARE ACQUIRED BY ANY PERSON, OR IN ANY TRANSACTION, IN VIOLATION OF APPLICABLE LAW OR THIS MEMORANDUM, AS DETERMINED BY THE INVESTMENT MANAGER IN ITS SOLE DISCRETION OR BY LAW OR OTHERWISE, MAY BE REQUIRED TO BE MANDATORILY REDEEMED.

CERTAIN ECONOMIC AND FINANCIAL MARKET INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM PUBLISHED SOURCES PREPARED BY OTHER PARTIES. WHILE SUCH SOURCES ARE BELIEVED TO BE RELIABLE, NEITHER THE INVESTMENT MANAGER,SPONSOR,THE FUND NOR ANY OF THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES ASSUMEANY RESPONSIBILITY FOR ACCURACY OF SUCH INFORMATION.

WE HAVE INCLUDED STATEMENTS IN THIS MEMORANDUM THAT CONTAIN WORDS OR PHRASES SUCH AS “WILL”, “AIM”, “WILL LIKELY RESULT”, “BELIEVE”, “EXPECT”, “WILL CONTINUE”, “ANTICIPATE”, “ESTIMATE”, “INTEND”, “PLAN”, “CONTEMPLATE”, “SEEK TO”, “FUTURE”, “OBJECTIVE”, “GOAL”, “PROJECT”, “SHOULD”, “WILL PURSUE” AND SIMILAR EXPRESSIONS OR VARIATIONS OF SUCH EXPRESSIONS, THAT ARE FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS, UNCERTAINTIES AND ASSUMPTIONS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THE RELEVANT FORWARD-LOOKING STATEMENT. IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER ARE DISCUSSED UNDER “**SECTION VIII: RISK FACTORS AND CONFLICTS OF INTEREST**” IN THIS MEMORANDUM.THE INFORMATION CONTAINED HEREIN IS SUBJECT TO CHANGE PRIOR TO CLOSING WITHOUT ANY PRIOR NOTICE AND THE INVESTMENT MANAGER DOES NOT ASSUME ANY RESPONSIBILITY TO UPDATE THE SAME.

CONTRIBUTORS WHO DESIRE ADDITIONAL INFORMATION MAY CONTACT:

Name: Mr. Rajesh Madan, General Manager, NVCFL
Board Line:011-26924510 and 26926275 (Ext: 542)
Email: osd@nvcfl.co.in;

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SECTION I: EXECUTIVE SUMMARY

Introduction

The **'Self Reliant India (SRI) Fund'** ("**Fund**" or "**SRI Fund**") is organised as the first scheme of NSIC Venture Capital Fund Limited ("**NVCFL**"), a wholly owned subsidiary of NSIC, which is registered with SEBI as a Category II AIF vide registration number IN/AIF2/21-22/0924 and is organised as a public limited company under the Companies Act, 2013. SBICAP Ventures Limited ("**Investment Manager**"), will act as the investment manager to the Fund which shall operate with the objective of supporting Daughter Funds (as defined below) which will in turn provide growth capital to the MSME sectors. This will facilitate them in becoming 'National and International Champions' by growing beyond the bracket of MSMEs.

The objective of the Fund is to provide funding support to the Daughter Funds for onward provision to MSMEs as growth capital, through equity, quasi-equityand debt,as may be permitted under relevant SEBI guidelinesto achieve the following objectives:

(i) Enhancing equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines, to MSMEs;

(ii) supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities;

(iii) supporting enterprises which have the potential to graduate beyond the MSME bracket and become National / International champions; and

(iv) supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services.

The Fund has been sponsored by the National Small Industries Corporation Ltd. (the "**Sponsor**" or "**NSIC**"), a mini-Ratna Corporation of the Government of India under the Ministry of Micro, Small and Medium Enterprises. The principal office of the Fund is located at "NSIC Bhawan", Okhla Industrial Estate,New Delhi-110020.

Offer

The Fund is targeting to raise a corpus of INR 10,006 crores (Indian Rupees Ten Thousand and Six Crores).

The target group of the Fund's funding, through the Daughter Funds would be MSMEs, as defined under the Micro, Small & Medium Enterprises Development Act 2006 ("**MSMED Act**"), who have a marked potential to grow, but are unable to do so because their requirement for growth capital remains unfulfilled. Non-profit institutions, NBFCs, financial inclusion sector, micro credit sector, SHGs and other financial intermediaries shall, however, not be eligible for consideration. The Fund will invest in other Daughter Funds, which may be Category I or II AIFs, registered with SEBI, who, in turn, will be investing in MSME units. The Fund will invest into the Daughter Fundsby following due process, as laid down under this Memorandum.

Board of Directors of NVCFL

NVCFLwill have an independent board with CMD NSIC as its Chairman, 2 (two) Government nominated

Directors, 1 (one) NSIC nominated Director and a professional CEO ("**Board**"). Pursuant to the Investment Management Agreement, the investment management of the Fund and its investments in Daughter Funds will be carried out by the Investment Manager, as approved by the Board.

The Management Team

The Fund will be managed by the Investment Manager. The Investment Manager's team ("**Management Team**") has extensive experience in asset management business.

The principals of the Management Team are professionals with more than 70(seventy) years of collective experience in banking, capital markets and private equity. In addition, the principals of the Management Team expect to engage seasoned operating executives to help provide managerial expertise and operating guidance to Daughter Funds as may be needed.

Please refer to "**SECTION VI: MANAGEMENT AND ADMINISTRATION**" for detailed profiles of the present members of the Management Team.

Investment Committee

The Investment Manager has constituted an Investment Committee comprising of experienced professionals including investment professionals, risk managers etc. during first close. The Investment Committee is chaired by an eminent professional with adequate and rich experience in finance/banking and/or capital markets. The Investment Manager proposes the investments in Daughter Funds to the Investment Committee which evaluates the same and give its preliminary recommendation by way of unanimous receipt of consent from the members present in the meeting. Post receipt of the preliminary recommendation from the Investment Committee, the due diligence process is conducted by the Investment Manager. Post conducting due diligence, the detailed proposal is put up to the Investment Committee for their final approval. Any other material decision, in relation to the portfolio of the Fund, including material matters arising at the Daughter Fund level, which requires an approval of the Fud is taken by the Investment Manager or the Investment Committee as required under the procedure laid down by the Board from time to time. All investment proposals approved by the Investment Committee are in accordance with the Investment Guidelines laid down in the Fund Documents including the Operating Guidelines.

The Investment Committee comprise of at least 5 (five) members. The decisions of the Investment Committee would be taken on the basis of unanimous approval of the members present at the meeting of the Investment Committee. Participation in the proceedings of the Investment Committee may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing. Any member participating through such modes shall be counted towards quorum. The quorum for a valid meeting of the Investment Committee will be any 4 (four) members of the Investment Committee. However, the presence of the nominees of both NVCFL and the Sponsor shall be mandatory. It is clarified that the Investment Committee will at all times be in compliance with the provisions as stated under Regulation 20(8) of the AIF Regulations. Further, subject to any change in the Applicable Law, it is clarified that the Investment Committee shall not have members who are *not* resident Indian citizens.

Advisory Board

Government of India, the Anchor Investor, has constituted an Advisory Board of eminent domain specialists in the field of private equity and venture capital, and senior government officials from Government of India. The Advisory Board is chaired by the Secretary (MSME), Government of India.

The Advisory Board formulates broad guidelines for investment from the Fund, including empanelment of Daughter Funds, investment guidelines including return on investment and tenure, exit options, sectoral focus and segmental focus, etc. The Advisory Board also monitors the progress of the Fund periodically. The Advisory Board shall comprise of at least 7(seven) members. Participation in the proceedings of the Advisory Board may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing.

Reporting and Governance

The Board of NVCFL maintains oversight over the operations of the Fund to ensure that all the decisions of the Fund including those by the Investment Manager and Investment Committee, are in compliance with the AIF Regulations, the terms of this Memorandum, agreements made with the investors, other Fund Documents and Applicable Law.

The Fund adopts high standards of corporate governance and investor reporting to ensure complete transparency and timely information to all investors. It endeavours to ensure that any conflict of interest with the Sponsor or the Investment Manager is mitigated appropriately. Please refer to paragraph titled 'Reporting' given under '**SECTION VII: SUMMARY OF PRINCIPAL** TERMS' of this Memorandum for detailed reporting obligations of the Fund.

Overview of the Principal Terms

The principal terms are summarized in the following table. The information in this table is subject to more detailed information provided elsewhere in this Memorandum. Investors should read the entire Memorandum before making an investment.

Fund Capital Structure	**:**	The capital of the Fund is divided into 2 (two) classes of Units as follows: i) Class A Units of face value of INR 1,00,00,000 (Rupees One Crore) per Unit to be allocated to the Anchor Investor; and ii) Class B Units of face value of INR 1,00,00,000 (Rupees One Crore) per Unit to be allocated to the Sponsor. The Fund issue Units in dematerialised form subject to the conditions specified by SEBI from time to time. For more details, please refer to paragraph titled 'Fund Capital Structure' given under '**SECTION VII: SUMMARY OF PRINCIPAL** TERMS' of this Memorandum.
Term of Fund	:	The Fund is a close ended fund and the term of the Fund will be a period of 15 (Fifteen) years from the date of the Closing ("**Term**"), which may be extended for a period of 2 (two) additional 1 (one) year periods by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value) in accordance with the AIF Regulations. The Term may be further extended by any

		additional period, subject to the provisions of the AIF Regulations, by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value).
Sponsor Commitment	**:**	A minimum of 2.5% of the aggregate Capital Commitments or of INR 5,00,00,000 (Rupees Five Crores), whichever is lower as required under the AIF Regulations.
Commitment Period	:	The commitment period of the Fund begins from the date of Closing and terminate upon the expiry of 13 (Thirteen) years from the date of Closing.
Closing	:	The closing of the Fund shall be held on such date as may be determined by the Investment Manager and the Sponsor, subject to the Fund having obtained Capital Commitments of INR 10,000 crore (Indian Rupees Ten thousand crore) from the Anchor Investor. First and Final close was announced on 12th October 2021.
Drawdown Notice Period	**:**	A Drawdown is a Capital Contribution made by a Contributor to the Fund pursuant to the issuance of a notice. NVCFL while issuing the Drawdown Notice to the Contributors shall include the period/date by which the Contributors will be obligated to make the Capital Contributions, which period shall be no less than 15 (Fifteen) Business Days from the date of the Drawdown Notice.
Drawdown	**:**	The Capital Commitments of the Contributors shall be drawn down by NVCFL on an "as needed" basis, by issuing a Drawdown Notice to the Contributors. For more details, please refer to paragraph titled 'Drawdown' given under '**SECTION VII: SUMMARY OF PRINCIPAL** TERMS**'** of this Memorandum.
Expenses	**:**	The following are the list of expenses associated with the Fund: ▪ ***Recurring Annual Operating Expenses***: The Fund shall bear the Recurring Annual Operating Expenses. ▪ ***Non-recurring Operating Expenses***: Charged at actuals and borne by the Fund. ▪ ***Establishment Expenses***:Charged at actuals and borne by the Fund. ▪ ***Investment Manager Expenses***: The Investment Manager will be responsible for and bear all its expenses

in connection with the management of the Fund as laid down in the AMC Agreement.

For more details, please refer to paragraphs titled 'Expenses charged to the Fund' and 'Investment Manager Expenses' given under **'SECTION VII: SUMMARY OF PRINCIPAL TERMS**' and '**SCHEDULE III: ILLUSTRATION OF EXPENSES**' of this Memorandum.

Management Fee	**:**	NVCFL shall be entitled to charge a management fee at the rate of 1% (one percent) of the corpus actually placed at the disposal of the Fund. For more details, please refer to paragraph titled 'Fees to be charged to the Fund' given under '**SECTION VII: SUMMARY OF PRINCIPAL TERMS**' of this Memorandum.
Operating Fees	**:**	The Investment Manager shall be entitled to receive operating fees at 0.10% per annum of the commitments and outstanding capital commitments made by the Fund to the Daughter Funds (i.e. funds committed but not yet deployed) and 0.29% per annum of the funds contributed/deployed by the Fund to the Daughter Funds and outstanding thereof (i.e. funds deployed and outstanding). For more details, please refer to paragraph titled 'Fees to be charged to the Fund' given under '**SECTION VII: SUMMARY OF PRINCIPAL TERMS**' of this Memorandum.
Auditor	**:**	M/s K Prasad & Co (DE0432)having its registered office at G-1, Ground Floor, South Extension Part-II, New Delhi 110049 will be the Auditor of NVCFL for FY 2023-2024.
Custodian	**:**	SBI-SG Global Securities Services Pvt. Ltd., (A Joint Venture of State Bank of India & Société General) having its registered office at B Wing, "Jeevan Seva" Annexe Bldg., Ground Floor, S.V. Road, Santacruz (W), Mumbai – 400054 India bearing registration number IN/CUS/022 will be the Custodian of NVCFL.
Registrar and Transfer Agent	**:**	NSDL Database Management Limited (NDML), a wholly owned subsidiary of National Securities Depository Limited (NSDL) having registered office at Trade World, A Wing Kamala Mills Compound, Lower Parel Mumbai – 400013
Legal and Tax Advisor	**:**	Khaitan & Co.
Merchant Banker	**:**	**Name**: Keynote Financial Services Limited **Address**: The Ruby, 9th Floor, Senapati Bapat Marg, Dadar, Mumbai – 400028

SECTION II: ECONOMY AND FOCUSED SECTOR OPPORTUNITY

The Micro, Small & Medium Enterprises ("**MSME**") sector is very important for the Indian economy in terms of contribution to India's GDP and employment generation. India has over 6 (six) crore MSMEs across manufacturing and service sectors which employ over 11 (eleven) crore people. MSMEs also contribute immensely in exports from the country. The MSMEs are spread in every nook and corner of the country. However, one of the biggest challenges faced by MSMEs in India is the inadequate availability of capital. MSMEs have limited access to external equity primarily because only a handful of players provide early stage equity capital.

Even if such equity is made available, the uptake would remain low due to:

- Legal structure of MSMEs which prevents infusion of external equity;
- Smaller investment size per enterprise tends to increase transaction cost and management costs for equity investors making this segment relatively less attractive;
- Information asymmetry between promoters, investors and other stakeholders;
- Entrepreneur's concern regarding control and management; and
- Low probability of non-linear return discouraging the VC funding.

The current venture capital ("**VC**") ecosystem seeks technology driven enterprises and have exponential exit stipulations. It is also noted that VCs generally offer early stage funding but very few VCs are available to provide growth funding stage. It is believed that this is one among the primary reasons that MSMEs have not grown beyond a limit. Also, while listing on an exchange provides lot of benefits to MSMEs and their stakeholders, but MSMEs often shy away from listing due to increased disclosure requirements and compliance burden. Listing can help the MSMEs grow faster and more sustainably over the long term.

It is believed that setting up an MSME-focused fund would squarely address these challenges, give them a thrust to break their barriers, encourage corporatization and allow them to grow to their full inherent potential. The SRI Fund would be able to channelize diverse variety of funds into underserved MSMEs and address the growth needs of viable and high growth MSMEs.

Promoting the MSME Investment Ecosystem

MSMEs are dispersed across the country and have structures which are quite different than startup and VC investing. It would thus be important to create and cultivate new set of institutions & entities who can help setup MSME investing ecosystem by contributing to Daughter Funds.

Banks/Insurance Companies/Pension Funds/Central & State PSUs/Financial Institutions/Industrial Development Institutions can work to promote MSMEs they are already dealing with or promoting. These entities can identify the MSMEs and promote them in following ways:

(a) PSUs/Financial Institutions/Industrial Development Institutions may function as mentors to these MSMEs for growth and scale;

(b) PSUs/Financial Institutions/Industrial Development Institutions which have already established teams for investing in respective sectors (Oil, PSUs, EIL etc.) can contribute by investing in the MSMEs and can thus act both as a mentor and an investor; and

PSUs/Financial Institutions/Industrial Institutions may invest in Daughter Funds as well.

INDIAN ECONOMY OVERVIEW

1. The India Growth Story

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. The factors contributing to India's high growth rate include a large and growing middle class, growing incomes and increasing consumption, improved demographics including reducing size of families and a young workforce, entrepreneurship, healthy inflows of capital from external sources and continued investments in industry and infrastructure.

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. The sectors that are likely to have a low impact include power, healthcare, pharmaceuticals and food & agriculture.

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[1] 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.

2. 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. It has been contributing significantly to the expansion of entrepreneurial endeavours through business innovations. The MSMEs are widening their domain across sectors of the economy,

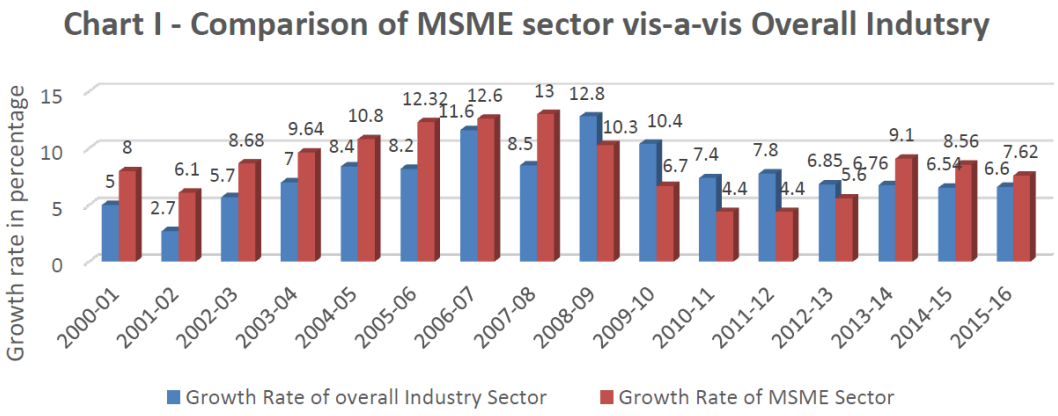
1https://www.businesstoday.in/current/corporate/govt-announces-atmanirbhar-bharat-30-covid-stimulus-worth-rs-29-lakh-crore/story/421809.html

producing diverse range of products and services to meet demands of domestic as well as global markets. MSME's have grown rapidly, visibly so, creating wealth and generating employment, especially in the past twenty years.

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[2].

Taking cognisance 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[3].

MSMEs have been consistently growing at faster rate compared to overall industry:

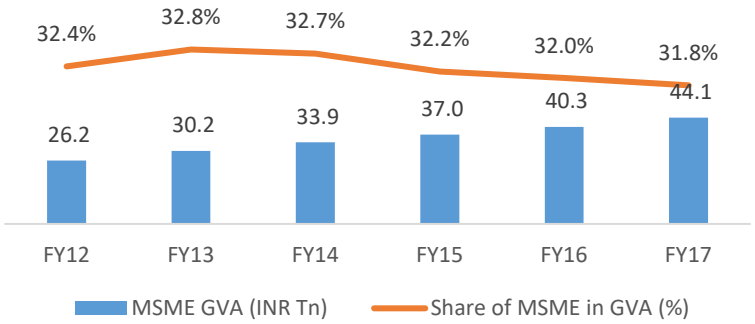


Source: Report of the Expert Committee on Micro, Small and Medium Enterprises dated 25 June 2019

Below is a snapshot of the MSME sectors' contribution to the Gross Value Added (GVA).

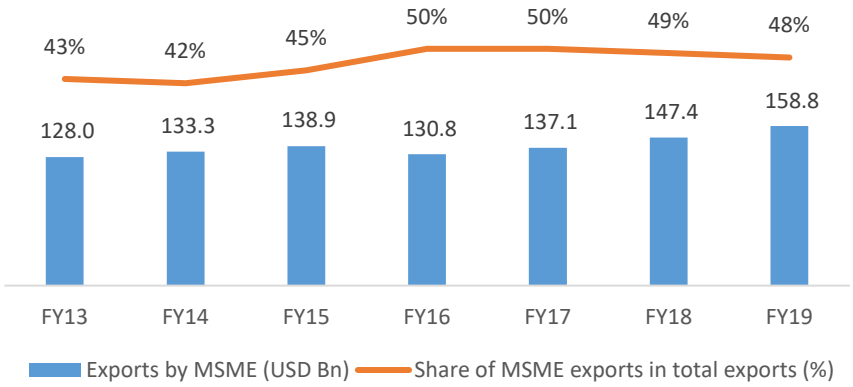
2Report of the Expert Committee on Micro, Small and Medium Enterprises dated June 2019

3https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1652664



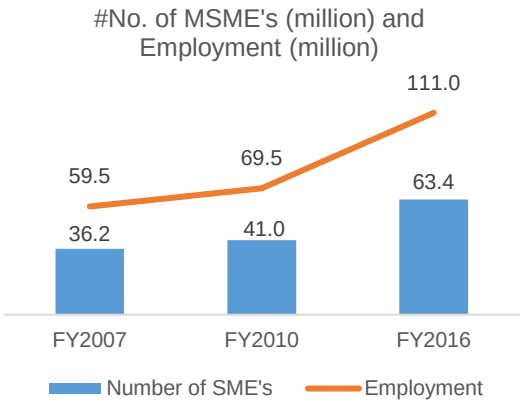
Source: MSME Annual Report released by Ministry of MSME

The share of MSME sector in India's merchandise exports stood at around 48% in 2018-19. This signifies that Indian MSMEs are becoming globally competitive and their products/services are being accepted overseas.



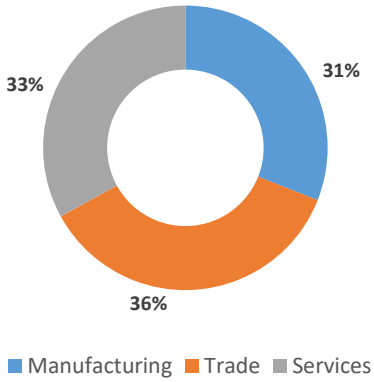
Source: Report of the Expert Committee on Micro, Small and Medium Enterprises dated 25 June 2019, PIB press release on Exports from India dated 18 March 2020 and PIB press release on Export of MSME Products dated 19 March 2020

The increase in number of SMEs over the years, has led to an increase in employment as depicted below:



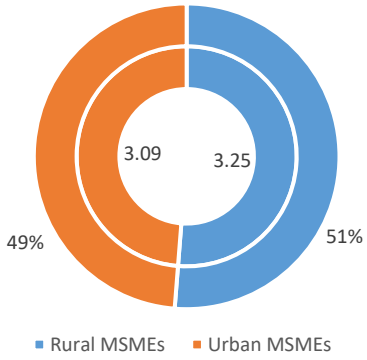
Source: MSME Annual report released by Ministry of MSME

Within MSME sector, each of the three sub-sectors, namely, trade, manufacturing and other services accounted for about a third of total employment.



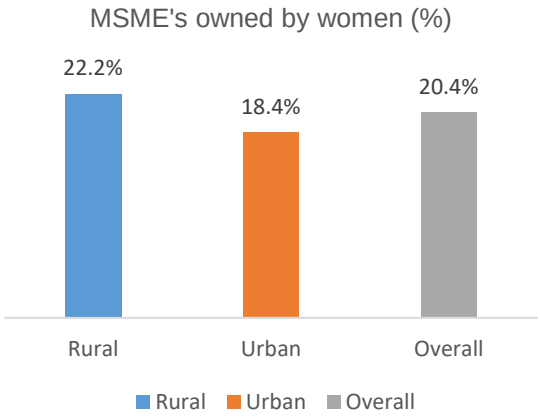
Source: MSME Annual report released by Ministry of MSME

Around 51% of the total MSMEs operate in rural areas and provide 45% of total employment.

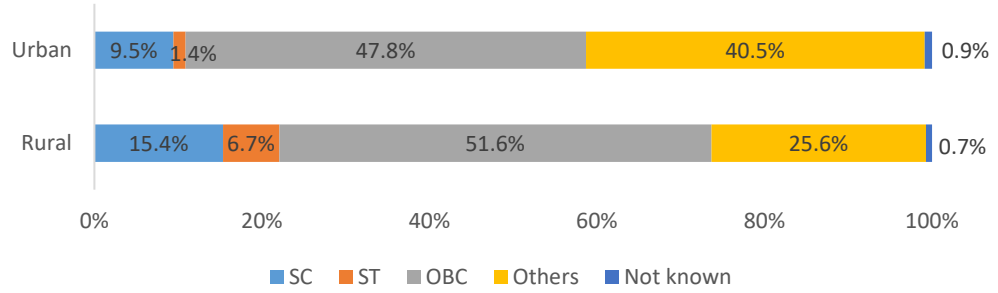


Source: *MSME Annual report released by Ministry of MSME (Number of MSME's in crores)*

More than 20% MSME's are owned by women in rural areas. Further, MSME's provide employment to 26.5 million women in rural and urban area.

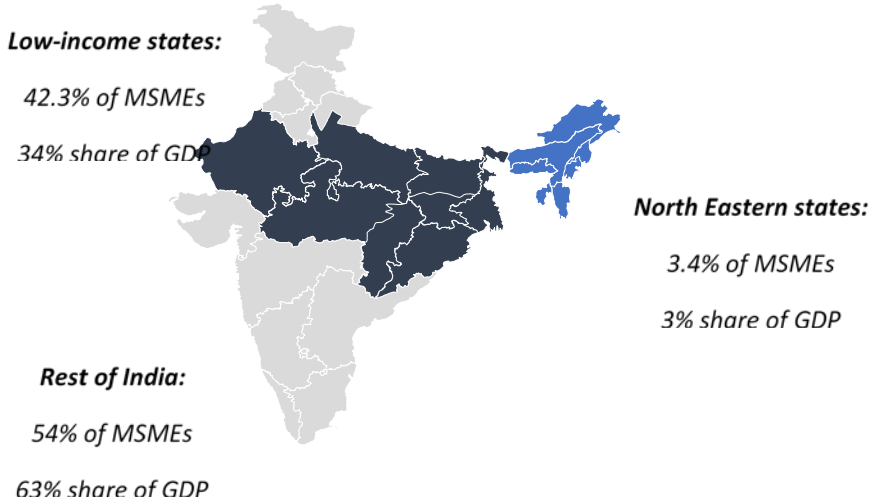


Source: *MSME Annual report released by Ministry of MSME*
Also, MSME sectors supports a high percentage of people from socially backward classes, with almost 66.27% of MSMEs owned by socially backward groups.



Source: *MSME Annual report released by Ministry of MSME*

Further, significant number of MSMEs originate from low-income states



Source: IFC report dated November 2018: Financing India's MSMEs

Key Challenges faced by MSMEs

(a) **Funding:** Timely and adequate access to funding has been one of the major barriers for growth and development of MSMEs. The primary source of funding for MSMEs has been the seed capital brought in by the entrepreneur and/or relatives and there is a limit to the capital an entrepreneur can bring in.

(b) **Working capital management:** MSME's face problems of delayed payments due to low bargaining power with larger corporates, and other counterparties. It is estimated that average debtor days for MSME's is over 90 (ninety) days while the working capital cycle is extremely high with over 300 (three hundred) days. This causes significant strain on the cash flow of the business.

(c) **Policy and institutional interventions:** There are various institutions such as Ministry of MSME, SIDBI, RBI and SEBI that are involved in the growth of MSME. However, these institutions operate independently of each other and hence the implementation of policies is time consuming and challenging.

(d) **Lack of knowledge:** There is a general lack of awareness among MSME's about various government schemes, equity capital, stock markets and funding options, other than banks

limits the growth of MSME's.

(e) **Availability of skilled workers:** Due to financial constraints, MSME struggle to get skilled workers leading to operational inefficiency and cost overruns.

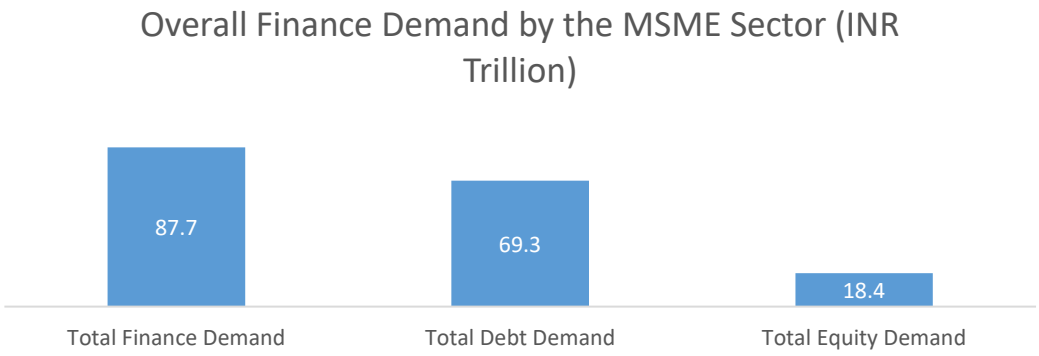
(f) **Addressing Infrastructure bottlenecks:** Limited access to infrastructure such as power, water and roads increases operational costs for MSMEs and makes their businesses uncompetitive.

(g) **Limited business experience:** Lot of entrepreneurs especially amongst micro and small enterprises are first generation entrepreneurs and have limited track record and experience in managing businesses.

(h) **Obsolete technology:** The MSME sector are usually laggards when it comes to adoption of technology, which negatively impacts the sector's competitiveness.

Funding gap in MSME space

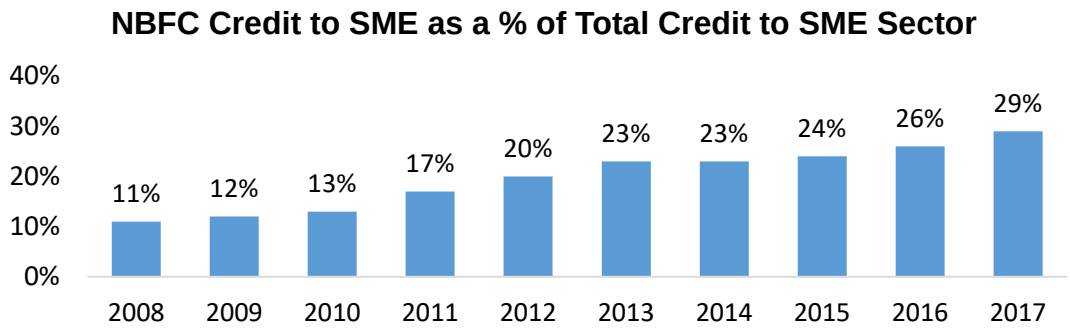
The MSME sector in India is essential to achieving the targeted growth rate. The growth and development of MSME is linked to access to capital at the right time. The capital gap to be addressed is for equity more than debt as the number of players providing debt products are currently more than equity providers. As per an 6 report titled, "Financing India's MSMEs" published in November 2018, the total finance demand in India is estimated to be INR 87.7 trillion. Out of INR 87.7 trillion, the total debt demand is estimated to be INR 69.3 trillion, whereas the balance INR 18.4 trillion is the equity demand. Below is the graphical representation of the total funding demand by MSME's in India.



Source: IFC report dated November 2018: Financing India's MSMEs

(a) Debt Gap Funding for SME's

The debt gap is increasingly being bridged by NBFCs. The trend of NBFC credit to MSMEs is as below:



Source: IFC report dated November 2018: Financing India's MSMEs

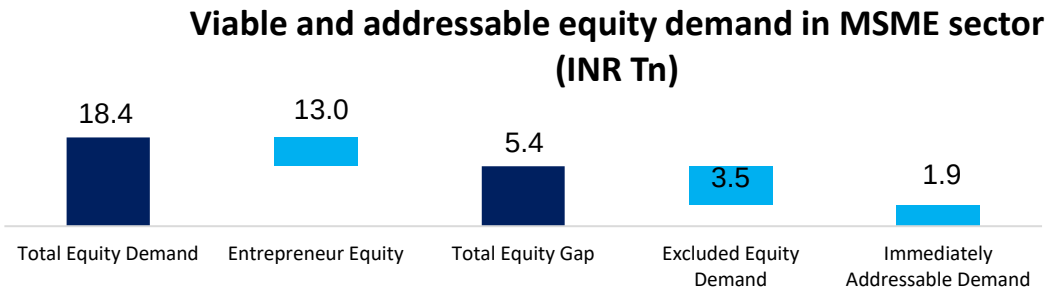
However, certain challenges exist, namely:

- Large component of bank loans are collateral backed and not cash flow based lending which is due to lack of timely and error-free balance sheet statements from MSMEs
- This lack of representative data incentivizes the MSMEs to provide collateral for obtaining credit and precludes reliance and inspection of balance sheets by lenders
- Lending has been in the form of 'Loan Against Property', requiring borrower to pledge own property (for example: residence) to borrow
- Asset and Collateral based lending is an 'across the board' feature for all lenders, including private sector banks, NBFCs and public sector banks due to the above situation

(b) Equity Demand for MSME's

The small and medium businesses are more receptive for private equity capital compared to earlier as the funds can bring in expertise of running a business in structured manner, improve corporate governance and open up new markets for expansion. It also endeavours to provide mentoring support and other value addition to enable funded companies to achieve rapid growth and achieve and maintain their competitive edge in domestic and international markets. There is a general lack of awareness among MSMEs about equity capital, stock markets and funding options, other than banks. So far, there have been only debt-financing options, without any access to alternative equity options. There exists an opportunity for MSME focussed Private Equity funds to bridge the equity shortfall at attractive return propositions.

As per IFC report titled "Micro, Small and Medium Enterprise Finance in India" published in 2012, entrepreneurs fund ~70% of the total equity demand through own funds, internal accruals and borrowings from relative, while the balance 30% is the equity gap which remains unfunded. The report further states that out of the total equity gap which remains unfunded only 30% of the equity gap can be funded as there are demand-side challenges such as the legal structures of enterprises and lack of reliable data. Extrapolating the 2012 report findings, out of the current total equity demand of INR 18.4 trillion, the total equity gap is expected to be INR 5.4 trillion (30% of INR 18.4 trillion). Out of total equity gap of INR 5.4 trillion, immediately addressable equity demand (demand that can be met in a time frame of 1-2 year) is expected to be INR 1.9 trillion. Below is the graphical representation of the estimated total funding gap for the SME sector



Source: IFC report dated November 2018: Financing India's MSMEs

While globally, MSMEs are well capitalized, in India MSMEs remain capital starved despite their significant contribution to the economy. Given MSMEs inclusive impact, it is essential to mobilize large investment in MSMEs to help them catapult into large companies.

Private Equity/ Venture Capital (PE/ VC) funding can play a critical role in bridging this investment gap. In order to create a multiplier effect the Government of India has planned a Fund to invest in PE/ VC funds (to be empanelled as Daughter Funds) who would in-turn raise additional capital from other investors like insurance companies, pension funds, banking institutions, family offices, etc. These Daughter Funds will focus on investing in companies in the MSME space.

Benefits of PE/ VC funding

(a) **Key Growth Driver and Employment Generation:** Funding from private equity funds help companies spend on capital expenditure, research and development, employment, working capital requirements, technological development driving demand for products and services leading to a multiplier effect on the economy.

(b) **Long term capital:** Private equity fund provide patient capital with an average holding period of 4-7 years depending on the sector and size of the company. The long-term nature of the capital helps the promoter put his plan to work effectively in a sustainable manner.

(c) **Access to debt:** Post funding from private equity players, it becomes easier for MSME's to raise capital from banks and financial institutions at attractive interest rates as systems and processes are established and the information asymmetry is minimized to a large extent. Further, with private equity funding, the MSME's can raise anywhere between 2-3 times the amount funded by private equity, thus helping in rapid expansion.

(d) **Value creation:** Private equity funds through its deep expertise and skills can unlock value by working with the companies to help the owners understand the efficient capital structure, fine tune business plans, identify SBU's, forming strategic relationships, negotiating contracts, characteristics of the market demand, as well as pricing, human resources and marketing and strong corporate governance policies thus leading to value creation.

(e) **Capital allocation:** The management of the company is usually faced with a challenge on which projects to invest into. The funds ideate with the management for allocating capital that generates strong financial returns and creates a long-term sustainable value.

(f) **Export Competitiveness:** The implementation of transparent financial planning, ERP systems and integration of strong corporate governance policies in combination with a comprehensive business plan promote firms' access to finance and also its potential to integrate into export markets and strengthen their competitiveness.

Recent initiatives by the Government

MSMEs have been inordinately affected by the COVID induced lockdown, transport disruptions, severance of supply chains, social distancing measures owing to their dominant presence in economic sectors like retail, trading and services. 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.

A major structural reform, in this direction, has been undertaken by the Government of India by adopting a new composite formula of classification for manufacturing and service units in MSME sector with effect from 1st July 2020.

Under the new definition, an enterprise qualifies as a micro, small or a medium enterprise depending upon the broadened thresholds of amount of investment made with respect to (i) plant and machinery in case it undertakes manufacturing; or (ii) equipment in case it provides services. In addition to this existing investment conditionality, a new criterion for turnover has been introduced.

Enterprise Size	Investment criteria (in plant & machinery or equipment)	Turnover criteria
Micro	INR 0 – 10 (millions)	INR 0 – 50 (millions)
Small	INR 10-100(millions)	INR 50 – 500 (millions)
Medium	INR 100 – 500(millions)	INR 500 – 2500 (millions)

The change in the definition of MSME is one of the most significant enabling changes made to the legal regime governing MSMEs. The expanded ambit of the MSME Act has now allowed the larger pool of enterprises, both manufacturing and service enterprises, to avail the benefits of the Act as well as of the reforms introduced by the Government for the MSME sector during the pandemic, without any additional tax liability. It is likely to improve the ease of doing business in operation for MSMEs, and in the process, make it easier for them to attract investments and create more jobs.

Additionally, the Government has undertaken an array of initiatives in various sectors, to unshackle the growth of MSMEs:

Segments/ Sectors	Initiatives and Associated Opportunities
Ease of Doing Business for MSMEs	New Registration of MSMEs through 'Udyam Registration' with link to:- (i) GeM portal for ensuring their participation in Government procurements, (ii) TreDS platform for helping the MSMEs in realizing their delayed payments

	Based on self-declaration with no requirement to upload documents, papers, certificates or proof. Hassle free transition from old system of Udyog Aadhaar Memorandum to Udyam Registration till 31.03.2021. Launch of CHAMPIONS portal to help the MSMEs in terms of finance, raw materials, labour, permissions, etc. The portal also seeks to help MSMEs to tap into new opportunities with a long-term view to identify the MSMEs with growth potential. SAMADHAAN portal to enable Micro & Small Enterprises (MSEs) to directly register their cases on the portal relating to delayed payments by Central Ministries / Departments/ CPSEs/ State Government & other buyers. PSUs directed to clear payment within 45 days of acceptance of goods/services. SAMBANDH Portal for monitoring the implementation of Public Procurement Policy for micro and small enterprises in the country. Global tenders in Government procurement schemes up to INR 200 crores will no longer be allowed.
Labour Market	Government has simplified, amalgamated and rationalised 44 central labour laws into broad four codes namely codes on wages, industrial relations, social security and operational safety, health and working conditions. These codes are set to promote ease of doing business and instigate investor confidence in MSME sector as it intends to reduce the burden of compliance of labour regulations. The drastic reductions in compliance stem from (i) 44 central labour laws being reduced to four, (ii) the number of sections falling by 60% from about 1200 to 480, (iii) the maze due to the number of minimum wages being reducing from about 2000 to 40, (iv) one registration instead of six, (v) one license instead of four, and (vi) de-criminalisation of several offences.
Credit Support	INR 3 trillion Emergency Working Capital Facility for Businesses including MSMEs. Loans worth INR 1.86 trillion have been sanctioned under 100% Emergency Credit Line Guarantee Scheme, of which INR 1.32 trillion has already been disbursed to 27.09 lakh borrowers, as on 29th September 2020. Distressed Assets Fund–Sub-ordinate Debt for MSMEs: Guarantee cover worth INR 20,000 crores to promoters who can take debt from the banks to further invest in their stressed MSMEs as equity – support around 2 lakh MSMEs and protect livelihoods of millions who depend on them. Funds of Funds for MSMEs: Infusion of INR 50,000 crores into equity benefiting around 25 lakh MSMEs (refer Investment Opportunity below).

Insolvency Framework	Minimum threshold to initiate insolvency proceedings raised to INR 1 crore from INR 1 lakh, which largely insulates MSMEs. Suspension of fresh initiation of insolvency proceedings up to one year depending upon the pandemic situation. Special insolvency resolution framework for MSMEs under section 240A of the Code to be notified soon.
Agriculture	The landmark reforms in Agriculture viz., The Farmers Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Service Act, 2020 and The Essential Commodities (Amendment) Act, 2020 open the window of opportunity for MSMEs in the form of processors, aggregators, large retailers and exporters who can now build long-term mutually rewarding relations with farmers. MSMEs can be leveraged towards establishing all essential linkages between the farmgate to the consumer, by way of creating food chains. An agro-MSME policy is under progress, with a focus on entrepreneurship development in rural, tribal agriculture and forest areas for manufacturing products using local raw materials.
Food Processing	Establishment of an efficient farm to fork supply chain by way of bolstering the MSMEs working in the food processing sector. The "Centrally Sponsored PM Formalisation of Micro food processing Enterprises (PM FME) scheme" to be implemented over a period of five years from 2020-21 to 2024-25 adopts 'One District One Product (ODOP)' approach to reap benefits of scale in terms of procurement of inputs, availing common services and marketing of products. Scheme provides micro food enterprises with modern technology & equipment, training, institutional credit, lack of awareness on quality control of products, and branding & marketing skills. Providing plug and play infrastructure on lease for agro-MSMEs (manufacturers and retailers) with all the included Basic Enabling Infrastructure by leveraging Mega Food Park Scheme. Entrepreneurial venture incubation centre- processing, testing and other related activities for entrepreneurs in incubation stage along with expert advice.

Source:Monthly Economic Review – September 2020, Department of economic affairs

INVESTMENT OPPORTUNITY

It is estimated that in advanced economies across Europe, Asia and Australian region anywhere between 25-50% of the public support programmes are targeted towards MSME's as they make important contributions in job creation, productivity and economic growth. Besides promoting economic growth and job creation, MSME's are expected to play a very vital role in achievement of the Sustainable Development Goals by promoting sustainable industrialisation and fostering innovation, and reducing income inequalities.

Indian start-ups and MSMEs in IT, Ites, Pharma, Fintech, e-commerce, etc. have attracted PE/ VC funds demonstrating their ability to compete with established businesses. However, these PE/ VCs are focused on limited sectors and there is a strong need to mobilize large capital to invigorate the traditional manufacturing and services business providing them with a level playing field. Data asymmetry, sub-par returns in the past and lack of exits by investing in small and mid-sized companies have also led to limited investments in MSMEs.

To address the ever-unresolved need of capital of MSMEs, India needs to identify pools of capital which can be further leveraged in order to create multiplier effect on the economy and therefore making our MSME more competitive in the global markets.

Based on the recommendations of the Report of the Expert Committee on Micro, Small and Medium Enterprises dated 25 June 2019, appointed by the Reserve Bank of India under the Chairmanship of Mr. U K Sinha, Government of India is setting up the Fund to support VC/PE firms investing in the MSME sector to encourage them to invest in the MSME segment. This Fund is part of the program which is of significant national and economic importance. This will support crowd funding from venture capital and private equity firms, which focus on investing in the MSME segment on modified term sheets. This would encourage innovation in term-sheets and product structures.

The Fund shall squarely address the aforementioned challenges, give them a thrust to break their barriers, encourage corporatisation and allow them to grow to their full inherent potential. With Government intervention, the Fund would be able to channelize diverse variety of funds into underserved MSMEs and address the growth needs of viable and high growth MSMEs.

The Fund will be oriented towards providing funding support to the Daughter Funds for onward provision to MSMEs as growth capital, in the form of equity, quasi-equity and debt, as permitted under SEBI guidelines.

Promoting the MSME Investment Ecosystem

MSMEs are dispersed across the country and have different structures compared to large corporates that are well funded/ addressed. It would thus be important to create and cultivate new set of institutions & entities who can help setup MSME investing ecosystem by contributing to Daughter Funds.

Banks/ Insurance Companies/ Pension Funds/ Central & State PSUs/ Financial Institutions/ Industrial Development Institutions can work to promote MSMEs they are already dealing with or promoting. These entities can identify the MSMEs and promote them in following ways:

(a) PSUs/ Financial Institutions/ Industrial Development Institutions may function as mentors to these MSMEs for growth and scale;

(b) PSUs/ Financial Institutions/ Industrial Development Institutions which have already established teams for investing in respective sectors (Oil, PSUs, EIL etc.) can contribute by investing in the MSMEs and can thus act both as a mentor and an investor; and

(c) PSUs/Financial Institutions/Industrial Institutions may invest in Daughter Funds as well.

SECTION III: INVESTMENT OBJECTIVE, STRATEGY AND PROCESS

The Fund has been created to provide growth capital to the Micro, Small and Medium Enterprises (MSMEs), so that they have access to growth capital through equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines. This will facilitate them in becoming 'National and International Champions' by growing beyond the bracket of MSME. The Fund will be a scheme of NVCFL. The Fund would be registered with SEBI as a Category II AIF. An Advisory Board will be constituted by the Anchor Investor, overarching the entire executive framework of the Fund.

The Fund will have a professional Investment Committee which, shall process and take final decisions with respect to all the investment proposals in line with the Investment Process laid down in this Memorandum and the Fund Documents and in accordance with Investment Guidelines laid down in this Memorandum and the Fund Documents. The target group of funding, through the Daughter Funds would be MSMEs, as defined under the Micro, Small & Medium Enterprises Development Act 2006 ("**MSMED Act**"), who have a marked potential to grow, but are unable to do so because their requirement for growth capital remains unfulfilled. Non-profit institutions, NBFCs, financial inclusion sector, micro credit sector, SHGs and other financial intermediaries shall, however, not be eligible for consideration. The Fund will invest in other Daughter Funds, which may be Category I or II AIFs, registered with SEBI, who, in turn, will be investing in MSME units. The Fund will invest into the Daughter Funds by following due process, as laid down under this Memorandum.

Investment Objectives of the Fund

The Fund shall operate with the object of supporting Daughter Funds for onward provision to MSMEs as growth capital, through equity, quasi-equity and debt,as permitted under SEBI guidelines, to achieve the following objectives:

i. Enhancing equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines, to MSMEs;
i. supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities;
ii. supporting enterprises which have the potential to graduate beyond the MSME bracket and become National / International champions; and
iii. supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services.

Scope and Target of the Fund

Given that MSMEs are spread all over the country, it is proposed to disperse funds to Daughter Funds in such a manner as to ensure that impact is created across India and MSMEs even in farthest regions of the country can access this funding.

The target group of the funding (via the Daughter Funds) would be those MSMEs which have marked potential to grow but are not able to grow because their requirement for growth capital remains unfulfilled. They do not have access to the market and debt funding is difficult to come by owing to borrowing cost, inability to provide security and over leveraging. To tackle the above obstacles, it is proposed that:

(a) The funding (via the Daughter Funds) would be aimed at all existing and interested MSMEs which, after assessment, are found viable, whose growth trajectory is positive, and who have a defined business plan for growth indicating positive funds flow. Previous 3 (three) years CAGR will be considered and due weightage will be given to potential for growth.

(b) MSMEs which are defined as per the MSMED Act, as amended from time to time, shall be eligible for consideration.

(c) Non-profit institutions, NBFCs, financial inclusion sector, micro credit sector, SHGs and other financial intermediaries shall not be eligible for consideration.

(d) The Fund will seek to actively encourage onboarding such entities which will have different term sheets with a view to ensuring non-linear returns envisaged from venture capital funding. The Fund will also factor in non-monetary aspects, in terms of employment, reduction in regional disparity, overall economic development and establishing supply chains with depth and resilience.

Investment Strategy of the Fund

The Fund will employ a 'Fund-of-Fund' investment strategy wherein the Fund shall be holding a portfolio of other investment funds, instead of investing directly into Portfolio Companies. Accordingly, the Fund-platform will be a combination of the Fund and various Daughter Funds which will effectively leverage private equity/ other funds and thus will multiply the impact of the corpus of the Fund. The Fund will provide capital only to the Daughter Funds for onward investment as growth capital, while the investment in MSMEs will be done by the Daughter Funds. The Daughter Funds will be duly required to be registered as Alternate Investment Funds with SEBI. With a view to providing flexibility to the Daughter Funds in providing both equity and debt funding to the MSMEs, the Daughter Funds would be Category I or Category II AIFs registered with SEBI.

Daughter Funds

There will be more than one such Daughter Fund. The Investment Committee shall give final approval for investment decisions, in accordance with the Investment Process laid down in this Memorandum and the Fund Documents in regard to proposals received, only in line with the business objectives of the respective Daughter Funds, as approved by the Fund at the time of empanelment. Additionally, any exit/divestment related decisions taken other than in respect of the ordinary course of investments in the Daughter Fund shall also be taken by the Investment Committee on the recommendation of the Investment Manager in accordance with the procedures laid down from time to time by the Board.Any other material decision, in relation to the portfolio of the Fund, including material matters arising at the Daughter Fund level, which requires an approval of the Fund shall be taken by the Investment Manager or the Investment Committee as required under the procedure laid down by the Board from time to time.

Investment Philosophy and Focus

The Fund is committed to strive for superior returns through investments in Daughter Funds seeking

to provide growth capital to MSMEs. The Fund will endeavour to add additional value to Daughter Funds by acting as their strategic partner. The Fund shall invest in Daughter Funds following the Investment Guidelines as provided below.

Investment Guidelines

The Fund's investments shall comply with the following guidelines ("**Investment Guidelines**") and any deviation from these guidelines shall require the approval of the Anchor Investor:

(a) Any Daughter Fund which is registered in India under the SEBI (Alternative Investment Funds) Regulations, 2012 (as Category I and II AIFs) and is set up to achieve the Fund's investment objectives and abides with relevant laws of India, rules and regulations will be eligible for support from the Fund;

(b) The minimum fund committed to a Daughter Fund would be INR 25 (twenty-five) crores and in multiples of INR 5 (five) crores thereafter;

(c) The investment objective of the Daughter fund should meet the overall objective of the Fund and the Daughter Fund should commit to invest atleast 5 (five) times that of Fund's Capital Commitment into MSME companies;

(d) The Daughter Funds should be professionally managed and the investment manager of the Daughter Funds/ fund manager should have a track record and investment experience in the relevant sector in which it proposes to make its investments. The experience should be commensurate with the activities of the proposed Daughter Fund;

(e) The key investment team of the fund manager of the Daughter Fund should fulfil such criteria as mandated by SEBI under the AIF Regulations;

(f) The exposure limit will be set for each Daughter Fund at the time of making an investment in a Daughter Fund. The maximum Exposure Limit of the Fund in respect of a Daughter Fund shall be 20% (twenty per cent) of the corpus of the Daughter Fund or INR 2000 crore, whichever is lower, i.e. no Daughter Fund can have an exposure limit of more than INR 2,000 crores ("**Exposure Limit**"). Empaneled Daughter Funds shall raise 80% additional funds from outside sources like Banks, financial institutions, high net worth individuals, VCs/Pes/Institutional Investors, PSUs, Pension Funds, Foreign Developmental Institutions etc. Daughter Funds, after being empaneled with the Fund, will mobilize funds and for each 4 units of funds so mobilized, they will be eligible to solicit 1 unit of fund, proportionately from the SRI Fund;

(g) The investment focus will be on traditional manufacturing and service MSMEs as they are facing deficiency to a greater degree because the existing venture capital and private equity funds have a bias towards I.T. and Technology based industries, which offer better control and high and faster returns;

(h) AIFs which have availed commitments from any of the Fund of Funds of Government of India, like the Fund of Funds for Startups, EDF of the Ministry of Communications and Information Technology, ASPIRE etc. shall be eligible for investment by this Fund provided that funding support received by the Daughter Funds from such other Fund of Funds of Government of India will not be included in the 80% fund to be mobilized by the Daughter Funds from other sources as per point (f) above. Further, investments that qualify as MSMEs for the purposes of complying with the requirement of this Fund shall be excluded from being counted in end use requirements of any other Government Fund of Fund scheme as mentioned above;

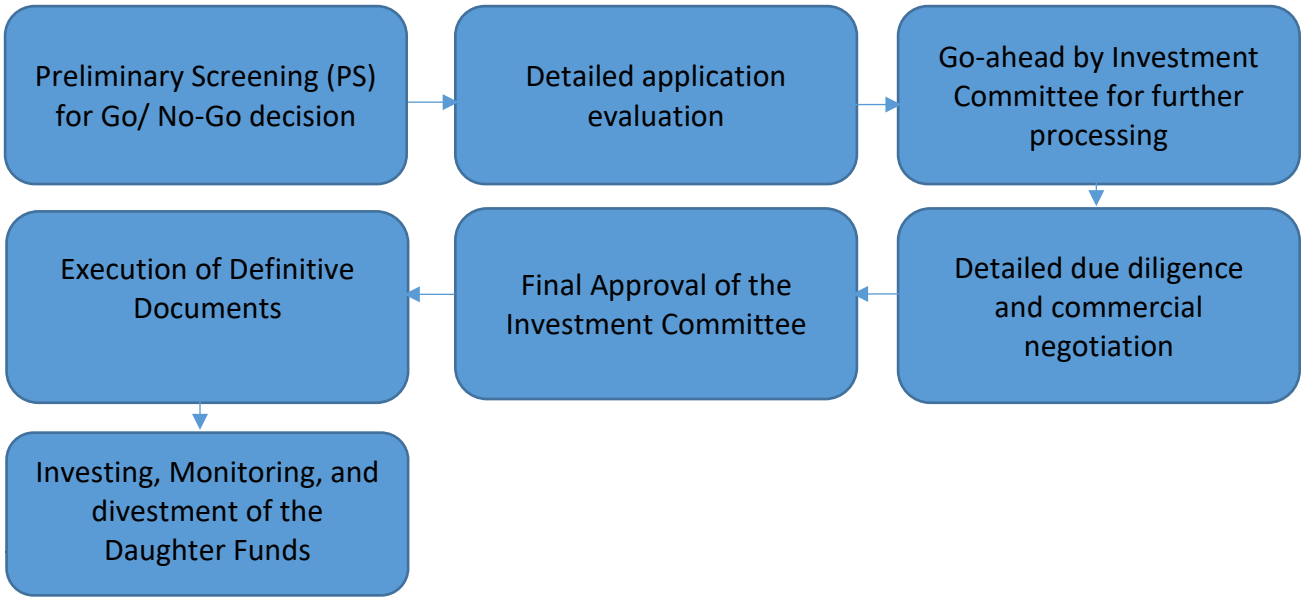
(i) The Daughter Funds shall not make portfolio investments in companies which are involved in gambling, creation of obscene content, any other illegal or unlawful activities; and

(j) Further, capital contributions made by the SRI Fund to any Daughter Fund shall not be used by such Daughter Fund for making investments/ funding any non-banking financial institutions (NBFC), non-profit organisations, micro credit sector, financial inclusion sector, self-help groups and other financial intermediaries.

Investment Process

During the investment period, the Fund will invest in Daughter Funds, in accordance with the investment objective and policies of the Fund after undertaking the investment process as detailed herein ("**Investment Process**"). The Investment Manager shall process the investment proposals of potential Daughter Funds in line with the investment process adopted by the Fund, illustrated below.

A flowchart depicting the broad investment process is as below. The steps are detailed out after the flowchart:



Step 1:

Conducting a Preliminary Screening ("**PS**") of the applications received to decide a basic Go/No-Go decision by the Investment Manager. The PS will seek information on basic qualification criteria from prospective Daughter Funds to filter out funds with mandates/ objectives which are not in line with the objectives of SRI Fund. Daughter Funds that qualify based on the basic criteria only to progress to next step.

Step 2:

The prospective Daughter Funds, satisfying the PS process shall be asked to submit a detailed application which shall typically include the following:

- Key fund relation information: category of fund, status of fund raising, existing commitments, investment policy/ strategy, target sectors, focus on MSME, exit strategy
- Key investment team, educational background and experience
- Fund terms: tenure, target returns, management fees, catch up, hurdle rates, etc.
- Track record of key personnel and the investment manager
- Ability to network and raise the balance funding from other resources.

The detailed application form submitted by prospective Daughter Funds will be evaluated by the Investment Manager, and further information (through presentations/ documents/ meetings etc.) will be requested, as required.

Step 3:

The Investment Manager shall prepare an investment proposal and submit to the Investment Committee. Presentations shall be made by the prospective Daughter Funds to the Investment Committee, if required. The Investment Committee shall review the investment proposal in line with the investment objectives of SRI Fund and provide its suggestions and recommendations. The investment proposal will have to be recommended unanimously by the members of the Investment Committee present in the meeting held by the Investment Committee. Upon receipt of go-ahead from the Investment Committee, the Investment Manager will carry out next stage screening, as per below

Step 4:

Detailed due diligence shall be carried out by the Investment Manager and Legal Advisor on the financial, KYC, Integrity, legal aspects and other assessment, as may be required. Due diligence inputs shall be analyzed and key findings shall be considered by the Investment Manager before negotiating commercial terms with the prospective Daughter Funds.

Step 5:

Post mutual agreement of the commercial terms, the detailed proposal shall be put up to the Investment Committee for its final approval. The Investment Committee shall provide its final approval

to investment proposals on a unanimous basis.

Post the approval of the Investment Committee, commitment letters shall be issued by the Investment Manager to the selected/ empanelled Daughter Funds. These letters shall contain the key investment terms and the Daughter Funds shall adhere to the same as a condition for receiving the investment from the Fund. The commitment given by the Fund will be valid for 18 (eighteen) months during which the eligible Daughter Funds are required to do the first closing. In the event of the Daughter Fund failing to achieve the same, the commitment of the Fund to the Daughter Fund shall be re-evaluated.

Step 6:

Definitive documents including contribution agreement, investment management agreement and other constitutive documents, etc. prepared/vetted by the Legal Advisor to be executed with the Daughter Funds capturing the detailed terms and conditions of the investment by SRI Fund in the Daughter Fund. The definitive agreements shall capture all the terms applicable to the investment by the Fund in the Daughter Fund in line with the Investment Policy.

Further to the execution of the definitive agreements, the Fund shall release on back-ended basis, the committed funds in proportion to the funds raised by the Daughter Funds individually. Daughter Fund shall raise the demand of drawing the funds from the Fund as per the requirements and terms of sanctioned assistance by them to portfolio companies. Daughter Funds will be required to invest the funds received from the Fund within 2 (two) months of the same being received from the Fund. In case they are unable to deploy the same, they may seek a further extension of 1 (one) month from the Fund, before the expiry of initial period of the 2 (two) months. In the event an extension is granted by the Fund after due deliberation, the funds should be deployed by the Daughter Fund within the extended period, failing which the Daughter Fund shall refund the amount to the Fund on the day next to the expiry of the extended period. In case extension is not permitted by the Fund, the Daughter Fund shall refund the amount to the Fund on the day next to the receipt of the communication from the Fund. The Fund may impose interest on any fund retained by the Daughter Fund beyond such communication.

Step 7:

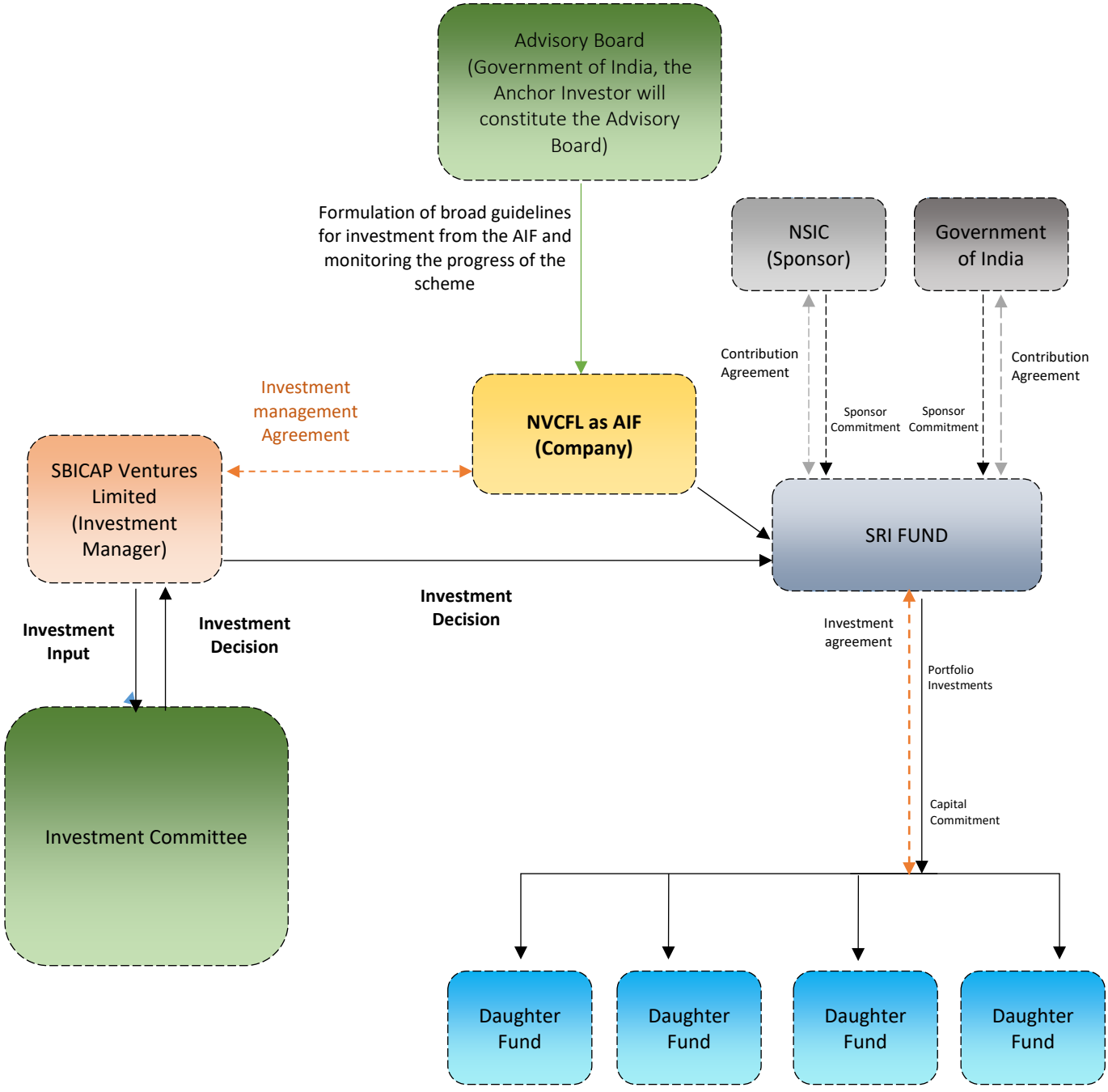
The Investment Manager shall monitor the performance of the Daughter Funds on regular basis and submit reports to the Investment Committee, the Advisory Board and/or the Board as may be required.

Exit from Daughter Funds

The Fund will exit its investments in the Daughter Funds when such a Daughter Fund makes distributions to its contributors after exiting/ liquidating its underlying portfolio investments.

SECTION IV: FUND STRUCTURE

The Fund is structured as per the structure chart, below:



The Fund is organised as the first scheme of NVCFL which is registered with SEBI as a Category II AIF – vide registration number IN/AIF2/21-22/0924 and is organised as a public limited company under the

Companies Act, 2013. SBICAP Ventures Limited will act as the investment manager to the Fund and Khaitan & Co. shall be the legal and tax advisor.

The Fund has been sponsored by The National Small Industries Corporation Ltd., a mini-Ratna Corporation of the Government of India under the Ministry of Micro, Small and Medium Enterprises.

The Fund shall operate with the objective of investing in certain Daughter Funds which will in turn provide growth capital to the MSME sectors.

Please refer to '**SECTION V: BRIEF OVERVIEW OF NVCFL, SPONSOR AND INVESTMENT MANAGER**' for further information on the Investment Manager and Sponsor.

Please refer to '**SCHEDULEII: DISCIPLINARY HISTORY**' for details regarding the disciplinary history of the Investment Manager and Sponsor.

SECTION V: BRIEF OVERVIEW OF NVCFL, SPONSOR AND INVESTMENT MANAGER

NVCFL has been constituted as a public limited company under the Indian Companies Act,2013 on 28 August 2020 and is registered with SEBI as Category II AIF vide Registration No. IN/AIF2/21-22/0924. The entire equity capital of NVCFL is held by NSIC which is also the 'Sponsor' of the Fund.

The board of directors of NVCFL currently comprises of the following individuals:

Sh. Vipul Goel, Chairman Cum Managining Director, NSIC and Chairperson NVCFL

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

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

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

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

Dr. lshita Ganguli Tripathy, Additional Development Commissioner, 0/o DC(MSME) is an officer of the Indian Economic Service 1999 batch. In the past 24 years, she has worked in Ministry of Finance, Planning Commission, Ministry of Road Transport & Ministry of Commerce and Industry in various capacities. She has a double post graduation in Economics and Population Studies and completed her PhD from IIT Delhi in Managerial Economics.

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

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

Mr. Saravana Kumar Ananthan is a Post graduate from IIM- Bangalore, holds degree in B.E., Risk management program from GARP- USA, CAIIB from Indian Institute of Bankers and attended Management Development Programme at Merrill Lynch Global Headquarters at New York. He has over 33 years of professional experience in Venture Capital, Private equity, AIF, AMC,

Insurance Industry, PMS, MSME sector, Finance & Accounts , Risk Management, Resource mobilisation, Treasury management and Corporate planning.

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

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

Mr. Ateesh Kumar Singh, Govt. Nominee Director

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

He has served in various capacities in different ministries of Government of India. He has handled issues in the Ministry of MSME, Government of India – policy formulation and execution for MSME credit, negotiations with World Bank, KFW and National Development Bank for financial assistance in the MSME sector in 4 Externally Aided Projects (EAP). He coordinated with the Finance Ministry and RBI to develop block chain processes on Trade Receivables Discounting System (TReDS). He has done innovative product development in fintech bodies in coordination with RBI, State Governments, private sector and Finance Ministry.

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

Mr. Gaurav Gulati, Director (Finance)

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

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

With his remarkable organizational skills and strategic planning acumen, Mr. Gulati in its present role has been instrumental in instituting vital improvements within NSIC especially

strengthening NBFC vertical of the company by formulating and fortifying policies and guidelines for schemes in addition to enhancing internal controls.

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

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

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

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

The Board of NVCFL maintains oversight over the operations of the Fund to ensure that all the decisions of the Fund including those by the Investment Manager and Investment Committee, are in compliance with the AIF Regulations, the terms of this Memorandum, agreements made with the investors, other Fund Documents and Applicable Law.

Following is the shareholding pattern of NVCFL:

NVCFL is a wholly owned subsidiary of NSIC. The shareholders of NVCFL are as follows:

Name of shareholder	Number of shares held
NSIC	5,99,994
*Shri Saravanakumar Ananthan, CEO, NVCFL	1
* Manoj Lal, CGM (CC), NSIC	1
*Shri Kartikeya Sinha Director (P&M), NSIC	1
*Shri. Navin Chopra, CGM SG, NSIC	1
*Shri. Kailash Kumar Sharma, GM-SG	1
*Shri. P Ravi Kumar	1
Total	6,00,000

*As nominee of NSIC

** Shri G. Dixit, former Director Finance and Chairman cum Managing Director (additional charge), NSIC has been relieved from the charge of Director (Finance) and additional charge of CMD, NSIC w.e.f 31st December 2022 on attaining age of superannuation. The transfer of shares shall take place in due course.

Profile of Investment Manager

SBICAP Ventures Limited("**SVL**") will act as the Investment Manager to the Fund. It is a wholly owned subsidiary of State Bank of India –one of the largest banks in India. SVL was incorporated in November 2005 for carrying on venture capital fund activities such as to act as an asset management company for venture capital funds.

Following is a brief write up on the board of directors of SBICAP Ventures Limited:

a) **Mr. Dinesh Kumar Khara (Director)**

Mr. Dinesh Khara is Chairman of the country's largest Bank – State Bank of India. Having joined the bank as a Probationary Officer in 1984, he has rich experience in all facets of Banking. Before assuming office as Chairman, Mr. Khara has held several key positions in SBI such as MD (Global Banking & Subsidiaries), MD (Associates & Subsidiaries), MD & CEO (SBI Mutual Funds) and Chief General Manager – Bhopal Circle. He was also posted at Chicago for an overseas assignment.
As Managing Director, he led the International Banking Group, Large Corporate and Treasury operations in addition to the non-banking subsidiaries of the Bank viz., SBI Cards, SBIMF, SBI Life, SBI General etc. He also seamlessly executed the merger of five erstwhile Associate Banks and Bhartiya Mahila Bank, with SBI. Additionally, he also headed the Risk, IT and Compliance functions of the bank at various points.

Mr. Khara is a postgraduate in commerce from Delhi School of Economics and an MBA from FMS, New Delhi. He is also a Certified Associate of Indian Institute of Bankers (CAIIB). Mr. Khara is passionate about reading and has travelled extensively across the world.

b) **Mr. Challa Sreenivasulu Setty- Nominee Director**

Challa Sreenivasulu Setty joined the Board of SBI as Managing Director in January 2020 and is currently heading International Banking, Global Markets & Technology wings of the Bank. Prior to the present assignment, Shri Setty headed Retail & Digital Banking vertical. He has also been heading various task forces/committees formed by the Government of India.
A Bachelor of Science in Agriculture and also, a Certified Associate of Indian Institute of Bankers, he started his career with State Bank of India in 1988 as a Probationary Officer. Across a career spanning over three decades, he has rich experience in corporate credit, Retail, Digital and International banking and banking in developed markets.
Shri Setty has held key assignments in State Bank of India in Stressed Assets Management, Corporate banking, Mid-Corporate banking and Syndications both in India and abroad.

c) **Mr. Anshuman Tripathi (Independent Director)**

Mr. Anshuman Tripathi joined SBICAP Ventures Limited (SVL) in January 2023 as an independent board member.He has a wide breadth of experience across international markets. Over the decades he has worked with emerging technologies, Fortune 500 companies and circular economy MSMEs. He has also been a project lead with Stanford University's elite Alumni Consulting Team (ACT). ACT focuses on strategy consulting for corporate boards in the San Francisco Bay area. Mr. Tripathi specializes in growing entrepreneurial ecosystems across sectors, worldwide. As an impact entrepreneur, he co-founded a circular economy startup in the United States and grew its operations internationally. He also has global consulting experience in defence, aerospace, semiconductors, public policy, entrepreneurship and social innovation. On the investment side, Mr. Tripathi focuses on startup and MSME investments from government grants to venture capital. Furthermore, Mr. Tripathi has been an advisor to large fund managers worldwide on emerging technologies. Mr. Tripathi is a Sloan Fellow from Stanford Graduate School of Business, California, with an extra certification in public policy and social innovation. He is also a graduate in Computer Science from University of California, Irvine, California.

d) **Mr. S V Sastry (Nominee Director)**

Shri S V Sastry, a graduate in Science from Government College, Anantapur (Andhra Pradesh) joined State Bank of India as a Probationary Officer on 01st October 1985. He retired from the services of the Bank on 30th September 2022 as Deputy Managing Director (Global Markets). During his career spanning 37 years, Shri Sastry held various assignments in the Bank-both in India and abroad.

Shri Sastry was MD & CEO of SBI DFHI Ltd., a subsidiary of the Bank and a Standalone Primary Dealer between November 2017 and May 2020. Thereafter he moved to head the domestic treasury operations of State Bank of India as DMD (Global Markets). For a major portion of his career in the Bank, he was associated with the markets both forex as well as Rupee.

e) **Mr. Shesh Ram Verma (Nominee Director)**

Mr. Shesh Verma has over 32 years of banking experience, having started his career as a Probationary Officer with State Bank of India in 1991. He has held various positions in India, across multiple functions viz., Retail Banking, Commercial Banking, Branch Banking, High Value Credit, Import Export Finance, Forex Operations, Retail Branch Head, Commercial Branch Head, Controllers of Commercial Banking Branches etc.,

Prior to assuming charge as President & Chief Operating Officer of SBICAP with effect from 23rd May 2023, his roles included General Manager at Pune with 4 corporate branches catering 200 corporate and non-corporate customers of entire Madya Pradesh and Maharashtra (ex-Mumbai), from May 2021 to May 2023.

He was DGM in Credit Management, SBI, Corporate Centre from July 2020 to April 2021,
DGM and Branch Head, CCG Branch, Nehru Place, New Delhi from June 2019 to June 2020.
He was RM at Overseas Branch, New Delhi from June 2018 to May 2019 with credit portfolio of 10 large corporate customers, including 4 large PSUs..

f) **Mr. Suresh Kozhikote (MD&CEO)**

Mr. Kozhikote has over 36 years' experience in banking, having started his career with the State Bank Group in 1987. Mr. Kozhikote has handled assignments both in India and overseas across various functions. He has been in treasury operations for more than 18 years – from a Forex dealer to Head – Treasury. His assignments include Vice President (Treasury) at SBI Central Treasury Hong Kong, Dy General Manager at State Bank of Patiala as Head of Treasury and then as Head of Retail Operations covering Delhi NCR, Haryana & Rajasthan. Also, as Dy. General Manager (Taxation), he was in charge of GST project in SBI. As General Manager-Private Equity, he managed SBI's portfolio of Private Equity, Strategic Investments and Investments in AIF.

Mr. Kozhikote is a Commerce Graduate, a Certified Associate of the Indian Institute of Bankers and has a Diploma in Treasury, Investment and Risk Management.

Past experience of the Investment Manager

SBICAP Ventures Limited currently manages the following SEBI-registered funds:

1. **Neev Fund, a SEBI registered Category I Infrastructure Fund having registration no. IN/AIF1/14-15/0114**

   Neev fund, sponsored and managed by SBICAP Ventures Limited, was launched by Hon. Prime Ministers of the two countries India viz. (Mr. Narendra Modi) and UK (Mr. David Cameron) in 2015 for making investments in 8 of the low-income states in India i.e Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Chhattisgarh, Jharkhand, Odisha and West Bengal. The primary objective of Neev Fund is to create sustainable development which will provide economic, social and environmental benefits and create jobs in the 8 (eight) low income states of India, while at the same time generating superior risk adjusted returnsfor the investors of Neev Fund. Neev Fund operates at arm's length with full autonomy. Neev fund investors' include marquee domestic and international investors such as SBI, SIDBI and DFID.

   Neev's corpus is fully committed and it has successfully made 10 portfolio investments across sectors such as renewable energy, cold chain logistics, dairy, skill development, agri infrastructure, healthcare, waste management, bio-mass and entrepreneur development. The Investment Manager has demonstrated a successful investment track record of investing in early and growth stage companies in India. The long professional experience, broad sectoral knowledge and complex deal structuring ability of the investment team enhances the team's ability to generate high quality deal flow. In 7 (seven) out of 10 (ten) portfolio investments made by Neev Fund, Neev Fund was the first institutional investor in the portfolio company, which has helped the Investment Manager in developing strong relationship with the company founders and key management. The experience of being closely associated with the companies have helped in improving operational, financial and governance aspects of the portfolio companies.

   Neev fund is one of the finest examples in India which integrated international environmental, social & governance principles with portfolio company's policies.

   - As on 31 March 2022, the invested corpus of INR 430.2 crore has been independently valued by a big-5 accounting firm at c. INR 696.5 crore. Amongst Neev Fund's portfolio:5 portfolio companies have raised capital from marquee domestic and foreign institutions
   - 2 portfolio companies are in advanced discussion for exit;
   - 2 portfolio companies have received term sheets and letter of intent

   Over 70% of the investments in value and 6 out of 10 investments are in sectors with a focus on climate and environment sectors, whereas the remaining 3 companies are focused on social infrastructure sectors that create a social impact amongst the weaker sections of the society and improve the livelihoods.

   The Investment Manager intends to develop on its strengths and continue its strategy of

identifying, investing and nurturing early and mid-size companies thereby providing Contributors an investment opportunity of participating in the Fund.

2. **Special Window for Affordable and Mid-Income Housing (SWAMIH) Fund, a SEBI registered Category II Fund having registration no: IN/AIF2/19-20/0747**

   The Investment Manager is also mandated by Government of India to manage one of India's largest real estate fund to provide last-mile funding to enable construction of stressed housing projects. SWAMIH has a fund size of INR 15,531crore.

3. **SVL SME Fund, a SEBI registered Category I AIF having registration no IN/AIF1/19-20/0730**

   An MSME focussed fund with a target corpus of INR 1,250 crore. Neev II SVL SME Fund has an objective to bridge the equity gap in the small and medium enterprises segment given the significant opportunity to create value through a well-diversified and high-quality portfolio. The fund will seek to invest across sectors by identifying opportunities that have the potential to grow as future market leaders with the right intervention of capital, market access and technological inputs while at the same time making significant positive social impact on lives and livelihoods of people. It is expected that the identified enterprises should be adequately positioned to explore the sector opportunities and bridge the sector constraints using private equity capital.

4. **SBICAP Ventures Affordable Housing AIF, a SEBI registeredCategory I AIF having registration no IN/AIF1/18-19/0658**

   The fund invests in housing projects that use at least 50% of the FAR/ FSI for dwelling units with carpet area of not more than 60 square meters and costing between Rs. 20-75 lakhs per unit. It has a geographical focus on 8 (eight) major cities and makes investment in the form of equity/equity linked instruments.This fund has now been closed w.e.f. 29th March 2022.

5. **UK India Development Cooperation Fund, a SEBI registered Category II AIF having registration no IN/AIF2/20-21/0849**

   The Investment Manager has also been selected by FCDO (previously known as DFID, UK) to manage its fund platform a Category II AIF UK India Development Cooperation Fund (UKIDC). The UKIDC with a target fund size of INR 5,000 crores will be the vehicle to route all the investments made by UK Government in India.

6. Trilateral Development Cooperation Fund'("TDC") a SEBI registered Category II Alternative Investment Fund (Large Value Fund for Accredited Investors) having registration number . IN/AIF2/22-23/1257

The InvestmentManager has recently announced first close of TDCF with an objective to be a platform for the Government of India (vide Ministry of External Affairs) to invest in Global Innovation Partnership ("GIP") Fund and Daughter Funds set up pursuant to sovereign partnerships between India and select other countries. The target corpus of the fund is Rs 700 Cr.

Set out below is a detailed disclosure in a tabular format on the previous funds managed by the Investment Manager:

Particulars	Neev Fund	SWAMIH Investment Fund I	SVL-SME Fund
Date of launch of the fund	July 16, 2014	November 21, 2019	September 25, 2019
Investment strategy of the fund	The Neev Fund has a primary mandate to invest in 8 low-income states/developing states in India (viz. Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal) focused on infrastructure sub-sectors such as urban infrastructure (e.g. water and sanitation, solid waste management etc.), renewable energy (e.g. solar, wind, hydro, bio-mass energy, etc.), agricultural supply chain (e.g. warehouses, cold storages etc.) and state/district roads.	The investment objective of the Fund is to complete construction of stalled / stressed residential development by investing in a portion of project(s) that satisfies the following criteria: ▪ Atleast 90% of the available FSI / FAR is being developed as Affordable Housing units or Mid-Income Housing units; where the residual portion exceeds 10%, the developer shall fund incremental expenses above 10%. ▪ Is networth positive – value of sold receivables plus unsold inventory is greater than cost to complete construction and to service the investment by the Fund; ▪ Has incurred at least 30% of the project costs ▪ Requires last mile funding – sufficient to complete the project ▪ Is a part of a RERA registered project(s). ▪ The capital provided by the Fund shall have a senior charge (except in cases where a	The Fund's investment philosophy is to achieve medium to long term capital appreciation by making investments in privately negotiated equity and equity-related investments in emerging unlisted companies and growth oriented small- and mid-size enterprises across India. In order to achieve this, the Fund will invest in small and medium enterprises ("SME") having turnover of less than INR 250 crores and investments in plant and machinery or equipment of less than INR 50 crores. The below investment guidelines shall be applicable to the Fund: (a) It shall invest in SME businesses with a focus on climate, environment and sustainability and social impact sectors; (b) It shall invest 60% (sixty percent) of its aggregate invested amounts into sectors such as waste management, water supply & sanitation, clean technology, energy efficiency, renewable energy, sustainable agriculture, urban mobility, that mitigate the impact of climate change and

Particulars	Neev Fund	SWAMIH Investment Fund I	SVL-SME Fund
		regulatory authority holds first charge) over the portion of the project for which the funding shall be used, while allowing existing lender to retain first charge on a portion of such assets and cash flows, and shall be repaid completely before servicing any other financial liabilities (excluding TDS / subvention costs/ RERA liabilities) in the project. This funding shall be used only for completion of the stalled / stressed project and for purposes as approved by the IC ▪ Affordable or Mid-income Housing units has been defined as any housing units that do not exceed 200sqm RERA carpet area and are priced as following: ▪ Less than INR 2crores in Mumbai Metropolitan Region; ▪ Less than INR 1.5crores in National Capital Region, Chennai, Kolkata, Pune, Hyderabad, Bangalore and Ahmedabad; or ▪ Less than INR 1crore in the rest of India; ▪ Provided that for these purposes, the price	promote clean environment, job creation, poverty alleviation, livelihood generation and social inclusion; IIt may on an ancillary basis and subject to item (b) above invest in other sectors, including manufacturing, financial services, healthcare, education, that have potential to generate livelihoods, promote innovations, creates access to infrastructure, promotes cross border trade; (d) It shall invest at least 40% of its Aggregate Capital Commitment in Portfolio Entities i) which have been incorporated within 10 (ten) years prior to the date of investment by the Fund; and (ii) whose turnovers have not exceeded INR 100crores for any financial year since incorporation of such Portfolio Entities;

Particulars	Neev Fund	SWAMIH Investment Fund I	SVL-SME Fund
		shall be exclusive of any additional charges for social amenities, parking, housing society, brokerage, deposits, registration and stamp duty charges. Equivalent norm for plotted developments will be permissible carpet area and cost of plot with potential construction ▪ The Fund expects to primarily structure its investments, subject to legal, regulatory or other considerations, in the form of NCDs ▪ The Portfolio Investments by the Fund shall be spread across India	
Size of the fund	524 crores .	INR 15,531 crores	INR 1000 crores with a green shoe option of upto INR 1000 crores
Investment Period	2 years from Initial closing + oneyear extension	3 years from Final closing + one year extension	5 years from Initial closing + one-year extension
Number of investments made by the fund as at 31 March 2024	10	117	5
Amounts drawn down as at 31 March 2024	INR 522.45 crores (including Class X)	INR 7,717.99 crores	INR 626.98 crores

Particulars	Neev Fund	SWAMIH Investment Fund I	SVL-SME Fund
Amounts deployed as at 31 March 2024	INR 450.1 crores (including Class X)	INR 6,769.85 crores	INR 570.49 crores
Internal rate of return of the fund	8.7% basis Sep-23 valuation data	8.7% basis Sep-23 valuation data	24.1% basis Sep-23 valuation data
Gross MOIC (Multiple on Invested Capital)	1.7x basis Sep-23 valuation data	Not applicable	1.3x basis Sep-23 valuation data
DPI (Distributed to Paid in)	0.3x basis Sep-23 valuation data	0.2x basis Sep-23 valuation data	Not applicable
RVPI (Residual Value in Multiple)	1.2x basis Sep-23 valuation data	0.9x basis Sep-23 valuation data	1.2x basis Sep-23 valuation data
TVPI (Total Value to Paid In)	1.5x basis Sep-23 valuation data	1.1x basis Sep-23 valuation data	1.2x basis Sep-23 valuation data
Description of exits from investment	Full exit from 2 portfolio company and partial exits from 3 portfolio companies as of Sep-23	Full exit from 20 portfolio company and partial exits from 15 portfolio companies	Not applicable

Particulars	SRI	UK INDIA Development Cooperation Fund
Date of launch of the fund	1 September 2021	17th June 2021
Investment strategy of the Fund	The Fund will employ a 'Fund-of-Fund' investment strategy wherein the Fund shall be holding a portfolio of other investment funds, instead of investing directly into Portfolio Companies. Accordingly, the Fund-platform will be a combination of the Fund and various Daughter Funds	The investment objective of the Fund will be to carry on the activity of a Category II AIF – fund of funds, as permissible under the AIF Regulations, for making one or more portfolio investments focussed on majorly achieving the United

Particulars	SRI	UK INDIA Development Cooperation Fund
	which will effectively leverage private equity/ other funds and thus will multiply the impact of the corpus of the Fund. The Fund will provide capital only to the Daughter Funds for onward investment as growth capital, while the investment in MSMEs will be done by the Daughter Funds. The Daughter Funds will be duly required to be registered as Alternate Investment Funds with SEBI. With a view to providing flexibility to the Daughter Funds in providing both equity and debt funding to the MSMEs, the Daughter Funds would be Category I or Category II AIFs registered with SEBI.	Kingdom - India bilateral development cooperation objectives. Subject to AIF Regulations and Applicable Law, the Fund shall seek to achieve its investment objectives by investing substantially all of its assets in permitted Portfolio Entities which seek to invest in, or are engaged in, sectors that promote sustainable economic development, help reduce poverty and contribute towards achievement
Size of the fund	INR 10,006 Crores	INR 7,500 Crores (INR 5,000 Crores + green shoe of INR 2,500 Crores). Shall not exceed GBP 750 million
Investment Period	13 (Thirteen) years from the date of Closing	7 (seven) years from the date of Final Closing
Number of investments made by the fund	55 (as on 31 March 2024)	3
Amounts drawn down	INR 1,153 Crores (as on 31 March 2024)	72.70 crores (as on 31 March 2024)
Amounts deployed	INR 1,139 Crores (as on 31 March 2024)	INR 66.33 crores (as on 31 March 2024)
Internal rate of return of the fund	8.4% basis Sep 23 valuation data	-5.1% basis Sep-23 valuation data
Gross MOIC (Multiple on Invested Capital)	1.1x basis Sep 23 valuation data	1.0x basis Sep-23 valuation data
DPI (Distributed to Paid in)	Not Applicable	Not applicable
RVPI (Residual Value in Multiple)	1.1x basis Sep 23 valuation data	1.0x basis Sep-23 valuation data
TVPI (Total Value to Paid In)	1.1x basis Sep 23 valuation data	1.0x basis Sep-23 valuation data
Description of exits from investment	Not Applicable	Not Applicable

In addition to the above, SBICAP Ventures Affordable Housing AIF has been filed for closure.

Profile of the Sponsor

The Fund has been sponsored by The National Small Industries Corporation Ltd., a Mini-Ratna Corporation of the Government of India under the Ministry of Micro, Small and Medium Enterprises.As required under the AIF Regulations, the Sponsor will make the Sponsor Commitment. The Sponsor Commitment will be made and maintained at all times in accordance with the AIF Regulations.

Following is a brief write up on the board of directors of the Sponsor:

Board of directors of the Sponsor:

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

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

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

d) Mr Kartikeya Sinha, Director (Planning & Marketing), NSIC

e) Mr. Gaurav Gulati, Director (Finance), NSIC

f) Ms. Mercy Epao, Government Nominee Director

g) Ms. Simmi Chaudhary, Government Nominee Director

h) Mr. Kalandi Charan Samal, Independent Director

i) Dr Ashok Ahirwar, Independent Director

Following is the shareholding pattern of NSIC:

Name of shareholder	Number of shares held
President of India	5,32,97,500
Secretary, MSME, Ministry of MSME, Government of India	400
Chairman and Managing Director, NSIC	400
Additional Secretary & Development Commissioner, MSME	200
Joint Secretary, Ministry of MSME, Government of India	100
Director, Ministry of MSME, Government of India	100

Economic Advisor, Ministry of MSME, Government of India	100
Total	5,32,98,800

SECTION VI: MANAGEMENT AND ADMINISTRATION

I. Investment Manager

SBICAP Ventures Limited will act as the investment manager to the Fund.

The Investment Manager has entered into an asset management agreement with NVCFL dated 25 November 2020 ("**AMC Agreement**") and will have an Investment Management Agreement in place, under the terms of which it will undertake the administration and management of the assets of the Fund, subject to the terms and upon the conditions set out in such agreement. The Investment Manager will act as an independent agent of the Fund and undertake the investment management of the Fund and its investments in Daughter Funds strictly in accordance with the powers delegated by Board under the AMC Agreement, Investment Management Agreement and SoPs,in compliance with

the AIF Regulations. The Investment Manager will be guided by the Investment Committee and the Board.

Please refer to '**SECTION V: BRIEF OVERVIEW OF NVCFL, SPONSOR AND INVESTMENT MANAGER**' for the profile of the Investment Manager and a brief write up on the board of directors of the Investment Manager.

The brief profiles of the initial members of the Key Investment Team are provided below.

1) **Name –** Suresh Kozhikote
Designation – MD & CEO
Role – Governance, oversight and investments

Mr Kozhikote is currently the MD & CEO with SVL. Mr Kozhikote has over 33 years' experience in banking, having started his career with the State Bank Group in 1987. Mr Kozhikote has handled assignments both in India and overseas across various functions. He has been in treasury operations for more than 18 years – from a Forex dealer to Head – Treasury. His assignments include Vice President (Treasury) at SBI Central Treasury Hong Kong, Dy General Manager at State Bank of Patiala as Head of Treasury and then as Head of Retail Operations covering Delhi NCR, Haryana & Rajasthan. Also, as Dy. General Manager (Taxation), he was in charge of GST project in SBI. As General Manager- Private Equity, he managed SBI's portfolio of Private Equity, Strategic Investments and Investments in AIF. Mr Kozhikote is a Commerce Graduate, a Certified Associate of the Indian Institute of Bankers and has a Diploma in Treasury, Investment and Risk Management.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	MD & CEO	2020 – Present	Private equity
2	State Bank of India	General Manager	2017 – 2020	Private equity, taxation
3	State Bank of Patiala	Deputy General Manager	2012 – 2017	Retail banking, treasury
4	State Bank of Travancore	Assistant General Manager	2009 – 2012	Fixed income and equity
5	State Bank of India	Vice President	2004 – 2009	Treasury
6	State Bank of Travancore	Foreign Exchange Dealer	1987 – 2004	Foreign exchange, business planning, strategy, performance analysis, retail operations

2) **Name - Akshay Panth**

Designation – Chief Investment Officer & Head – Fund Of Funds
Role – Investments and oversight

Akshay has close to 2 decades of experience in Private Equity, Principal Investments and Advisory roles with leading domestic and international investors. He started his career with the India Infrastructure Fund (a c.US$1Bn Infrastructure Fund managed by IDFC Alternatives) and has since worked with multiple private equity and principal investors. His previous experience includes working with CapAleph Private Equity, GMR Infrastructure, and MAPE Advisory Group.

At CapAleph, he handled the Infrastructure Support Services and Education & Skill Development segments for the Fund. At GMR Infrastructure, he was part of the Project Finance team working on the road sector where he submitted multiple bids to the NHAI. He has been part of teams that have invested over US$100Mn in the Indian infrastructure space.

Akshay holds a bachelor's degree in Commerce and PGDM/MBA.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	Chief Investment Officer & Head – Fund Of Funds	2018 – Present	Sourcing, structuring, execution of transactions and portfolio management. Mr Panth is also a Board Member on Neev portfolio companies and is actively involved in stakeholder management for Neev Fund.
2	P&C (Bangalore) Consulting Pvt. Ltd.	Director	2013 – 2018	Financial and strategic advisory for small and medium sized businesses. Advised multiple SME businesses and startups in their fund raise and in business process reorganisation. Managed fund raise processes and was responsible for business development.
3	CapAlephAdvisors	General Manager – Research & Business Development	2011 – 2013	Part of the investment team and was responsible for investments in the infrastructure support services space and in the education and skill development space. Played an active role in fund raise.
4	SNC	Associate – Investments	2010 – 2011	Part of the investment team that was responsible for

				making investments from the balance sheet.
5	GMR Infrastructure, Highways	Manager – Project Finance, Highways	2009 – 2010	Member of the team that led all bids in the highway sector. Responsible for fund raise for debt and equity at SPV and HoldCo levels.
6	MAPE Advisory Group Private Limited	Associate – Investment Banking	2008 – 2009	Member of the infrastructure investment banking team that was setup to source and advise clients on fund raise and M&A. Worked on mandates in roads, power, renewable energy, telecom and urban infrastructure
7	IDFC Project Equity Company Limited	Associate	2006 – 2009	Member of the investments team at India Infrastructure Fund (IIF) – IDFC's project equity fund. Responsible for building and owning the financial model for transactions and was also involved in negotiation and transaction structuring.

3) Name - Suken Shah
Designation – Principal Investment Officer
Role - Investments

Suken has over a decade of experience in fund raising investments and asset management across Infrastructure assets working with Private Equity, Principal Investments and Advisory firms.At SVL he is involved in Neev Fund, SVL SME Fund and SRI Fund. During his past experience he was also a part of a leading family office, where he was responsible for investing and managing mid-market opportunities. He has also been a part of Brescon Advisors, where he provided financial and strategic advisory to mid and large corporates; he was instrumental in striking a JV with Piramal group to setup a USD 1 billion special situations investment platform. Suken holds bachelor's degree in Commerce, MBA in Finance and CFA charter holder.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	Principal Investment Officer	2020 – Present	Sourcing, evaluation, negotiation, execution and portfolio management.
2	ART Special Situations Finance (India) Ltd	Vice President	2017 – 2020	Sourcing, investing and strategizing with portfolio companies in infrastructure/ real estate assets

3	Brescon Advisors Pvt. Ltd.	Assistant Vice President	2014 – 2017	Responsible for strategic partnerships/ JV's and corporate finance/ advisory role
4	Patel Realty (India) Ltd	Senior Manager	2013 – 2014	Investing in international and domestic infrastructure/ real estate projects
5	Welspun Group	Manager	2009 – 2013	Bidding, asset management and project financing for infrastructure assets
6	GVK Transportation	Assistant Manager	2009 – 2010	Business development, bidding and project financing for infrastructure assets

4) Name – Sangeeta Biby
Designation – Vice President
Role – Fund management, monitoring, reporting

Ms Biby is currently the Vice President ("**VP**") with SVL. Sangeeta has over 12 years of experience in managing finance operations, fund accounting, fund administration, compliance and audit requirements, following legal and regulatory processes and working with business intelligence reports in the Asset Management & Private Equity space. Sangeeta has a Masters in Commerce from MMK College and Masters in Management Studies from Mumbai University. At SVL she is involved in all Fund of Funds activities including UKIDCF & TDCF.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	Vice President	2021 – Present	Fund management, monitoring, reporting
2	Vistra ITCL (India) Limited	Senior Manager	2017 – 2021	Fund Administration
3	Bank Muscat SAOG, Oman	Assistant Manager	2007 – 2017	Fund & private equity operations, fund accounting and MIS reporting
4	Zoom Developers Private Limited	Senior Finance Executive	2005 – 2007	Finance

5) Name - Vivek Yadav
Designation - Associate
Role – Investments, monitoring

Mr Yadav is currently an Associate with SVL involved in Neev Fund, SVL SME Fund, and SRI Fund. Vivek has over 8 years of of work experience across Private Equity, Investment Banking, Business & Real Estate Valuation and M&A Restructuring Advisory roles. Prior experience includes advisory/ corporate finance roles in Ernst & Young and KPMG. Vivek is a Chartered Accountant from The Institute of Chartered Accountants of India and Bachelor of Commerce (Honours) from Delhi University.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	Associate	2020 – Present	Sourcing, evaluation, negotiation, execution and portfolio management.
2	KPMG India Private Limited	Senior Associate	2017 – 2020	Worked in advisory/corporate finance roles.
3	Ernst & Young LLP	Associate	2012 – 2017	Worked in advisory/corporate finance roles.

II. Investment Committee

The Investment Manager has constituted an Investment Committee comprising of experienced professionals including investment professionals, risk managers etc. on or before the Closing("**Investment Committee**"). The Investment Committee is chaired by an eminent professional with adequate and rich experience in finance/banking and/or capital markets. The Investment Manager shall recommend the investments in Daughter Funds to the Investment Committee which will then evaluate the same and give its preliminary recommendation by way of receipt of unanimous consent from the members present in the meeting. Post receipt of the preliminary recommendation by the Investment Committee, the due diligence process shall be conducted by the Investment Manager. Post conducting due diligence, the detailed proposal shall be put up to the Investment Committee for its final approval. Any other material decision in relation to the portfolio of the Fund, including material matters arising at the Daughter Fund level which requires an approval of the Fund shall be taken by the Investment Manager or the Investment Committee as required under the procedure laid down by the Board.

The Investment Committee comprises of at least 5 (five) members. The decisions of the Investment Committee would be taken on the basis of unanimous approval by members present at the meeting of the Investment Committee. Participation in the proceedings of the Investment Committee may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing. Any member participating through such modes shall be counted towards quorum. The quorum for a valid meeting of the Investment Committee will be any 4 (four) members of the Investment Committee. However, the presence of the nominees of both NVCFL and the Sponsor shall be mandatory. It is clarified that the Investment Committee will at all times be in compliance with the provisions as stated under Regulation 20(8) of the AIF Regulations. Further, subject to any change in the Applicable Law, it is clarified that the Investment Committee shall not have members who are *not* resident Indian citizens.

III. Advisory Board

Government of India, the Anchor Investor, will constitute an Advisory Board of eminent domain specialists in the field of private equity and venture capital, and senior government officials from Government of India ("**Advisory Board**"). The Advisory Board shall be chaired by the Secretary (MSME), Government of India.

The Advisory Board shall formulate broad guidelines for investment from the Fund, including empanelment of Daughter Funds, investment guidelines including return on investment and tenure, exit options sectoral focus and segmental focus, etc. The Advisory Board shall also

monitor the progress of the Fund periodically. The Advisory Board shall comprise of at least 7 (seven) members. Participation in the proceedings of the Advisory Board may be by either of the following methods: (i) physical presence; (ii) video or web conferencing.

IV. NVCFL

A profile of the General Manager and Officer on Special Duty of NVCFL (who is a key management personnel for the Fund) is provided below:

Name: Rajesh Madan

Designation: General Manager and OSD

Role: Responsible for all administrative functions relating to NVCFL and liasioning with various Government, Statutory Bod ies & Investment Manager and Legal Advisor for the purpose of setting up of SRI Fund.

Past experience: Worked in different capacities with NSIC in Finance & Accounts Division dealing in disbursement of funds under various schemes of the Corporation, Administration and Preparation of Final Accounts and also dealing with Auditors. Liasioning with various Government Bodies like Ministry of MSME, DPE, PESB, Banks etc.

CRISIL benchmarking report: Set out below is the latest benchmarking report available for Category II AIFs[4] on the CRISIL website[5]:

CRISL - BENCHMARKING REPORT

CRISIL AIF Benchmark – Cat II (INR) [6]

Vintage year	No. of schemes	Pooled IRR (%)	Investment multiples and ratios		
			DPI	RVPI	TVPI
FY14	13	10.3	1.2	0.1	1.3
FY15	12	6.7	1.0	0.3	1.3
FY16	16	13.9	0.8	1.0	1.7

[4] It is possible these Cat II AIFs may or may not have the same investment strategy

[5] CRISIL AIF Benchmarks, March 31, 2023

[6] All the funds considered for the purpose of this benchmarking report are the funds which are based out of India

FY17	38	11.9	0.7	0.9	1.5
FY18	48	16.6	0.6	1.1	1.7
FY19	59	23.3	0.5	1.2	1.6
FY20	56	15.0	0.4	0.9	1.3
FY21	34	13.8	0.5	0.7	1.2
FY22	92	9.2	0.1	1.0	1.1
FY23^	39	11.0	0.1	1.0	1.1
Total schemes	**407**				

CRISIL AIF Benchmark – Cat II (USD)

Vintage year	No. of schemes	Pooled IRR (%)	Investment multiples and ratios		
			DPI	RVPI	TVPI
FY14	13	7.5	1.2	0.1	1.2
FY15	12	3.8	0.9	0.3	1.2
FY16	16	10.6	0.7	0.8	1.5

FY17	38	7.9	0.6	0.7	1.3
FY18	48	12.2	0.6	0.9	1.5
FY19	59	18.6	0.4	1.1	1.5
FY20	56	10.3	0.4	0.8	1.2
FY21	34	8.8	0.5	0.7	1.1
FY22	92	3.9	0.1	1.0	1.0
FY23^	39	7.4	0.1	1.0	1.1
Total schemes	**407**				

*DPI: Distributions to paid-in capital, RVPI: Residual Value to paid-in capital, TVPI: Total Value to paid-in capital.

Notes:

(i) Values as on September 30, 2023.

(ii) Schemes that have completed at least one year since their first close as on September 30, 2023, have been considered.

(iii) DPI: Distributions to paid-in capital, RVPI: Residual Value to paid-in capital, TVPI: Total Value to paid-in capital.

(iv) Returns and ratios refer to post-expense, pre-carry, pre-tax values.

(v) Only those vintage years have been considered that have at least 3 schemes available. FY denotes financial year; for example, FY14 refers to period between April 2013 and March 2014.

(vi) ^ Data pertains to the first half of the year, i.e. only those schemes that had their first close between April and September 2022.

(vii) The total of DPI and RVPI may not add up to the TVPI number because of rounding off.

Disclaimer: The above-indicated disclosures in relation to the performance track record of the Manager may not necessarily be a representation of the expected performance of the Fund. The performance track record of such past investment funds managed and operated by the Manager may depend on various internal as well as external factors beyond the control of the Manager. Investors are requested to use their own independent assessment and judgement while attributing the credit of the past track record to the Manager.

Risk Factor: The performance track record of such past investment funds managed and operated by the Manager and/or the investment management team would be a function of the prevalent factors, including, inter alia, and not limited to, business, macro and micro economic, political conditions and the relevant economic cycle that may have been applicable to such investment funds. The Fund may not necessarily accrue an advantage/disadvantage from performance of previous investment funds as managed or operated by the Manager and/or the investment management team. Therefore, judgments of the Manager's expected performance cannot be extrapolated from the past performance of the Manager. Please refer to detailed risk factors under the section titled "**SECTION VIII: RISK FACTORS AND CONFLICTS OF INTEREST**" of this Memorandum.

SECTION VII: SUMMARY OF PRINCIPAL TERMS

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Memorandum, and the Fund Documents, which will be provided to each of the prospective investors upon request. If the terms described in this Summary or elsewhere in this Memorandum are inconsistent with or contrary to the terms described in the Contribution Agreement, the terms of the Contribution Agreement will prevail. Prospective investors should not rely solely on information contained in this Summary in making any investment decision and are encouraged to read the entire Memorandum, the Contribution Agreement, and the Investment Management Agreement. Prior to Closing, the terms hereof are subject to modification or withdrawal.

Structure	The **'Self Reliant India (SRI) Fund'** ("**Fund**" or "**SRI Fund**") is organised as the first scheme of NVCFL and is registered with SEBI as a Category II AIF vide registration number IN/AIF2/21-22/0924. NVCFL is organised as a public limited company under Companies Act, 2013 and is a wholly owned subsidiary of NSIC. The Fund shall operate with the object of supporting Daughter Fundsforonward provision to MSMEs as growth capital, through through equity, quasi-equity and debt,as permitted under SEBI guidelines to achieve the following objectives: i. Enhancing equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines financing to MSMEs; ii. supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities; iii. supporting enterprises which have the potential to graduate beyond the MSME bracket and become National / International champions; and iv. supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services. The Fund will be managed by the Investment Manager pursuant to the terms of the Investment Management Agreement and the Contribution Agreement. The investments in the Fund will be restricted to the Contributors. The Fund will raise monies from the Anchor Investor and the Sponsor. For more details please refer to "**SECTION IV: FUND STRUCTURE**".
Sponsor	The National Small Industries Corporation Limited, a public limited company having its registered office at NSIC BHAWAN, Okhla Industrial Estate, New Delhi- 110020, shall be the sponsor

	of the Fund. The Sponsor is a public sector undertaking incorporated with the main purpose of promoting growth and development of the small and medium scale enterprises in the country.
The Offering and Target Size of the Fund	The Fund is offering through private placement, Units for subscription aggregating to INR 10,006 crores (Indian Rupees Ten Thousand and Six Crores).
The Investment Manager	SBICAP Ventures Limited, a public company incorporated under the provisions of Companies Act, 1956, having its registered office at Marathon Futurex, 12th floor, A-wing, Mafatlal Mill Compound, N.M. Joshi Marg, Lower Parel Mumbai 400013 , India, shall act as the Investment Manager to the Fund pursuant to the Investment Management Agreement. Currently, the Investment Manager is 100% (hundred percent) owned by SBI. The Investment Manager has entered into an AMC Agreement and will have an Investment Management Agreement in place, under the terms of which it will undertake the administration and management of the assets of the Fund, subject to the terms and upon the conditions set out in such agreement. The Investment Manager will act as an independent agent of NVCFL and undertake the investment management of the Fund and its investments in Daughter Funds strictly in accordance with the powers delegated to it by the Board under the AMC Agreement, Investment Management Agreement and SoPs and in compliance with the AIF Regulations. The Investment Manager will be guided by the Investment Committee and the Board. For more details, please refer to "**SECTION VI: MANAGEMENT AND ADMINISTRATION**". **Investment Committee** The Investment Manager will constitute an Investment Committee that will comprise of experienced professionals including investment professionals, risk managers etc. on or before the Closing ("**Investment Committee**"). The Investment Committee will be chaired by an eminent professional with adequate and rich experience in finance/banking and/or capital markets. The Investment Manager shall recommend the investments in Daughter Funds to the Investment Committee which will then evaluate the same and give its preliminary recommendation by way of receipt of unanimous consent from the members present in such meeting. Post conducting due diligence, the detailed proposal shall be put up to the Investment Committee for their final approval. Any other material decision in

	relation to the portfolio of the Fund, including material matters arising at the Daughter Fund level which requires an approval of the Fund shall be taken by the Investment Manager or the Investment Committee as required under the procedure laid down by the Board from time to time. The Investment Committee shall comprise of at least 5(five) members. The decisions of the Investment Committee would be taken on the basis of unanimous approval of the Members present at the meeting of the Investment Committee. Participation in the proceedings of the Investment Committee may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing. Any member participating through such modes shall be counted towards quorum. The quorum for a valid meeting of the Investment Committee will be any 4 (four) members of the Investment Committee. However, the presence of the nominees of both NVCFL and the Sponsor shall be mandatory. It is clarified that the Investment Committee will at all times be in compliance with the provisions as stated under Regulation 20(8) of the AIF Regulations. Further, subject to any change in the Applicable Law, it is clarified that the Investment Committee shall not have members who are *not* resident Indian citizens. **Advisory Board** Government of India, the Anchor Investor, has constituted a Advisory Board of eminent domain specialists in the field of private equity and venture capital, and senior government officials from Government of India ("**Advisory Board**").The Advisory Board is chaired by the Secretary (MSME), Government of India. The Advisory Board shall formulate broad guidelines for investment from the Fund, including empanelment of Daughter Funds, investment guidelines including return on investment and tenure, exit options, sectoral focus and segmental focus, etc. The Advisory Board shall also monitor the progress of the Fund periodically. The Advisory Board shall comprise of at least 7 (seven) members. Participation in the proceedings of the Advisory Board may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing.
Anchor Investor	The anchor investor of the Fund is the Government of India ("**Anchor Investor**"). The Anchor Investor has decided to invest in the Fund in order to provide growth capital to the micro, small and medium enterprises ("**MSMEs**"), so that they have access to growth capital through equity,quasi-equity or debt instruments, as permitted under the relevant SEBI guidelines. It is currently

	envisaged that besides the Sponsor, Anchor Investor will currently be the only other investor in the Fund.
Sponsor Commitment	The Sponsor shall make a minimum Capital Commitment to the Fund of at least 2.5% of the aggregate Capital Commitments or of INR 6,00,00,000 (Rupees Six Crores), whichever is lower as required under the AIF Regulations ("**Sponsor Commitment**"). The Sponsor shall maintain its 'continuing interest' in the Fund and shall subscribe to Class B Units.
Schemes	NVCFL, in consultation with its Board, Anchor Investor and the Investment Manager may float additional schemes with different or similar investment focus from time to time and shall issue separate private placement memorandum for each scheme. NVCFL shall hold the assets of each scheme under separate bank and securities accounts and shall ensure that the assets and liabilities of each such scheme shall be segregated.
Fund Capital Structure	The capital of the Fund shall be represented through 2 (two)classes of Units as follows: • Class A Units representing a face value of INR 1,00,00,000 (Rupees One Crore) per Unit to be allocated to the Anchor Investor; and • Class B Units representing a face value of INR 1,00,00,000 (Rupees One Crore) per Unit to be allocated to the Sponsor. The Fund shall issue Units in dematerialised form subject to the conditions specified by SEBI from time to time. The interest of the Contributors in the Fund shall be represented through the Classes of Units held by them and such interest shall also include a fraction of a Unit. NVCFL shall not issue any additional Classes of Units without the express approval of the Anchor Investor. Any special rights attached to such additional Classes of Units so issued by the Fund (if any) shall not have any adverse impact on the economic or any other rights of other Contributors in the Fund.
Term	The Fund is a close ended fund and the term of the Fund ("**Term**") will be a period of 15 (Fifteen) years from the date of the Closing, which may be extended for a period of 2 (two) additional 1 (one) year periods by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value) in

	accordance with the AIF Regulations. The Term may be further extended by any additional period, subject to the provisions of the AIF Regulations, by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value). Subject to the AIF Regulations, the Board, in consultation with the Investment Manager and with the consent of the Anchor Investor may,terminate the Fund: • upon the expiration of the stated Term described above, unless the Term is extended as per the terms of this Memorandum; or • following the end of the Commitment Period, upon the Fund exiting from all investments and distribution of the Contribution Fund to the Contributors; or • if it is in the interest of the Contributors to wind up the Fund; or • upon the Fund facing any adverse tax consequences or upon any receipt of directions from any statutory authority. Additionally, the Fund may also be terminated prior to the completion of the Term if Super-Majority of the Contributors pass a resolution in that respect in the course of a duly convened meeting of such Contributors. Upon expiry of the Term or premature termination of the Fund, the Portfolio Investments shall be liquidated as per the AIF Regulations and the Fund will continue for such period as permitted under the AIF Regulations to liquidate the outstanding Portfolio Investments in an orderly manner. The Investment Manager may, in consultation with the Board undertake a valuation of the assets of the Fund and find a buyer to complete the liquidation of all Portfolio Investments of the Fund. Further, the Investment Manager shall make all necessary filings, obtain all approvals and take all such other actions as may be required under Applicable Laws. The proceeds from liquidation of the Fund shall be used to (i) satisfy the creditors of the Fund, if any; (ii) meet outstanding expenses (including any reimbursement of Management Fees and Operating Fees) of the Fund, including taxes and any expenses incurred in the process of liquidation; and (iii) establish Reserves for the future contingent liabilities of the Fund.

	Thereafter, the proceeds accruing to the Contributors shall be distributed to them in accordance with the Contribution Agreement. Notwithstanding anything contained in this paragraph above, the Fund will continue for such period as may be necessary to liquidate the Fund's investments in an orderly manner subject to the AIF Regulations. The Investment Manager shall make reasonable endeavours to liquidate the Fund's investments as soon as practicable subject to the authorisation of the Board and the approval of the Investment Committee.
Closing	The closing of the Fund shall be held on such date as may be determined by the Investment Manager and the Sponsor, subject to the Fund having obtained Capital Commitments of INR 10,000crore (Indian Rupees Ten thousand crore) from the Anchor Investor ("**Closing**").
Commitment Period	The commitment period of the Fund shall begin from the date of Closing and terminate upon the expiry of 13 (Thirteen) years from the date of Closing ("**Commitment Period**"). After the end of the Commitment Period, the Unitholders shall be released from the obligation of making any further Capital Contributions with respect to their Unfunded Capital Commitment except: (i) to fund existing commitments to Daughter Funds, including capital calls made by Daughter Funds; (ii) to the extent necessary, to pay Operating Fee, Management Fee, Fund Expenses (including indemnification obligations) and any liabilities of the Fund (including tax liabilities); (iii) to create reasonable reserves to provide for any of the above items;(iv) to effect any top-up/ follow-on investments in a Daughter Fund (if any); (v) for an amount reasonably necessary in the Investment Manager's discretion to meet contingent liabilities, if any; and (vi) for any other purpose approved of by the Anchor Investor.
Drawdown	A Drawdown is a Capital Contribution made by a Contributor to the Fund pursuant to the issuance of a notice ("**Drawdown Notice**"). *Drawdown* The Capital Commitments of the Contributors shall be drawn down by NVCFL on an "as needed" basis to make investments in Daughter Funds and to pay Management Fees, Operating Fees, Fund Expenses and Establishment Expenses, and such other purposes as provided under the Fund Documents, by issuing a Drawdown Notice to the Contributors.

	NVCFL while issuing the Drawdown Notice to the Contributors shall include the period/date by which the Contributors will be obligated to make the Capital Contributions, which period shall be no less than 15 (Fifteen) Business Days from the date of the Drawdown Notice. The manner of serving the Drawdown Notice shall be as specified in the Contribution Agreement. All Capital Contributions to the Fund shall be made through remittance of funds into the designated bank account of the Fund. Against each amount drawndown from the Contributors, the Company shall issue a statement of holding representing allocation of their respective Class of Units as committed by them under their respective Contribution Agreement. The amounts drawn down from the Contributors, if not utilised, the Company shall after consulting the Investment Manager, may return such amounts to the respective Contributors with the approval of the Board and marked to the Contributors as being available for draw down again, and such amounts shall be added to the Contributor's Unfunded Capital Commitments and shall thereby be available to be re-drawn in accordance with the Fund Documents. *Drawdown post Commitment Period* After the end of the Commitment Period, Contributors shall be released from the obligation of making any further Capital Contributions with respect to their unfunded Capital Commitment except: (i) to fund existing commitments to Daughter Funds, including capital calls made by Daughter Funds; (ii) to the extent necessary to pay Operating Fee, Management Fee, Fund Expenses (including indemnification obligations) and any liabilities of the Fund (including tax liabilities); (iii) to create reasonable reserves to provide for any of the above items;(iv) to effect any top-up/ follow-on investments in a Daughter Fund (if any); (v) for an amount reasonably necessary in the Investment Manager's discretion to meet contingent liabilities, if any; and (vi) for any other purpose approved of by the Anchor Investor.
Temporary Investment	The Investment Manager as per the delegation authorized by the Board and approved by the Investment Committee, may cause the Fund to invest any monies (a) drawn down from the Contributors pending utilization by Fund for making investments in Daughter Funds and/or (b) any monies received by the Fund from its underlying investment in Daughter Funds which are pending further re-deployment into other Daughter Funds, in Temporary Investment by way of Government securities and bank deposits in public sector banks. Any returns realized on such

	Temporary Investment shall be deemed to be Investment Proceeds and shall be available for utilization by the Fund for its purpose. Temporary Investments shall be held for a period not exceeding 1 (one) year from the date of making such Temporary Investment. The Company shall maintain books of accounts for the Capital Contributions drawn down from the Contributors, the Units issued and the Temporary Investments. "**Temporary Investments**" shall mean an investment in Government securities and bank deposits with public sector banks only, which are permitted under the AIF Regulations.
Transfer and Withdrawal of Units	The Contributors are not permitted to withdraw or Transfer any of their Units, interests, rights or obligations with regard to the Fund. However, in certain cases, subject to compliance by the transferor and transferee with (i) the AIF Regulations and Applicable Laws; and (ii) KYC norms as prescribed by SEBI from time to time to the satisfaction of the Investment Manager and approval of all other Contributors, a Contributor may Transfer its Units, interests, rights or obligations with regard to the Fund to any other Person. Any such transfer shall be undertaken in the manner specified by the Investment Manager and would be subject to restrictions, if any, contained in the AIF Regulations.. It is hereby clarified that the Contributors cannot create any third party rights with respect to the Units of the Fund save and except by way of sale or pledge of Units in accordance with the terms of the Contribution Agreement. "**Transfer**" shall mean a direct or indirect transfer, sale, assignment, pledge, hypothecation or other disposition of all or any interest with respect to the Units of the Fund. Further, any such Transfer shall also comply with any other conditions as may be imposed by the Board and would be subject to restrictions, if any, contained under Applicable Law. If a Contributor's continuing presence in the Fund would create or continue regulatory, tax, legal or other similar issues that are materially adverse to the interests of the Fund and/or any other Contributors or where NVCFL, on its own or as per the recommendation of the Investment Manager, determines in good faith, based upon an opinion received from a reputable law firm, that as a result of the application of any Applicable Law, rule, regulation in force, such Contributor's investment in the Fund

	shall have or be reasonably likely to have a materially adverse effect on the Fund or the Contributors as a whole, NVCFL may require such Contributor to withdraw either wholly or partially (as determined by NVCFL) from the Fund or to transfer its interest therein to a transferee designated by NVFCL. Any transfer of interest by a Contributor pursuant to this Clause shall be at the then market value of such interest.
Redemptions	Unless the prior written consent of the Anchor Investor has been obtained by the Board, the Fund shall not make any Distribution to the Contributors nor will it redeem any Units held by them. Subject to the above, in the event the Anchor Investor approves any Distribution from the Fund, then in such situation the Board may effectuate such Distribution either as distribution on the Units held by the Contributors or may effect such Distribution through redemption of Units held by the Contributors. Such redemption shall be effected either at par value or at the net asset value per Unit as determined by the Board in consultation with Investment Manager. The redemption at a price other than par value/ net asset value will require the approval of the Contributors to the Fund. Units not redeemed by the Investment Manager during the Term shall be redeemed as soon as practicable on or after the expiry of the life of the Fund as per the terms of the AIF Regulations.
Limitation of Liability of Contributor	Except to the extent of the Contributor's obligation to pay any Unfunded Capital Commitment or any other amounts as specifically set forth herein, the Contributor shall have no other liability whatsoever in his capacity as Contributor, whether to the Fund or to any of the other Contributors or to any creditors of the Fund, for the debts, liabilities, contracts or any other obligations of the Fund or for any losses of the Fund. Subject to the provisions of this Memorandum, the Contributor shall be liable only to pay the sum equivalent to the Contributor's Capital Commitment to the Fund and after the Contributor's Capital Commitment shall have been paid in full, the Contributor shall not be obligated to make any further Contribution to the Fund or to repay to the Fund, or to pay to any Contributor or any creditor of the Fund all or any fraction of any negative amount out of the Contributor's capital account or out of any distribution received or receivable by the Contributor from the Fund.
Limitation of Liability of the Investment Manager	The Board and the Investment Manager shall incur no liability in respect of any action taken or thing suffered by it in reliance upon any notice, resolution, direction, consent, certificate, affidavit,

	statement, certificate of stock, plan of reorganization or (without being limited in any way by the foregoing) other paper or document believed to be genuine and to have been passed, sealed or signed by appropriate authorities or entities other than in cases where such reliance constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal. Notwithstanding anything contained herein, the Board and the Investment Manager shall incur no liability for any act or omission, in good faith and with bona fide intentions except where such act or omission constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal. The Board and the Investment Manager shall incur no liability to the Contributors for doing or (as the case may be) failing to do any act or thing which by reason of (a) any provision of any present or future law or regulation made pursuant thereto; (b) any decree, order or judgment of any court;or (c) any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (legally or otherwise), it shall be directed or requested to do or perform or to forbear from doing or performing such act or thing. If for any reason it becomes impossible or impracticable to carry out any of the provisions mentioned herein and/or any other Fund Documents, the Investment Manager shall not be under any liability therefore or thereby, other than where such act or omission constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal. Notwithstanding anything to the contrary contained in the Fund Documents, the liability of the Investment Manager for any act or omission in relation to the Fund except in case of gross negligence, wilful misconduct or fraud or for breach of the Fund Documents including the representation and warranties provided by the Investment Manager, in each case as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal, shall not exceed the Operating Fees received by the Investment Manager. The Board and/or the Investment Manager shall not be liable to the Fund or to any Contributor for any act or omission by the Board and/or the Investment Manager or by any agent acting on its behalf provided that such agent was selected, engaged, and retained by the Board and the Investment Manager in good faith, that was taken in the good faith belief that it was in the best interests of the Fund; provided, however, that such act or omission does not constitute gross negligence, wilful misconduct

	or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal on the part of the Board or the Investment Manager. Other than in cases of gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal, the Investment Manager and/or the Board shall not be responsible to the Contributor for authenticity of any signature or of any seal affixed to any endorsement on any certificate or to any transfer or form of application endorsement or other document affecting the title to or transmission of Units or of any Portfolio Investments made by Fund or be in any way liable for any forged or unauthorised signature or seal, provided that reasonable care is exercised by the Investment Manager in this regard. The Investment Manager and/or the Board shall be entitled but not bound to require that the signature of the Contributor to any document required to be signed by him under or in connection with these provisions shall be verified to its reasonable satisfaction. If the Board and/or the Investment Manager is requested by any regulatory authority to provide it with any information regarding the Fund and /or the Contributor and the investments and income of the Fund and provisions mentioned herein, and complies with such request in good faith, whether or not it was in fact enforceable, the Board and / or the Investment Manager shall not incur any liability to the Contributor or to any other party as a result of such compliance or in connection with such compliance except where such compliance constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal. Other than in cases amounting to gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal, Board and/ or the Investment Manager shall not incur any liability by reason of any loss which the Contributor may suffer by reason of any depletion in the value of the Fund, which may result by reason of fluctuation in the rate of exchange or by fluctuation in the market price of any of the investments of the Fund. The Investment Manager and/or the Board shall not be liable to the Fund or to any Contributor for any tax or legal liability of the Fund and/or the Contributor except such liability arising as a result of conduct that constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal.

	Notwithstanding anything to the contrary contained in the Fund Documents, the Investment Manager shall not be liable to the Fund or to any Contributor for any act or omission by the Sponsor and/or NVCFL resulting in any loss to the Fund and/or the Contributor except in cases where the Investment Manager has engaged in conduct constituting gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal.
Contributor Giveback	To the extent that the assets of the Fund are insufficient to cover its indemnity obligations or any other obligations in relation to the costs, expenses and liabilities of the Fund, the Investment Manager, with the prior written consent of the Board, may require each Contributor to return any distributions made to such Contributor for the purpose of meeting such Contributor's pro rata share of such indemnity obligations, based on their respective Capital Commitments, equal to an amount necessary to pay for, meet and satisfy any liability or obligation of the Fund, including the foregoing indemnity obligations and liability for expenses. Provided that the aggregate amount that such Contributor may be required to return in respect of such obligation will be limited to the lower of (a) 25% of the Capital Commitments of the Contributor; or (b) 25% of the distributions made to the Contributor by the Fund. The Investment Manager may, with consent of the Board and the Anchor Investor, require the Contributor to return the distributions made to such Contributor in excess of cap as set out in this Clause for meeting the obligations as set out in paragraph above. Provided further that, no Contributor will be required to return a distribution after the 3rd (third) anniversary of the date of termination of the Fund, or the 7th (seventh) anniversary from the end of the financial year in which the Fund is terminated in case of any tax obligations.
Conflicts of Interests	The Investment Manager will formulate and adopt requisite corporate governance policies and guidelines designed to achieve, implement and maintain discipline and transparency in all investment processes and to avoid any potential or actual conflict of interest. These guidelines are applicable to any transaction entered into by the Fund. Upon the approval of the Investment Committee and authorisation of the Board, the Investment Manager may enter into a transaction or arrangement or any investment (a "**Conflicted Transaction**") notwithstanding that any of the

	Sponsor, the Investment Manager, their respective directors, officers, employees, agents, affiliates or committees established by and of the Investment Manager and the Advisory Board (each, an "**Interested Party**") has any direct or indirect interest or concern in such Conflicted Transaction so as to place the Interested Party in a position where such relationship conflicts with its fiduciary duty to the Fund, save that (i) such conflict of interest shall be disclosed in full to the Board and the Investment Committee; (ii) all Conflicted Transactions must be reviewed and approved unanimously by the the Board; (iii) such Interested Party shall not participate in any decision relating to such Conflicted Transaction; and (iv) if such conflict relates to investment in an "Associate" as defined under the AIF Regulations, the same shall require the approval of Super-Majority of the Contributors. For the purpose of (iv) above, Super-Majority of the Contributors' approval shall be deemed to have been obtained once the Board approves any such Conflicted Transaction as per (ii) hereinabove, since the Board comprises of members nominated by the Anchor Investor and Sponsor, and approved by the Government of India, the Anchor Investor. It is clarified that the Fund may invest in other AIFs managed by the Investment Manager or its affiliates subject to the above process being followed. For more details, please refer to "**SECTION VIII: RISK FACTORS AND CONFLICTS OF INTEREST**" of this Memorandum**.**
Distribution	The Fund will receive proceeds by way of interest, cash dividends or other forms of cash receivable as may be permitted by Applicable Laws from the Daughter Funds, returns / yield on Temporary Investments and cash proceeds realized from the disposition of the Portfolio Investments ("**Investment Proceeds**"). The Investment Proceeds shall be reinvested in accordance with the provisions of the paragraph titled 'Reinvestments' given under **SECTION VII: SUMMARY OF PRINCIPAL TERMS** of this Memorandum. The Investment Manager may with the consent of the Board recommend the Company to withhold reasonable amounts necessary to create appropriate reserves for tax and non-tax actual or contingent liabilities, investments, Fund Expenses and other liabilities of the Fund on the terms as may be mutually agreed with the Super-Majority of the Contributors, provided that such consent of the Super-Majority of the Contributors shall not be unreasonably withheld ("**Reserves**").

	The Company may retain the Reserves for such period as may be mutually agreed with the Super-Majority Contributors. Subject to the provisions on Re-investment as provided herein, the Investment Proceeds shall be distributed to the Contributors in proportion to their Capital Contributions.
Subsequent Fund	With respect to setting up of a subsequent fund by the Investment Manager, the Investment Manager shall abide by the provisions as contained under the Investment Management Agreement.
Investment Conditions and Restrictions	All investments made or to be made by the Fund shall be subject to the Investment Policy of the Fund, Investment Guidelines as laid out in "**SECTION III: INVESTMENT OBJECTIVE, STRATEGY AND PROCESS**"and the AIF Regulations. Any changes to the Investment Guidelines shall require the approval of the Advisory Board.
Fees to be charged to the Fund	In accordance with the guidelines issued by the Government of India for the purpose of establishment of the Fund, the following fees (in aggregate referred to as "**Fees**") shall be chargeable to the Fund: (a) Management Fee – NVCFL shall be entitled to charge a management fee at the rate of 1% (one percent) of the corpus actually placed at the disposal of the Fund ("**Management Fee**"). (b) Operating Fees – The Investment Manager shall be entitled to receive operating fees at 0.10% per annum of the commitments and outstanding commitments made by the Fund to the Daughter Funds (i.e. funds committed but not yet deployed) and 0.29% per annum of the funds contributed/deployed by the Fund to the Daughter Funds and outstanding thereof (i.e. funds deployed and outstanding) ("**Operating Fees**"). The Management Fee as well as Operating Fees as stated above shall form part of the Operating Expenses of the Fund and shall be charged to the Fund and shall be payable in arrears. Payment of Management Fee to NVCFL will be on receipt of Capital Contributions from the Contributors pursuant to drawdown and payment of Operating Fees to the Investment Manager and shall be on a half-yearly basis.

	The Management Fee shall be exclusive of all applicable taxes& levies and any other indirect tax/levy (together with surcharge or cess as may be applicable) leviable on such fees and shall be subject to withholding of tax, if any. The payment of the above Operating Fees to the Investment Manager shall accrue and commence from the date of commitment/deployment, as per the terms of the AMC Agreement dated 25 November 2020 and shall continue till the expiry of the Term of the Fund. In respect of the Operating Fees payable to the Investment Manager as stated above, the Investment Manager will be liable to pay taxes/ levies applicable as per Law, except goods and services tax including any surcharge and/or cess that may be applicable ("GST") which will be borne by NVCFL. Any additional tax liability arising out of higher tax rates or new taxes shall be the responsibility of the Investment Manager. The above Fees shall be paid from (i) Capital Contributions drawn down by the Fund from the Contributors, and/or (ii) from the income and receipts of the Fund. In the event that the Fund is unable to pay any amount of the Operating Fees when due for any reason whatsoever, NVCFL may issue a Drawdown Notice to fund such payment. The liability for such non-payment of such Fees will accrue in the books of accounts of the Fund and such liability would be first cleared from any proceeds from Portfolio Investments before determining the allocable surplus to the Contributors.

Expenses charged to the Fund	***Recurring Annual Operating Expenses*** The recurring annual operational expenses ("**Recurring Annual Operating Expenses**") of the Fund shall be borne by the Fund. For this purpose, the Recurring Annual Operating Expenses shall include: (i) all Fund audit, reporting, valuation and accounting costs, including expenses associated with maintenance of books of accounts and other records of the Fund; (ii) Management Fees; (iii) Operating Fees; (iv) the costs and expenses of all Fund meetings, meetings of the Contributors, Advisory Board meetings, Investment Committee meetings, or meetings of such other committee as may be appointed by the Board for the management and operations of the Fund (including the out-of-pocket expenses of the officers and any other

	committee or board of the Fund or any professional fees payable to such members as determined by the Board in consultation with the Advisory Board); (v) communications, travel, and other expenses, including expenses relating to meetings with the Contributors and printing of reports, annual reports, financial statements and newsletters; (vi) administration, communication, operating, and transactional expenses (including bank charges) incurred by the Fund; (vii) the costs of any liability, which are not attributed to any gross negligence, fraud or wilful misconduct as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal on part of the Investment Manager, to the extent indemnifiable as provided under the paragraph titled 'Indemnification and Restriction on Liabilities' under '**SECTION VII: SUMMARY OF PRINCIPAL TERMS**' of this Memorandum or similar insurance for the Investment Manager, the Investment Committee, the Board, the Advisory Board and any other Protected Persons; (viii) all filing and re-filing fees and any other levies on the Fund Documents and documents executed with Contributors and/or Daughter Funds to the extent not incurred by the Daughter Funds or Contributors; (ix) all fees, costs and expenses incurred in terminating the Fund and liquidating its assets; (x) expenses incurred in relation to banking, brokerage, abort costs, registration, qualification, finders, depositary and similar fees or commissions; (xi) expenses incurred in relation to any third party service provider like custodian, trustee, registrar, transfer agent, fund accounting services, valuers, auditors, of the Fund and their agents; (xii) Statutory, regulatory, legal and audit fees of the Fund; (xiii) all duties (including stamp duty payable in relation to issuance of units or duties incurred in respect of acquiring, holding, selling or otherwise disposing of the Fund's assets or other statutory expenses), including GST or any other indirect tax/levy (together with surcharge or cess as may be applicable), fees or other government or similar

	charges levied on the Fund in connection to any of the expenses; and (xiv) all reasonable, incidental or ancillary expenses relating to the above. (xv) Notwithstanding anything stated hereinabove, Investment Manager will have to bear all expenses incurred in complying with the scope of work, as per the AMC Agreement dated the 25th November, 2020 and the same shall not be borne by the Fund. ***Non-recurring Operating Expenses*** The non-recurring operational expenses ("**Non-recurring Operating Expenses**") of the Fund shall be charged at actuals and shall be borne by the Fund (including applicable taxes). For this purpose, the Non-recurring Operating Expenses shall include the following: (i) all litigation and / or arbitration cost connected to, or arising from the Fund's activities including expenses in relation to any litigation that may arise between the Fund and any Daughter Fund.; (ii) all indemnification obligation (contingent or otherwise) of the Fund (including fees, cost and expenses); (iii) all taxes including surcharge and cess (including transfer, capital and other taxes, duties incurred in acquiring, holding, selling or otherwise disposing of the Fund's assets); (iv) liquidation expenses or any other all reasonable expenses incurred in connection with the termination of the Fund; and (v) all extra-ordinary and non-recurring expenses related to the Fund's activities. The Recurring Operating Expenses and the Non-Recurring Operating Expenses shall be collectively called the Fund Expenses ("**Fund Expenses**") and such Fund Expenses shall be borne by the Fund and allocated to the Contributors pro rata to their Capital Commitments. To the extent that the Investment Manager or NVCFL incurs any of the Fund Expenses on behalf of the Fund, the Fund will, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, ensure that the Investment Manager or NVCFL is duly reimbursed. The Fund Expenses shall generally be met out of the following:

	(i) the income and receipts of the Fund; or (ii) from the Capital Contributions drawn down by the Fund. ***Establishment Expenses*** The Fund will bear at actuals all establishment expenses, including setting up costs (including travel and other expenses involved in marketing of the Fund), legal fees, registration expenses (including any stamp duty), any charges or fees paid to SEBI or cost incurred in relation to any third party service provider like custodian, registrar, fund accountant, valuers, auditors, legal advisor etc., legal and professional expenses incurred in relation to the preparation and negotiation of the Fund Documents or any other documents applicable to the Fund in relation to the offering of Units pursuant to this Memorandum, and such other costs directly attributable to the establishment of the Fund and obtaining various licenses, approvals and registrations ("**Establishment Expenses**") and allocated to the Contributors pro rata to their Capital Commitments. It is hereby clarified that in case any such expenses as mentioned above are incurred by the Sponsor or the Investment Manager on behalf of the Fund, the Sponsor and/or the Investment Manager, as the case may be, shall be entitled to claim reimbursement for such amount from the Fund. The Fund shall, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, ensure that the Sponsor and/or the Investment Manager, as the case may be is duly reimbursed. The Fund Expenses shall be borne by the Fund and in case of any shortfall in the income of the Fund to meet these expenses, the Fund may issue Drawdown Notices in accordance with paragraph titled 'Drawdown' under '**SECTION VII: SUMMARY OF PRINCIPAL TERMS'** of this Memorandum to meet the Fund Expenses.
Investment Manager Expenses	The Investment Manager will be responsible for and bear all its expenses in connection with organisation, operation and management of the Fund. The Investment Manager shall also bear all its operational and administrative expenses in relation to the Fund and make its own provision for the same, including the following: (i) office space, salary and personnel cost; (ii) office equipment; (iii) administration, communication, and other related costs; (iv) preparation of tax returns of the Investment Manager;

	(v) any expenses relating to investments by the Fund in Daughter Funds including but not limited to due diligence cost, travelling and lodging expenses or any other expenses incurred on any investment by the Fund as detailed in the AMC Agreement; and (vi) road show and publicity costs.
Reinvestment	During the Commitment Period, the Fund shall be entitled to reinvest any Investment Proceeds realised by it from its investments in the underlying Daughter Funds. No reinvestments shall be made by the Fund after the expiry of the Commitment Period unless prior authorisation of the Board, the Advisory Board and the approval of the Investment Committee has been obtained.
Removal of Investment Manager	The Board may remove the Investment Manager, by providing a written notice of not less than 30 (thirty) Business Days to the Investment Manager, upon occurrence of any of the following events: i. The Investment Manager fails to remedy any material breach of the Fund Documents within a period of 30 (thirty) Business Days from receipt of a written notice from the Board intimating it of the breach unless such breach is challenged within 30 (thirty) Business Days in a court of competent jurisdiction; ii. The Investment Manager becomes insolvent or bankrupt or enters into any agreement with its creditors for relief of debt or takes advantage of any law for the benefit of debtors or goes into liquidation or receivership whether compulsory or voluntary; iii. The Investment Manager fails to comply with any final decision reached as a result of arbitration proceedings under the Contribution Agreement within such timelines as set out in the final decision; iv. The Investment Manager submits any document, information, data or statement to NVCFL/the Contributors, which the Investment Manager knows to be false, materially incorrect or misleading, and which has a material adverse effect on the rights, obligations or interests of the Contributors; v. The Investment Manager's conduct or lack of conduct constituting fraud, wilful misconduct or gross negligence in relation to its activities in respect of the Fund, in each

	case determined by a court of competent jurisdiction or an arbitral tribunal; vi. The Investment Manager has not made timely renewal of bank guarantee given to NVCFL of INR 5 crores during the term of the Fund; or vii. The Investment Manager is unable to perform a material portion of the services under the Fund Documents or the AMC Agreement for a continuous period of more than 90 (ninety) days due to a Force Majeure event. Subject to compliance with the AIF Regulations and Applicable Law, the Investment Manager shall have the right to resign as the investment manager of the Fund by providing 30 (thirty) days prior written notice to the Company in the event of failure by the Fund to pay remuneration to the Investment Manager in accordance with the terms of the Fund Documents for a period exceeding 6 (six) months from the due date (unless such period is extended at sole discretion of the Investment Manager). Notwithstanding anything to the contrary contained in this paragraph, the Investment Manager shall continue to act as the Investment Manager of the Fund till a replacement investment manager is appointed by the Company in accordance with the Fund Documents and the AIF Regulations and shall be entitled to the Operating Fees and reimbursement of any out of pocket expenses incurred or suffered in connection with the services rendered by it to the Fund up to and including the date of appointment of the replacement investment manager. In the event that the appointment of the Investment Manager is terminated for any reason, the Investment Manager shall be entitled to receive any fees, accrued and not paid, up to the date of appointment of new investment manager and the Investment Manager is actually relieved from its services. Upon removal of the Investment Manager in terms of this paragraph, the Super-Majority of the Contributors may appoint a new investment manager in its place. Such appointment of new investment manager shall be effected by execution of a deed of appointment between NVCFL and the new investment manager. On such appointment, the new investment manager shall have the powers, authorities and discretion, and shall in all respects act and be liable as if originally appointed as an investment

	manager under the Investment Management Agreement. The liability of the new investment manager shall commence from the date of its appointment.
Reporting	Unless otherwise agreed to by the Contributor, the Company with the assistance of the Investment Manager shall adhere to the following: a) Maintain proper books of accounts, documents and records with respect to Fund, to give a true and accurate account of the investments, expenses, earnings and profits of Fund. The Company with the assistance of the Investment Manager shall also maintain any other reports as may be prescribed by SEBI from time to time. b) provide to the Contributors: (i) Statement of accounts, within 45 (Forty five) calendar days from the date of receipt of the Capital Contributions; (ii) Quarterly report within 60 (Sixty) calendar days from the end of the relevant quarter; (iii) Annual investor reports, within 180 (One Hundred and Eighty) calendar days from end of relevant financial year, briefly summarizing the portfolio of the Fund; (iv) Annually audited financial statements of the Fund, within 180 (One Hundred and Eighty) calendar days from end of relevant financial year; (v) Annual valuation report submitted by an independent valuer; (vi) Information regarding the income of the Fund, including information reasonably necessary for income tax purposes; and (vii) Any other reports or information as sought by the Anchor Investor from time to time. Unless otherwise agreed to by the Contributor, the Investment Manager shall adhere to the following: a) The Investment Manager shall inform the Contributor if it has received any statutory notice for liquidation or otherwise of any suit or other legal process initiated against the Investment Manager or if a receiver is appointed for any of its properties or business or undertaking; and b) The Investment Manager shall also maintain any other reports as may be prescribed by SEBI from time to time.

Valuation	The Investment Manager shall get the valuation of the Portfolio Investments made by the Fund by an independent valuer on an annual basis with the approval of all the Contributors and circulate a copy of the valuation report to the Contributors. The valuation shall be conducted in accordance with SEBI Circular No. SEBI/HO/AFD/PoD/CIR/2023/97 dated 21 June 2023. The independent valuer shall be appointed in accordance with SEBI Circular No. SEBI/HO/AFD/PoD/CIR/2023/97 dated 21 June 2023.
Indemnification and Restriction on Liabilities	*Indemnity* Upon execution of the Contribution Agreement, the Contributor expressly agrees that, the Investment Manager, the affiliates of the Investment Manager and their respective directors, employees agents, officers, shareholders and partners, the Sponsor, NVCFL and their respective directors, employees, and agents, members of any Advisory Board and/ or Investment Committee and any person who serves at the request of the Investment Manager and the Board on behalf of the Fund including in respect of a Portfolio Investment (each a "**Protected Person**"), shall be entitled to be indemnified out of the Fund's assets in the case of any and all tax and other liabilities, claims, costs, losses, damages and expenses (including reasonable attorney's fees and costs) arising out of or in connection with the Fund, including on account of any payment of distributions to the Contributors through electronic mode, except in the following circumstances: (i) in the case of fraud as adjudicated by a court of competent jurisdiction or an arbitral tribunal, by a Protected Person who is a member of the Board, the Advisory Board or the Investment Committee; and (ii) in the case of fraud, gross negligence or wilful misconduct (as adjudicated by a court of competent jurisdiction or an arbitral tribunal)by any other Protected Person. The Fund shall have the authority to make advance payments to a Protected Person provided such Protected Person promises to repay the Fund such advance payments if it is later determined that such Person is not entitled to indemnification. Provided, however, that when Super-Majority of the Contributors bring a claim against a Protected Person, such Person shall not be entitled to advancement for expenses. Provided further that if such Protected Person prevails in the claim, such Protected Person shall be fully indemnified. A Protected Person shall not be liable to the Fund or to any Contributor for any act or omission suffered or taken by the Protected Person or by any agent acting on such Protected

	Person's behalf provided that such agent was selected, engaged, and retained by the Protected Person in good faith, or that was suffered or taken in the good faith belief that it was in the best interests of the Fund; except where the Protected Person is adjudicated by a court of competent jurisdiction to have committed actions (or omissions) constituting gross negligence, wilful misconduct or fraud. For avoidance of doubt, the appointment and delegation of any powers to the Investment Manager in relation to the Fund shall be deemed to have been made in good faith. The Investment Manager shall with the approval of the Board cause the Fund to obtain, at the cost of the Fund, insurance from a reputable insurer, as a cover against and to secure any losses incurred, suffered, sustained, imposed or sought to be imposed on the Protected Person by reason of their lawful activities on behalf of the Fund and includes Liability Insurance ("**Insurance**"). Indemnification obligations of the Fund may be funded out of any applicable Insurance proceeds obtained in this regard. If Insurance proceeds are insufficient to satisfy the Fund's indemnification obligations, the Investment Manager may, with the approval of the Board for which approval shall not be unreasonably withheld or delayed and subject to the terms of this Memorandum, use the Fund's income, or realization proceeds or issue Drawdown Notices to the Contributors seeking contributions to meet the Fund's indemnification obligations. Protected Persons will, or will cause the Fund, to use their best efforts to obtain such funds as may be needed to satisfy their indemnification obligations from any available policies of insurance or from any applicable third parties prior to seeking payment from the Fund.
Fund Documents	The Fund Documents shall constitute: • this Memorandum; • Operating Guidelines • Memorandum and Articles of Association of NVCFL; • AMC Agreement; • Non-disclosure Agreement; • Investment Management Agreement; and • Contribution Agreement of the Contributor. Copies of the aforesaid Fund Documents (except the Contribution Agreement) shall be available for inspection with NVCFL. Any Contributor desirous of obtaining a copy of any of the Fund Documents should forward a written request to the Investment Manager.

Amendments	The Investment Manager may from time to time make any amendment to this Memorandum, provided however, any such amendment to this Memorandum shall require the approval of the Board and the Super-Majority of the Contributors.
Compliance with Applicable Laws	The Company agrees that it shall in consultation with the Investment Manager and the Legal Advisor, use its best efforts to ensure that the Fund shall conduct its business in accordance with all Applicable Laws, applicable rules, regulations relating to anti-terrorism, anti-money laundering, anti-corruption or anti-bribery, and all other requirements of all Governmental Authorities or agencies having jurisdiction over the Fund as set out in the Fund Documents.
Legal and Tax Advisor	Khaitan and Co One World Centre, 10th& 13thFloors, Tower 1C, 841 Senapati Bapat Marg, Mumbai 400 013, India.
Custodian	SBI-SG Global Securities Services Pvt. Ltd., (A Joint Venture of State Bank of India & Société General) having its registered office at B Wing, "Jeevan Seva" Annexe Bldg., Ground Floor, S.V. Road, Santacruz (W), Mumbai – 400054 India bearing registration number IN/CUS/022 will be the Custodian of NVCFL.
Registrar and Transfer Agent	The Investment Manager may with the approval of the Board appoint a registrar and transfer agent of the Fund.
Auditors	M/s K Prasad & Co (DE0432)having its registered office at G-1, Ground Floor, South Extension Part-II, New Delhi 110049 will be the Auditor of NVCFL for FY 2023-2024. Auditors for subsequent years shall be appointed by the Board in accordance with the directions of the Comptroller and Auditor General of India.

SECTION VIII: RISK FACTORS AND CONFLICTS OF INTEREST

An investment in the Fund involves certain considerations and moderate to high risks. Accordingly, before deciding to invest in the Fund, prospective investors should carefully study the specific risks described below together with all the information contained in this Memorandum, and seek independent legal, investment and tax advice. Additional risks and uncertainties not presently known to the Investment Manager, or that it currently deems immaterial may also have an adverse impact on the Fund's prospects and business. There can be no assurance that the Fund's investment objective will be achieved, or that a Contributor will not lose all of his investment in the Fund.

The Investment Manager will put in place and formulate an appropriate risk management policy for the Fund which will be approved by the Board before the Closing.

I. INVESTMENT RISKSDUE TO INVESTMENTS IN DAUGHTER FUNDS

Since the Fund would invest in Daughter Funds, it would be exposed to all the risks which are applicable to the Daughter Funds. A few of such risks are highlighted here for reference of all potential investors. However, it should be noted that additional risks and uncertainties not specified herein, or those currently deemed immaterial, may also have an adverse impact on the Fund's prospects and business.

Concentration of Investments

The Fund shall invest in Daughter Funds which shall invest only in MSME sector. The investments of the Daughter Funds may lack diversification which may expose such Daughter Funds to the risks relating to their focus sector. In addition, the Daughter Funds might coincidentally accumulate substantial positions in identical or similar issuers, industries or asset types at or about the same time. Such accumulations could impair achievement of the diversification goals (if any) of the Fund, and the Investment Manager may be unable to determine whether such accumulations have occurred.

Potential Illiquidity of the Fund's Investments

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. Therefore, no assurance can be given that, if the Fund is determined or required to dispose of its investment in a particular Daughter Fund, it will be able to dispose of such investment on a timely basis at an appropriate market price.

Market Dislocation Risk

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. To the extent that such conditions continue (or even worsen), this may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of global economies. Any resulting economic downturn could adversely affect the financial resources of

the Daughter Funds or their underlying Portfolio Companies in which the Daughter Fund has invested and result in the inability of such Daughter Funds to payback when due. In the event of such defaults, the Daughter Funds may suffer a partial or total loss of investments in their Portfolio Company, which would, in turn, have an adverse effect on the Fund's returns and in turn, affect returns received by Investors. Such market place events also may restrict the ability of the Fund to sell or liquidate investments at favourable times or for favourable prices (although such marketplace events may not foreclose the Fund's ability to hold such investments until maturity). There can be no assurance as to the duration of the current market dislocation given the pandemic.

Investment Selection

'The likelihood that Contributors will realize any gain on their investment depends largely on the performance of the Daughter Funds which in turn would be greatly dependent on their own investment managers and advisors (as applicable).

Risks associated with Underlying Entities

The investment performance of the Daughter Funds will depend upon the performance of their underlying Portfolio Companies. There can be no assurance that these entities will achieve profitable operations. The performance of the Portfolio Investments and the value of the Daughter Fund's interest in Portfolio Companies may be adversely affected by numerous factors including, for example, (i) long term effects of the ensuing global pandemic due to Covid-19; (ii) business, economic, and political conditions throughout India and the world; (iii) the supply of and demand for the goods and services produced, provided, or sold by the Portfolio Companies of Daughter Funds; (iv) changes and advances in technology that may, among other things, render goods and services sold by the Portfolio Companies of Daughter Funds titles obsolete; and (v) actual and potential competition from other companies and countries. Certain entities may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or at all.

Risks Related to Daughter Funds and Daughter Fund Managers

The Investment Manager will have limited oversight over the portfolio investments made by the underlying managers of the Daughter Funds, and the Fund, as an investor in any Daughter Fund will generally not have the ability to withdraw or redeem its investment in such Daughter Fund.

Although the Investment Manager will employ a due diligence process to review any Daughter Fund and its underlying manager, there is no assurance that such efforts will detect malfeasance, inadequate back office systems or other flaws or problems with respect to the Daughter Fund's or underlying manager's operations and activities. Alternatively, two or more underlying managers may invest in similar industries or sectors, resulting in Portfolio Investments held by the Fund that are concentrated in a single industry or that are in competition with each other.

The Fund as an investor in the Daughter Funds, will also be subject to risks and conflicts of interest that such Daughter Funds are subject to.

Underlying managers of Daughter Funds are compensated based on the performance of the applicable Daughter Fund. Consequently, a particular underlying manager may receive incentive compensation

in respect of its Daughter Fund's performance during a period when the Fund's overall capital depreciated.

Risks Associated with Portfolio Companies

There are numerous risks associated with investing in Portfolio Companies. Many of these risks will relate to the industry, geographic location or stage of development of such Portfolio Company and will vary. Although a representative of the Daughter Fund manager or the Fund may serve on a Portfolio Company's board of directors, each such Portfolio Company will be managed by its own officers. Portfolio Companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. Certain Portfolio Companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or at all.

Need for Follow-On Investments

Following an initial investment in a given Portfolio Company, the Fund or a Daughter Fund may decide to provide additional funds to such Portfolio Company or may have the opportunity to increase its investment in a successful Portfolio Company. There is no assurance that the Fund or a Daughter Fund will make follow-on investments or that the Fund or a Daughter Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund or a Daughter Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a Portfolio Company in need of such an investment or may result in a lost opportunity for the Fund or a Daughter Fund to increase its participation in a successful operation. A failure by the Fund or a Daughter Fund to make a follow-on investment in a Portfolio Company may also result in a dilution of its investment in the Portfolio Company.

Illiquid and Long-Term Investments

Certain Portfolio Investments may not be made until near the expiration of the Commitment Period. Furthermore, it is expected that it will take several years from the date of initial investment for a Portfolio Company to reach a state of maturity at which time the Fund or a Daughter Fund could realize any gain or suspend any loss in value of a Portfolio Company. Further, transaction structures may not provide for liquidity of investments prior to maturity or termination, if at all. In certain circumstances, it is expected that even after maturity there may be no readily available market for some of the investments. Dispositions of such investments may require a lengthy time period or may result in distributions in kind to the investors. As a result of the expiration of the term of the Fund or Daughter Fund, the value at which investments may be sold, either by the Fund or a Daughter Fund or by the investors (after a distribution in-kind), may be lower than that which could be achieved if the Fund or a Daughter Fund continued in existence.

For certain Portfolio Investments, there may be little or no public market for such securities at the time of their acquisition. The Fund or a Daughter Fund will generally not be able to sell such securities publicly unless or until their sale is registered under applicable securities laws or an exemption from such registration requirements is available. In addition, in some cases the Fund or a Daughter Fund may be prohibited by contract from selling such investments for a substantial period of time.

Portfolio Risk

The Daughter Funds may not have a fair degree of diversification in its investments both by geographic region or asset type. Poor performance by even a few of these investments could lead to adverse effects on a Daughter Fund's overall returns. While the Fund would invest in multiple Daughter Funds, the Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Sector Risk

The Fund proposes to focus its investments in Daughter Funds targeting the MSME sector of the Indian economy, as a result of which the Daughter Funds selected by it may not have a diversified portfolio. Accordingly, the Fund may face risks associated with concentration in the select sector, which a diversified fund would not generally experience.

Performance Risks

The Fund's assets will be invested in Daughter Funds which in turn will invest in Portfolio Companies operating in highly competitive markets or product segments dominated by firms with substantially greater financial and technical resources. Such Portfolio Companies in which the Daughter Funds invest may operate in product segments that face technological changes and/or may be dominated by other firms or organizations. These and other inherent business risks could affect the performance of the Portfolio Companies and affect the value of the Daughter Fund's equity investments, thereby affecting the Fund as a whole.

Disposal of Securities

The Daughter Funds will primarily invest in securities of Portfolio Companies. In connection with the disposal of a security of a Portfolio Company, the relevant Daughter Fund may be required to make representations and give warranties about the business and financial affairs of the Portfolio Company typical of those made in connection with the sale of a business. The Daughter Fund may also be required to indemnify the purchasers of such investments to the extent that any such representations or warranties are found to be inaccurate. These arrangements may result in the incurrence of contingent liabilities by the Daughter Funds that may ultimately yield funding obligations that must be satisfied by the Fund (as an investor in such Daughter Funds) from any distributions which are made to the Fund or any uncalled capital commitments made in such Daughter Funds.

Exit Strategies

The feasibility and terms of any proposed exit strategy for a Daughter Fund in respect of its investments will depend in part on factors that may not be within the control of the Daughter Fund, at the time of the proposed disposition and the effect of applicable legislation and political and economic conditions. Consequently, the precise timing of the disposition of a Portfolio Investment and the manner of disposition are impossible to predict, and no assurance can be given that such disposition will be achieved on terms favorable to a Daughter Fund.

Involvement in Portfolio Companies

The investment managers/investment advisors of the Daughter Funds may intend to play an active role in their Portfolio Companies and may invest such that the Daughter Funds have a significant stake or seat(s) on the boards of their Portfolio Companies. This may lead to exposing the Daughter Fund's assets to risks. Membership on the board of directors of a Portfolio Company can result in the investment manager/investment advisor of the relevant Daughter Fund being named as a defendant in litigation and/or the directors and officers being included in the same.

Control Position Risk

The Daughter Funds may seek investment opportunities that allow the Daughter Funds to acquire control or exercise significant influence over management and the strategic direction of their Portfolio Companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability characteristic of business operations generally may be ignored. The exercise of control over a Portfolio Company could expose the assets of a Daughter Fund to claims by such Portfolio Companies, its security holders and its creditors. While the investment manager/advisor of such Daughter Funds may endeavour to manage the Fund in a way that will minimise exposure to these risks, the possibility of successful claims cannot be precluded altogether. Where the Daughter Fund acquires management or control rights in respect of the investment, the exposure to loss in respect of the investment may exceed the amount of the Daughter Fund's initial investment.

The Daughter Funds may also make minority equity investments in Portfolio Companies where it may have limited influence. Such Portfolio Companies may have economic or business interests or goals that are inconsistent with those of the Daughter Fund or the Fund, and the Daughter Funds may not be in a position to limit or otherwise protect the value of its investment in such Portfolio Companies.

A Daughter Fund's control over the investment policies of their Portfolio Companies may also be limited. This could result in a Daughter Fund's investments being frozen in minority positions that incur substantial losses.

Risks in effecting operating improvements

In most of the cases, the success of the Fund's investment strategy will depend, in part, on the ability of the Daughter Funds to restructure and effect improvements in the operations of their Portfolio Companies. The activity of identifying and implementing potential operating improvements entails a high degree of uncertainty. There can be no assurance that the Daughter Fund will be able to successfully identify and implement such improvements.

Leverage risk of Portfolio Companies

The Daughter Funds may invest in Portfolio Companies, the capital structure of which may have significant leverage. While investments in leveraged entities offer the opportunity for capital appreciation, such investments may also involve a high degree of risk. The leveraged capital structure of Portfolio Companies of the Daughter Funds may increase the exposure of such Portfolio Companies to adverse economic factors such as rising interest rates, downturns in the economy, debt or equity capital markets or deteriorations in the condition of investments and which may impair such Portfolio Company'sability to finance its future operations and capital needs and result in restrictive financial

and operating covenants, including those that may prevent distributions to the Daughter Funds and ultimately to the Fund. These restrictive financial covenants may limit such Portfolio Companies' flexibility to respond to changing business and economic conditions. If a Portfolio Company is unable to generate sufficient cash flows to meet principal and/or interest payments on its indebtedness or make regular dividend/profits payments, the value of such investment could be significantly reduced or even eliminated, magnifying potential losses. Moreover, a Daughter Fund may invest in securities that are not protected by financial covenants or limitations on additional indebtedness.

Environmental Risk

The operations of Portfolio Companies, in which Daughter Funds will invest, are expected to be subject to numerous statutes, rules and regulations relating to environment protection. There is the possibility of existing or future environmental contamination, including soil, seawater and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants that may result from the normal operations of such Portfolio Companies, and such events may have an adverse financial impact on the value of Portfolio Companies and the Daughter Funds due to which the Fund may also be impacted. Further, smaller companies in the MSME sector may not have access to technology or processes that allow for them to be Environmental, Social and Corporate Governance (ESG) wise secure.

Under various environmental statutes, rules and regulations, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties.

Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of those materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

Any liability of Portfolio Companies resulting from non-compliance or other claims relating to environmental matters could have a material adverse effect on the value of such investments.

Deal Access Risk

There is a risk that a Daughter Funds expectations regarding its ability to access transactions of sufficient volume and investment quality to meet the Daughter Fund's investment objectives are not fulfilled. Factors that may affect this risk may include, but are not limited to, competition for assets, changes in India's regulatory or legal environment, or changes in India's macroeconomic conditions.

Similarly, there is a risk that the expectations regarding its ability to access transactions of sufficient volume and investment quality to meet a Daughter Fund's investment objectives are not fulfilled. Factors that may affect this risk may include, but are not limited to, competition for assets, changes in India's regulatory or legal environment, or changes in India's macroeconomic conditions.

Indian Securities Markets

Some of the Portfolio Companies, in which any Daughter Funds invest, may be listed or eventually have their securities listed on an Indian or overseas stock exchange as a means of creating liquidity for that investment. In connection with this listing, a Daughter Fund may generally be required not to dispose of the securities in that company for a lock in period in excess of 12 (Twelve) months due to contractual obligations or regulatory constraints. However, even if these securities are in fact listed, there can be no assurance that the listing of these securities will provide a viable exit mechanism, as these securities may suffer from low trading volumes and low market capitalization at the time of the intended disposal.

Stock markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react differently than large cap stocks. Political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole.

Securities listed on Indian stock exchanges may have low market capitalization and trading volume. There can be no assurance that sales on the Indian stock exchanges will provide a viable exit mechanism for Daughter Fund's investments.

In Specie Distributions

The Daughter Funds may make in specie distributions of assets as a result of which the Fund may receive assets of Daughter Funds. If an in specie distribution is received by the Fund, it may not be able to realize full value of these assets.

Common Stocks and Equities

Common stocks are shares of a corporation or other entity that entitle the holder to a pro rata share of the profits of the corporation, if any, without preference over any other shareholder or class of shareholders, including holders of the entity's preferred stock and other senior equity. Common stock usually carries with it the right to vote and frequently an exclusive right to do so. Common stocks do not represent an obligation of the issuer, and do not offer the degree of protection of debt securities. The issuance of debt securities or preferred stock by an issuer will create prior claims which could adversely affect the rights of holders of common stock with respect to the assets of the issuer upon liquidation or bankruptcy. The market price for convertible bonds, which are typically bonds offering a stated interest rate that are convertible into common stock at a specified price or conversion ratio, will tend to fluctuate in relationship to the price of the common shares into which it is convertible.

Non-Controlling investments

A Daughter Fund may intendto hold controlling interests in its Portfolio Companiesbut investment opportunities or Applicable Law may not permit the same and, therefore, may have a limited ability to protect its position in such Portfolio Companies. It is expected that appropriate shareholder rights generally will be sought to protect each Daughter Fund's interests prior to making an investment in any Portfolio Company. However, there is no assurance that such rights will be effective in all cases to protect any Daughter Fund's interests.

Availability of Insurance against Certain Catastrophic Losses

Certain losses of a catastrophic nature, such as wars, earthquakes, typhoons, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. If a major uninsured loss occurs, the Daughter Funds could lose both their investments and anticipated profits from such affected investments in any Portfolio Companies.

Layering of Fees

Investment management fees and carried interest (by the Daughter Funds if applicable) may be charged to the Fund by both the Investment Manager and the underlying managers of the Daughter Funds. As a result, the Fund, and indirectly each Contributor, bears multiple investment management fees, which may include carried interest that in the aggregate exceed the fees that would typically be incurred by a direct investment in a fund managed by a single investment manager.

Limited Opportunities

The Fund will compete with other investors (including Fund of Funds) for investments in Daughter Funds. This may result in fewer attractive investment opportunities. In addition, such competition may have an adverse effect on the length of time required to fully invest the funds of the Fund. To the extent the Fund has already drawn down capital from Contributors, pending investment in Daughter Funds, these funds may be retained in cash or may be invested in short-term or medium-term money market instruments or in fixed deposits or any such equivalent instruments. Such investments may substantially affect the Fund's overall return.

Investment Managers/Advisors of Daughter Funds

The Fund will be subject to the risk that the respective investment advisors/managers of the Daughter Funds may divert or misuse the Daughter Fund's investment, furnish the Fund and the Investment Manager with false or misleading financial statements and other reports, or engage in other misconduct. In addition, the Fund's investments in Daughter Funds may be adversely affected if the activities of the Daughter Fund's investment manager/advisor result in substantial liabilities or penalties for damages caused to third parties or for violations of securities or other laws (for example, liabilities or penalties resulting from breach of contract or the misuse of confidential information). The investment managers/advisors of the Daughter Funds in which the Fund invests may also manage other accounts in addition to the relevant Daughter Funds (including other accounts in which such investment managers/advisors may have an interest). Such investment managers/advisors may have financial or other incentives to favour such other accounts over the Daughter Funds which they manage.

Apart from the above-described risks associated with investment managers/advisors of Daughter Funds, some of the Daughter Funds may have investment managers/advisors that are managed by a small number of key individuals. If one or more of those key individuals dies, becomes incapacitated or otherwise ceases to be involved in the activities of the relevant Daughter Fund, the Fund may sustain losses.

Forward-looking and other statements

This Memorandum contains forward-looking statements and other statements concerning prior performance of Investment Manager and / or existing funds. These statements reflect the Investment Manager's views with respect to future events and past performance. Actual results could differ materially from those contained in these statements as a result of factors beyond the Fund's operational control.

Material Non-public Information

Many investment decisions by the Investment Manager will be dependent upon the ability of its investors and agents to obtain relevant information from non-public sources, and the Investment Manager often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the control of the Investment Manager. Certain employees of the Investment Manager and their affiliates may be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information or restrictions. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

II. SECTOR SPECIFIC RISK

Industry specific risk

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 cyclicality and seasonality of industry.

It is believed that maximum of MSME units in India still use out-dated tools and machineries for their businesses. Obsolete technology leading to high cost of production raises the cost of production making it difficult for the small enterprises to meet the demand of the buyers at competitive price.

A major accounting hurdle for MSME financing is the information opacity prevalent in the sector as many of the units do not have complete accounting records, audited financial statements, or well-articulated business plans. Any investor in the Fund must be aware of the inherent risks associated with the MSME sector.

Small Company Risk

As the Daughter Funds may seek to focus on investments in the securities of small or medium-size companies, there is a risk that such investments would be more susceptible to market downturns and the prices of which may be more volatile than investments in larger companies. Smaller companies in the MSME sector generally have narrower markets and more limited managerial and financial resources than larger, established companies.

Risk management in MSME companies

Over the years, risk management has been identified as a vital process in business institutions. It is believed that risk management is less developed within the small business sector where strong enterprise culture can only help in managing risk in a professional and structured way. There is a need of improving the current planning system in India within the MSMEs together with enhancing the owner's knowledge and awareness regarding risk management through proper training and development.

III. POLITICAL, ECONOMIC AND SOCIAL RISKS

Risk of sanctions

Sanctions may be imposed by other countries on trade with India and this may have an adverse impact on the value of Portfolio Companiesof Daughter Funds and hence ultimately on the Fund.

Inflationary Pressures in India

Inflation in India may lead to the adoption of corrective measures designed to moderate growth, regulate prices of staples and other commodities and otherwise contain inflation, and such measures mayaffect theeconomic activity in India and thereby possibly affect the Fund's investments.

Deflationary Pressures Globally and in India

Although neither India nor the global economy as a whole has experienced excessively low relative inflation over the last 10 years, there is no assurance that inflation rates in India or globally will not decrease below zero percent annually. Negative inflation, or deflation, in India or globally, could inhibit economic activity and thereby possibly adversely affect the Fund's investments.

Segregation of Assets

The Board has a fiduciary duty to ensure segregation of assets of any other funds which are held in trust or may be held so by it from the assets of the Fund as well as any other assets and liabilities of NVCFL. However, it may be possible that in the case of a third party suit or regulatory action against NVCFL with respect to the liability of NVCFL or any other such aforementioned fund or any one or more Schemes or under any other circumstances, the Board may not be able to protect the assets of the Schemes against such third party suit or regulatory action and may not be able to maintain segregation of assets of the Schemes.

Bankruptcy Remoteness

The Fund has been structured in a manner that the assets of each Scheme are held in distinct trusts by NVCFL and has its own terms and may have a different pool of Contributors, in order to ensure that each Scheme is bankruptcy remote from the other Schemes as well as from any other assets of NVCFL. The Board in consulation with the Investment Manager shall further make best efforts to keep distinct and separate accounts in respect of each Scheme and maintain Units of each Scheme distinct from and independent of the other Schemes as well as all other assets and liabilities of NVCFL. However, no

such assurance can be given that the Schemes would remain bankruptcy remote from all other Schemes and/or NVCFL at all times. There is a risk of a Scheme being held liable for bankruptcy of other Scheme(s) or NVCFL by a court of law or any authority or third party claims or due to change in applicable law.

Litigation Risk

The Portfolio Investments may be governed by a complex series of legal documents and contracts. As a result, the risks of a dispute over interpretation or enforceability of the documentation and consequent costs and delays may be higher than those incurred for other types of investments. In addition, the Fund may be subject to claims by third parties (either public or private). If any of the Portfolio Investment becomes involved in material or protracted litigation, the litigation expenses and the liability threatened or imposed could have a material adverse effect on the performance of the Fund.

Regulatory Risk

The value and marketability of the Fund's investments may be affected by changes or developments in the legal and regulatory climate in India. SEBI regulates the securities market in India and legislates from time to time on matters affecting the stock market. SEBI has issued regulations that affect investment in India including regulations on takeovers, preferential allotments of shares and insider dealing. The regulations affect the pricing, cost of a transaction and the ability to conduct due diligence. SEBI and/or the Indian Ministry of Finance may make changes to regulations which could affect the ability of the Fund to make, or exit, investments.

Limitations of Investments

Under the AIF Regulations, the investment limits of the Fund are restricted. For further details on these restrictions please refer to **'SECTION IX: LEGAL, REGULATORY AND TAX CONSIDERATIONS'.**

India's GDP may not grow as expected or may decline

There is a risk that India's GDP growth may not remain sustainable and hence could impact the growth of the MSME sector resulting in lesser pools of capital being made available and consequently lower opportunities for the Fund.

IV. MANAGEMENT AND OPERATIONAL RISKS

Valuation Risk

As the Portfolio Investments will not be in listed securities, ascertaining the value of the same may prove to be difficult. Therefore, valuations of the Portfolio Investments are inherently subjective to a certain extent. There may be no public market for the securities of the Daughter Funds or their Portfolio Companies. Thus, portfolio valuation inherently is highly subjective and imprecise.

The Fund will rely upon the Investment Manager for the valuation of its investments and other assets and to determine the net asset value of the Fund from time to time. The Investment Manager will

engage an independent valuer to determine the net asset value of the Fund in accordance with the AIF Regulations. However, given the nature of the proposed investments, valuation may be difficult. There may be a relative scarcity of market comparables on which to base the value of the Fund's assets.

Lack of Separate Representation

The Legal Advisor will have oversight over the entire process and activities of the Fund. However, there may exist matters which would have a bearing on the Fund or any of its affiliates upon which the Legal Advisor to the Fund has not been consulted. The Legal Advisor to the Fund does not undertake to monitor compliance of the Fund or the Investment Manager with the terms set out herein, nor does it monitor compliance with Applicable Laws including the AIF Regulations. Additionally the Legal Advisor to the Fund relies upon information furnished to it by the Investment Manager, and does not investigate or verify the accuracy and completeness of information set out herein concerning the Fund or Investment Manager.

Indemnification

The Investment Management Agreement shall provide for indemnification of the Protected Persons for any and all actions, suits, proceedings, claims, damages, settlement payments, losses and liabilities arising in connection with the Investment Management Agreement, unless resulting from fraud, gross negligence or wilful default.

Indemnification of the Protected Persons may impair the financial condition of the Fund and its ability to acquire assets or otherwise achieve its investment objective or meet its obligations.

Management Fees

As a result of payment of Management Fees and Operating Fees, the returns realized from the Fund's activities might be less than the returns which may have been realized from engaging in the same activities directly if one had made such investments directly without investing in the Fund.

Restrictions on Withdrawal and Transfer

Contributors may not be permitted to withdraw from the Fund. In addition, they may not transfer any of the interests, rights or obligations with regard to the Fund except as may be provided in the documentation with regard to the Fund, and in the AIF Regulations.

Lack of Operating History

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 has not, as of the date of this Memorandum, attempted to make any such Portfolio Investments in its current form. The Fund has no operating history and basis upon which an evaluation of its prospective investments can be made. There can be no assurance that the Fund will achieve its investment objective.

Reliance on the Investment Manager

The Investment Manager shall manage the assets of the Fund and assist with the investment process in accordance with the guidelines as agreed in the SoPs. The Advisory Board shall formulate broad guidelines for lending/investment from the Fund, including selection of Daughter Funds, investment guidelines including return on investment and tenure, exit options sectoral focus and segmental focus. Further, the Investment Committee shall appraise/ process and provide recommendations on any investment proposals referred to it. The Contributors will not be able to make investment or other decisions in connection with the Fund. Further, while the Investment Manager has been appointed by the Fund after due deliberation and consideration the Investment Manager's expected performance towards this Fund may not be concluded basis the past performance of the Investment Manager.

Reliance on Professionals and Consultants

The Daughter Funds and their Portfolio Companies be subject to local and municipal level laws, taxes and regulations, in addition to central and state government level laws, taxes and regulations. Exposure to such laws and compliances will vary from investment to investment. The Investment Manager will seek advice from consultants and professionals having relevant experience and rendering services in respect of such matters. The performance of Portfolio Investments may be impacted by the nature and quality of advice and services rendered by such local consultants and professionals.

Closed ended fund / illiquid investment

The Fund is organised as a close-ended fund and Contributors are not be permitted to withdraw from the Fund. In addition, they are not entitled to transfer any of their Units in the Fund except in accordance with the process set out in the Contribution Agreement and the AIF Regulations. Further, there is no public market for the Units and the Contributors have to bear the risk of holding the investment in the Fund indefinitely during the Term of the Fund.

Manager Termination Risk

Termination of the Investment Manager's appointment may occur pursuant to the terms of the Investment Management Agreement. Any termination of the Investment Manager's appointment as manager of the Fund may have material adverse consequences for the Fund in certain circumstances. Such consequences may include the acceleration of financing facilities made available to the Daughter Funds or the triggering of a right for co-investors to acquire the Fund's interest in a relevant investment where the terms of the relevant investment document provide for this.

Board Participation Risk

The Daughter Funds may be represented on the boards of directors of their Portfolio Companies or may have its representative's serve as observers to such boards of directors. Although such positions in certain circumstances may be important to each Daughter Fund's investment strategy and may enhance their ability to manage such investments, they may also have the effect of impairing their ability to sell the related securities when, and upon the terms, it may otherwise desire. They may also

subject the Daughter Funds to claims they would not otherwise be subject to as an investor, including claims of breach of duty, securities claims and other director-related claims.

V. FUND RISKS

Passive Investment Risk

Investors will be relying on the Investment Manager to conduct and manage the affairs of Fund. The Investment Management Agreement will prohibit Contributors from engaging in the active management and business of Fund. Investments to be made by the Fund have not yet been fully identified. Furthermore, there is no assurance that the investment selected will be successful.

Exculpation and Indemnification Risk

Certain exculpation and indemnification provisions contained in the Investment Management Agreement and this Memorandum may limit the rights of action otherwise available to Contributors and other parties against the Investment Manager, its associates, each officer, director, employee, shareholder, partner, member, agent and consultant of any of the foregoing and each member of the Advisory Board and the Investment Committee, among others, who serves or has served in such capacity at the request of the Investment Manager.

VI. REGULATORY RISKS

Government Approvals

Certain Indian governmental approvals, including approvals from the SEBI may be required before the Fund can make investments in any Daughter Funds. It is likely that the Fund may not have obtained all or some of these governmental approvals prior to the relevant closing.

The Fund will operate under Indian laws and securities regulations. If policy announcements or regulations are made subsequent to this offering, which require retrospective changes in the structure or operations of the Fund, these may impact the performance of the Fund.

There is no certainty that such registrations or approvals will be acquired and restrictions may be imposed under the registrations or approvals which limit the right of the Fund to invest only in particular sectors if they wish to avail of such registrations or approvals and the benefits there under.

Indian Investigations and Actions

Any investigations of, or actions against the Fund initiated by SEBI or any other Indian regulatory authority may impose a ban of the investment activities of the Fund.

VII. Tax Risks

Contributors are subject to a number of risks related to tax matters. In particular, the tax laws relevant to the Fund are subject to change, and tax liabilities could be incurred by Contributors as a result of such changes. The tax consequences of an investment in the Fund are complex, and the full tax impact

of an investment in the Fund will depend on circumstances particular to each Contributor and the additional peculiarities associated with respect to activities of each Daughter Fund. Alternative tax positions adopted by the Revenue authorities could give rise to incremental tax liabilities in addition to the tax amounts already discharged by the Fund. Since, the Fund would distribute the surplus funds to the beneficiaries, if the funds available with the Fund are insufficient to meet the tax liability, the Investment Manager reserve the right to collect/recover the additional tax liability from the beneficiaries. In particular, the tax laws relevant to the Fund are subject to change and to a different interpretation from what has been discussed in the section titled **"SECTION IX: LEGAL, REGULATORY AND TAX CONSIDERATIONS"**, and tax liabilities could be incurred by Contributors as a result of such changes.

VIII. Impact of COVID-19

The Indian and global stock markets have crashed following the global outbreak of COVID-19. Economic activity and trade across the globe have been crippled as developed and emerging countries, including India, grapple with preventive and curative measures to combat the contagion effect of the virus. In addition to supply chain disruption, the risk of global demand compression has increased. The governmental bodies in India, and the rest of the world, are operating at minimal strength. Regulatory authorities such as SEBI, adjudicatory bodies such as the courts and the tribunals, and the legislative bodies of the government of India, and the various state governments, are focusing their activities on bettering the turbulent situation caused by COVID-19. Given the shift in the focus of the relevant authorities, it is possible that their regular activities, which would govern the operation of the Fund, will take a backseat. Any delays that arise from the instrumentalities of the regulatory bodies in India operating at low capacity would impact the regulatory processes, licenses, approvals, etc. that are required for the smooth functioning of the Fund.

Stress in the financial sector has compounded the issues. Government spending is constrained by its discipline to keep fiscal deficit under check. Global protectionist policies like imposed price controls, tariff wars and weak global growth have impacted India's export growth.

Further, the performance of commercial contractual obligations becomes increasingly challenging in this scenario, many counter parties may proceed to invoke force majeure clauses under material contracts, in order to avoid or delay performance of onerous obligations, including payment and delivery commitments. Frequently observed in commercial contracts, force majeure clauses serve to excuse the non-performance of contractual obligations, in cases where such non-performance is due to supervening events that are beyond the defaulting party's control which may include events such as the COVID-19 pandemic.

Such disruptions could significantly impact the ability of the Fund and /or the Daughter Funds to sell their investments and adversely affect their performance.

IX. CONFLICTS OF INTEREST

The Fund will be subject to certain conflicts of interest relating to the Interested Parties as defined in the paragraph titled 'Conflicts of Interest' under **"SECTION VII: SUMMARY OF PRINCIPAL TERMS"** of this Memorandum.

The Investment Manager will put in place and formulate an appropriate conflicts policy for the Fund which will be approved by the Board before the Closing of the Fund. Such policy will set out a robust mechanism to resolve any potential conflicts of interest situations and circumstances that may arise or result while conducting the business or rendering of services and where-so-ever any conflicts of interest or potential for conflict of interest may arise, the Investment Manager shall take reasonable steps to resolve the same forthwith in a fair and equitable manner. The Investment Manager shall continue to exercise adequate due diligence for identifying and removing any areas, source, situations and circumstances of conflict and mitigating the effects of such conflicts to the satisfaction of the Board, in case any such conflicts of interest (or apparent conflict of interest) arises or results in relation to the proposed transaction.

Further, the Investment Manager has laid down an internal code of conduct for governing its internal procedures and operations and have prescribed the standards of appropriate conduct for its employees and officers for carrying out their duties and responsibilities with a view to appropriately ensure proper maintenance of professional excellence and standards with integrity, confidentiality, objectivity and made provisions for identification, avoidance and resolution of conflict of interests and for disclosure of shareholdings and interests, etc., in terms of Applicable Laws.

The Investment Manager and the Investment Committee shall obtain the authorisation of the Board before making investment decisions involving conflicts of interests for any of the Interested Parties.

A number of examples of potential conflicts of interest are outlined below. However, the examples listed below are not intended to be exhaustive, and other types of conflicts of interest may arise during the Term of the Fund.

POTENTIAL CONFLICT OF INTEREST

The Fund shall be subject to certain conflicts of interest relating to the Sponsor, its directors, officers, employees or agents, the Investment Manager, directors and employees of the Investment Manager, or any of its affiliates, directors, officers, employees or agents or committees established by and of the Investment Manager (collectively, the "**Interested Parties**").

The Sponsor and the Investment Manager of the Fund shall act in a fiduciary capacity towards the Contributors and shall disclose to the Contributors, all conflicts of interests as and when they arise or seem to arise. The Investment Manager shall establish written policies and procedures to identify, monitor and appropriately mitigate conflict of interest throughout the scope of its affairs.

The Fund may invest in Daughter Funds in which the Interested Parties have existing investments or other interests on the same or different terms. In such cases, there could be a possible conflict between the interests of the Fund and those of the Interested Parties.

The Investment Manager shall ensure that an Interested Party is not involved in the process of making investment decisions involving conflicts of interests for any such Interested Party.

A number of examples of potential conflicts of interest are outlined below. However, the examples listed below are not intended to be exhaustive, and other types of conflicts of interest may arise during the term of the Fund.

Conflicted Transactions

Upon the approval of the Board, the Investment Manager may enter intoa transaction or arrangement or any investment (a "**Conflicted Transaction**") notwithstanding that any of the Interested Parties has any direct or indirect interest or concern in such Conflicted Transaction so as to place the Interested Party in a position where such relationship conflicts with his fiduciary duty to the Fund, save that (i) such conflict of interest shall be disclosed in full to the Contributors; (ii) all Conflicted Transaction must be reviewed and approved unanimously by the Board; (iii) such Interested Party shall not participate in any decision relating to such Conflicted Transaction; and (iv) if such conflict relates to investment in an "Associate" as defined under the AIF Regulations, the same shall require the approval of Super-Majority of the Contributors which shall be deemed to have been obtained once the Board approves any such Conflicted Transaction since the Board comprises of members nominated by the Government of India and the constitution is also approved by them.

Management Resources

The Interested Parties and their management personnel will only devote so much of their time to the Fund's business as is, in their judgment, reasonably required.The Interested Parties and their employees that provide services to the Fund will have, in addition to their responsibilities for the Fund, responsibilities for other projects and clients. Accordingly, they may have conflicts of interests in allocating management time and other resources among the Fund and such other projects and clients.

Allocation of Investments

The Interested Parties will be subject to conflicts of interest in allocating investment opportunities among the Fund, and any other funds managed by them. Investment opportunities identified by the Investment Manager may be suitable for the Fund, one or more of their other funds or for direct investment by themselves.The Investment Manager, will endeavor to resolve any such conflicts in a reasonable manner taking into account, amongst other things, the investment objectives and policies of each fund, the remaining un-invested capital of each fund, the level of diversification of each fund, and the basis on which prior conflicts in allocating investment opportunities have been resolved.

Representation

The attorneys, accountants, and other professionals, who perform services for the Fund may, and in some cases do, also perform services for the Interested Parties and their affiliates. The Fund shall wherever appropriate enter into confidentiality agreements prior to such services being rendered in the Fund's favour. The Fund however, does not guarantee against any such conflict of interests**.**

Conflict of interest with Group Companies

Group companies of the Investment Manager consists of several leading Indian banks, financial institutions and organizations.It may so happen that a Daughter Fund, or any of itsPortfolio Companiesmay have an existing relationship with one or more entities in such group companies. The Investment Manager's representation on the board of such companies and any dominant shareholding may conflict with its relationship with aPortfolio Company.Any of the Daughter

Fundsmay invest in such companies.

Conflict of interest Due to Investments in Daughter Funds managed by the Invetsment Manager

SBICAP Ventures Limited acts as the Investment Manager to the Fund. Further, SBICAP Ventures Limited may also act as the investment manager of any other fund or pool of capital in near future. Hence, it is possible that subject to the approval of the Board, the Fund may invest in Daughter Funds that are managed by SBICAP Ventures Limited. In such a case, the Investment Manager shall ensure that it shall strictly follow its fiduciary duty as the Investment Manager to the Fund and develop strict corporate governance standards including but not limited to the maintenance of 'Chinese Walls' between teams managing the Fund and any such Daughter Fund to ensure that the interests of the Fund as well as the interests of any Daughter Fund are both adequately protected. SBICAP Ventures shall ensure that any investments by the Fund in any Daughter Funds managed by SBICAP Ventures shall be strictly on an arm's length basis and subject to any guidelines that may be issued by the Board.

Conflict of interest Due to Investments of Daughter Funds

SBICAP Ventures Limited acts as the Investment Manager to the Fund. Further, SBICAP Ventures Limited may also act as the investment manager of any future schemes of the Fund or any other fund or pool of capital in near future. Hence, it is possible that such other funds/schemes of the Fund may have the same investment focus as the Fund and/or any of the Daughter Funds. It is also possible that a Daughter Fund may invest in any Portfolio Company in which any other fund/ schemes of SBICAP Ventures Limited may hold an interest as an investor. In such a case, SBICAP Ventures Limited shall act in its capacity as the manager/adviser of such other funds/schemes of SBICAP Ventures Limited and may take any actions/decisions as may be beneficial for such funds/schemes of SBICAP Ventures Limited at its discretion, irrespective of any direct or indirect adverse impact of such action/decision on the relevant Daughter Fund. It should be noted that since each of the Daughter Funds would be managed by their respective managers/advisers, on which SBICAP Ventures Limited would not have control or influence, a Daughter Fund may take a divergent course of action/decision in its capacity as an investor in the Portfolio Company in which any fund/scheme of SBICAP Ventures Limited may have invested.

The foregoing risk factors and conflicts do not purport to be a complete explanation of all of the risks involved in this offering. Potential investors should read this document and the Fund Documents in their entirety before determining whether to subscribe for Units.

SECTION IX: LEGAL, REGULATORY AND TAX CONSIDERATIONS

THIS SECTION IS ONLY A SUMMARY OF THE AIFREGULATIONS AND LAWS AND IS NOT A COMPREHENSIVE DISCLOSURE REGARDING ALL LAWS AND AIFREGULATIONS APPLICABLE TO THE FUND AND ITS TARGET COMPANIES. FURTHERMORE, THE AIFREGULATIONS/LAWS REFERRED TO UNDER THIS SECTION ARE SUBJECT TO CHANGES FROM TIME TO TIME.

LEGAL AND REGULATORY CONSIDERATIONS

THE COMPANIES ACT, 2013

The Companies Act, 2013 is divided into 29 chapters and contains 470 sections and 7 schedules and has endeavoured to achieve modernisation and compactness by deleting redundant provisions, regrouping related provisions and modifying various provisions of the Companies Act, 2013 to enable easy interpretation, de-link procedural aspects from substantive law and provide greater flexibility in rule-making. The Companies Act, 2013 has, inter alia, introduced enhanced corporate governance standards particularly in relation to independent directors, audit, corporate social responsibility, mandatory valuation, private placement of securities, cross-border mergers (including merger of Indian companies into foreign companies) and class action suits. Further, the provisions in respect of the composition and constitution of National Company Law Tribunal and National Company Law Appellate Tribunal have been redefined.

Section 2(31) of the Companies Act states that a 'deposit' 'includes any receipt of money by way of deposit or loan or in any other form by a company but does not include such categories of amount as may be prescribed in consultation with the Reserve Bank of India'. Further, Rule 2(1)I of Companies (Acceptance of Deposit) Rules, 2014, excludes any amount received from the Central Government or the State Government from being treated as a deposit.

INDIAN SECURITIES LAWS

SEBI (Alternative Investment Regulations), 2012

Unless specifically exempted, the AIF Regulations require all pooling vehicles to register with SEBI and comply with the provisions of the AIF Regulations. The objective of the AIF Regulations is to extend the perimeter of regulation to unregulated funds with a view to systemic stability, increasing market efficiency, encouraging formation of new capital and consumer protection.

The Fund is registered with SEBI as a Category II AIF and shall be governed by the provisions of the AIF Regulations. The AIF Regulations further provide that Category II AIFs may invest in units of other Category I and Category II AIFs or in securities of investee companies. The Fund must also make investments in compliance with the AIF Regulations.

Private Placement of Interest

The AIF Regulations permit an AIF to raise commitments from Indian, foreign and non-resident Indian investors on a private placement basis with the minimum investment / commitment of INR 1,00,00,000 (Rupees One Crore). The AIF Regulations require that prior to the raising of commitments, the placement memorandum of an AIF should be filed with SEBI and detail the strategy for investments, risk factors and risk management tools, fees and expenses proposed to be charged, conditions and limits on redemptions, taxability of investors, duration of the life cycle of the AIF etc.

This Memorandum has been filed with SEBI and any amendments / modifications of the terms herein shall also be intimated to SEBI.

Sponsor Commitment

Further, the AIF Regulations also require that the manager or the sponsor of an AIF shall have a 'continuing interest' in a Category II AIF of not less than 2.5% of the corpus or INR 5,00,00,000 (Rupees Five crores), whichever is lower, in the form of investment in the AIF and such interest shall not be through the waiver of management fees.

Tenure of the Fund/Scheme and conditions for winding up

SEBI vide an amendment to the AIF Regulations dated 15 November 2022 mandated that the tenure of the AIF shall initiate from the first close of the AIF and shall subsist till the last date of the term as specified in the fund documents. SEBI, vide Chapter 2 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023, further mandated that the first close of the Fund shall be declared no later than 12 (twelve) months from the date of SEBI communication for taking the PPM on record. Additionally, the tenure of close ended schemes of AIFs shall be calculated from the date of declaration of the first close. AIFs may modify the tenure of a scheme at any time before declaration of its first close and prior to declaration of first close, the investors may withdraw or reduce commitment provided to such scheme of the AIF. The AIF's tenure is extendable up to 2 (two) years subject to approval of two-thirds of the unit holders by value of their investment in the fund; provided that a large value fund for accredited investors may be permitted to extend its tenure beyond 2 (two) years, subject to the terms of the contribution agreement, other fund documents and such conditions as may be specified by SEBI from time to time. In the absence of unit holders' consent, the AIF must fully liquidate within one year following expiration of the fund tenure or extended tenure. In case the AIF is unable to liquidate its investment upon expiration of the tenure or the extended tenure of the AIF, the AIF may launch a Liquidation Scheme in accordance with the AIF Regulations.

The AIF Regulations require an AIF to be fully liquidated within the Liquidation Period. During Liquidation Period of a scheme, an AIF may distribute investments of a scheme which are not sold due to lack of liquidity, in-specie to the investors or sell such investments to a liquidation scheme, after obtaining approval of at least 75% of the investors by value of their investment in the scheme of the AIF, in the manner and subject to conditions specified by SEBI from time to time; provided that, in the absence of consent of unit holders for exercising the options for in-specie distribution or sell of investments to liquidation scheme during liquidation period, such investments of the scheme of the AIF shall be dealt with in the manner as may be specified by SEBI from time to time

In case an investee AIF of a fund of fund, has launched a liquidation scheme, then the investor AIF (i.e. the fund of fund) upon expiry of its tenure or extended tenure, shall mandatorily distribute the units of liquidation scheme held by it, in-specie to its investors (i.e. investors of the fund of fund).

Listing

The AIF Regulations permit close ended AIFs to be listed after the final closing of a fund / scheme on a stock exchange subject to a minimum tradable lot of INR 1,00,00,000 (Rupees One Crore). Accordingly, the Fund will not be in a position to list its securities without complying with the above

conditions.

- *Investment Conditions*

In addition to the above, the AIF Regulations lay down the following investment conditions for AIFs:

General Conditions

a) AIFs may invest in securities of companies incorporated outside India subject to such conditions or guidelines that may be stipulated or issued by the RBI and SEBI from time to time;

b) Co-investment in a Portfolio Company by a manager or sponsor shall not be on terms more favourable than those offered to the AIF. Provided that the terms of exit from Co-investment in an investee company including the timing of exit shall be identical to the terms applicable to that of exit of the AIF;;

c) Category I and II AIF shall invest not more than 25% of its investable funds in one Portfolio Company either directly or through investments in units of other AIFs; provided that large value funds for accredited investors of Category I and II may invest up to fifty percent of the investable funds in an investee company directly or through investment in the units of other Alternative Investment Funds

d) AIFs shall not invest in (a) 'associates' and (b) units of AIFs managed or sponsored by its manager, sponsor or associates of its manager or sponsor, except with the approval of 75% of investors by value of their investment in the AIF;

e) Un-invested portion of the investible funds and divestment proceeds pending distribution to investors may be invested in liquid mutual funds or bank deposits or other liquid assets of higher quality such as treasury bills, triparty repo dealing and settlement, commercial papers, certificates of deposits, etc. till deployment of funds as per the investment objective or the distribution of the funds to investors as per the terms of the fund documents, as applicable.

f) AIFs which are authorised under the fund documents to invest in units of AIFs shall not offer their units for subscription to other AIFs.

g) Investment by Category I and Category II AIFs in the shares of entities listed on institutional trading platform after the commencement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015 shall be deemed to be investment in 'unlisted securities' for the purpose of these regulations.

Specific Conditions for Category II AIF

a) Category II AIFs shall invest in investee companies or in units of Category I or other Category II AIFs as may be disclosed in the placement memorandum;

b) Category II AIF shall invest primarily in unlisted Portfolio Companies directly or through investments in units of other AIFs;

c) Category II AIF may not borrow funds directly or indirectly and shall not engage in leverage except for meeting temporary funding requirements for not more than thirty days, not more than four occasions in a year and not more than 10% of the investable funds;

   Notwithstanding point (c) above, Category II AIFs may engage in hedging, subject to guidelines as specified by SEBI from time to time;

d) Category II AIFs may buy or sell credit default swaps in terms of the conditions as may be specified by SEBI from time to time;

e) Category II AIF may enter into an agreement with merchant banker to subscribe to the unsubscribed portion of the issue or to receive or deliver securities in the process of market making under Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

f) Category II AIFs shall be exempt from sub-regulations (1) and (2) of Regulation 3 and sub-regulation (1) of Regulation 4 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 in respect of investment in companies listed on the SME Exchange or SME segment of an exchange pursuant to due diligence of such companies subject to the following conditions:

   i. the fund shall disclose any trading in securities pursuant to such due diligence, within two trading days of such trading, to the stock exchanges where the Portfolio Company is listed;

   ii. such investment shall be locked in for a period of one year from the date of investment.

Reporting obligations

The Regulations require that the books of accounts of the AIF to be audited annually. Further, within 180 days from the year end, AIFs are required to provide reports to their investors including financial information on Portfolio Companies and material risks and how they are managed.

Alteration in strategy of the Fund

The Regulations require that no material alteration to the fund strategy can be made unless consent of at least two-third of unit holders by value of their investment is obtained.

Alteration in category of the Fund/Scheme

According to paragraph 3.2 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023, only AIFs who have not made any investments under the category in which they were originally registered are allowed to make an application for a change in category to SEBI. Pending disposal of the application for change in category, the AIF will not be able to make any investments other than in “liquid funds / bank deposits”. Further, if the AIF has received commitments prior to an application for change in its category, the AIF is under a duty to inform investors and provide them with an option to withdraw from the AIF without any penalty or charges.

Valuation

The Regulations require Category II AIFs to undertake valuation of their investments, at least once in every six months, by an independent valuer appointed by the AIF (extendable to 1 year on approval of at least 75% of the investors by value of their investments in the AIF).

Co-investment

The AIF Regulations define co-investment as investment made by an investment manager or sponsor or investor of Category I and II AIF in investee companies where such category I or category II AIFs make investment, where co-investment by investors of AIFs shall be through a Co-investment Portfolio Manager as specified under the SEBI (Portfolio Managers) Regulations 2020 ("**PMS Regulations**"). A Co-investment Portfolio Manager is defined as a Portfolio Manager ("**Co-investment Portfolio Manager**") who is an investment manager of a category I or category II AIFs and

(i) provides services only to the investors of such category I or category II AIF(s); and

(ii) makes investment only in unlisted securities of investee companies where such category I or category II AIFs make investments, Co-investment Portfolio Manager may provide services to investors from any other category I or category II AIFs which are managed by them and are also sponsored by the same sponsor(s). An investment manager shall not provide advisory services to any investor other than the clients of Co-investment Portfolio Manager as specified in the PMS Regulations for investment in securities of investee companies where the AIF managed by it makes investment. The terms of co-investment in an investee company by an investment manager or sponsor or co-investor, shall not be more favourable than the terms of investment of the AIF, provided that the terms of exit from the co-investment in an investee company including the timing of exit shall be identical to the terms applicable to that of exit of the AIF.

Accredited Investors and Large Value Fund for Accredited Investors

Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2021 inserted the definition of "Accredited Investors" to the AIF Regulations, wherein, Accredited Investors are defined to mean any person who is granted a certificate of accreditation by an Accreditation Agency, subject to meeting the financial parameters prescribed. In addition to the investors who are eligible for accreditation by meeting the prescribed thresholds, the AIF Regulations also provide a list of persons who shall be deemed to be Accredited Investors, without requiring such investors to undergo the accreditation process. Further, an "Accreditation Agency" has been defined to mean a subsidiary of a recognized stock exchange / a subsidiary of a depository / any other entity as may be specified by SEBI from time to time.

To identify AIFs consisting of Accredited Investors, the AIF Regulations also introduced the concept of "Large Value Fund for Accredited Investors", which is an AIF / scheme of an AIF in which each investor (other than service providers / employees of the AIF and investment manager) is an Accredited Investor and invests not less than INR 70,00,00,000 (Indian Rupees Seventy crores). The AIF Regulations provide regulatory relaxations to such Large Value Fund for Accredited Investors in terms of minimum investment requirements extension in the term of close-ended AIFs, limits applicable for investment in an investee company directly or through investment in the units of other AIFs, etc.

Requirement of compliance officer for investment managers of all AIFs.

Paragraph 13.1 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July

2023, asks all AIFs to ensure designation of an employee or director as a compliance officer, responsible for monitoring compliance with the provisions of the SEBI Act, AIF Regulations and circulars issued thereunder.

Manner of calculation of tenure for close-ended schemes

SEBI (Alternate Investment Funds) (Fourth Amendment) Regulations, 2022 dated 15 November 2022 provides that tenure of close-ended schemes is to be calculated from the date of declaration of the first close. AIFs may modify the tenure of a scheme at any time before declaration of its first close. Prior to such declaration, the investor may withdraw or reduce commitment provided to such scheme of an AIF.

Ring-fencing of assets and liabilities

SEBI (Alternate Investment Funds) (Fourth Amendment) Regulations, 2022 dated 15 November 2022 provides that the manager and either the trustee or trustee company or the board of directors or designated partners of the AIF to ensure that the assets and liabilities of each scheme of an AIF are segregated and ring-fenced from other schemes of the AIF and bank accounts and securities accounts of each scheme are segregated and ring-fenced.

Priority Distribution

Paragraph 11.2 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023 defines the 'priority distribution model' as a distribution model where one class of investors (other than sponsor/manager) share loss more than pro rata to their holding in the AIF vis-à-vis other classes of investors, since the later has priority in distribution over former. It specifies that schemes of AIFs which have adopted such priority distribution models, shall not accept any fresh commitment, or make investment in a new investee company, till a view is taken by SEBI in this regard.

Valuation

The AIF Regulations require Category II AIFs to undertake valuation of their investments, at least once in every six months, by an independent valuer appointed by the AIF (extendable to 1 year on approval of at least 75% of the investors by value of their investments in the AIF).

Mandatory Annual Audit

Paragraph 2.1 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023 SEBI mandates a template for the private placement memorandum providing certain minimum level of information in a simple and comparable format. In order to ensure compliance with the terms of private placement memorandum, it has become mandatory for AIFs to carry out an annual audit of such compliance by either internal or external auditor / legal professional. However, audit of sections of private placement memorandum relating to 'Risk Factors', 'Legal, Regulatory and Tax Considerations' and 'Track Record of First Time Managers' is optional. The findings of the audit, along with corrective steps, if any, has to be communicated to the trustee or board or designated partners of the AIF, board of the investment manager and SEBI.

Code of Conduct under the AIF Regulations

SEBI has prescribed a code of conduct for AIFs, their managers, their key management personnel ("**KMP**"), investment committee, trustee, trustee company, directors of trustee company / directors / designated partners of the AIF. The overall responsibility to ensure compliance with the code of conduct has been cast on the manager along with either the trustee or trustee company or board of directors or designated partners of the AIF (as the case may be).

The code of conduct that ought to be followed by the AIF's manager and KMP are as follows:

- The manager and KMP should abide by Securities and Exchange Board of India Act, 1992 (15 of 1992); rules, regulations, guidelines and circulars as applicable to AIFs at all times.

- The manager and KMP should maintain integrity, highest ethical and professional standards in all its dealings and ensure proper care and exercise due diligence and independent professional judgment in all its decisions.

- The manager and KMP should act in fiduciary capacity ensuring the decisions are taken in the interest of investors.

- The manager and KMP should abide by the policies of the AIF to identify, monitor and appropriately mitigate any potential conflict of interest throughout the scope of its business.

- The manager and KMP should provide appropriate and well considered inputs, which are not misleading, as required by the valuer to carry out appropriate valuation of the portfolio.

- The manager and KMP should ensure not to make any misleading or inaccurate statement, oral or written, with respect to their qualification or capability to render investment management services or their achievements.

- The manager and KMP should record in writing the investment and divestment decisions with appropriate justification.

- The manager and KMP shall not enter into arrangements for sale or purchase of securities, where there is no effective change in beneficial interest or where the transfer of beneficial interest is only between parties who are acting in concert or collusion, other than for bona fide and legally valid reasons.

- The manager and KMP should abide by confidentiality agreements with the investors and not make improper use of the details of personal investments and/or other information of investors.

- The manager and KMP should not offer or accept any inducement in connection with the affairs or business of managing the fund of investors.

- The manager and KMP should document all relevant correspondence and understanding during the deal with the counterparties, as per records of the AIF, if they are committed to transactions on behalf of the AIF.

- The manager and KMP should maintain ethical standards of conduct and deal fairly and honestly with investee companies at all times.

- The manager and KMP should maintain confidentiality of information received from investee companies and companies seeking investments from Alternative Investment Fund, unless explicit confirmation is received that such information is not subject to any non-disclosure agreement.

The code of conduct that ought to be followed by the AIF is as follows:

- The AIF is required to carry out its business activities and invest in accordance with the investment objectives stated in the private placement memorandum and other fund documents.

- The AIF would be operated and managed in the interest of all investors and not only in the interest of the sponsor, manager, directors or partners of sponsor and manager or a select class of investors.

- The AIF should ensure the dissemination of adequate, accurate, explicit and timely information in accordance with the AIF Regulations to all investors.

- The AIF should ensure the dissemination of any other information as agreed with the investors.

- The AIF should ensure that an effective risk management process and appropriate internal controls are in place.

- The AIF should have written policies and procedures to identify, monitor and appropriately mitigate any potential conflict of interest throughout the scope of its business.

- The AIF should not use any unethical means to sell, market or induce any investor to buy its units.

- The AIF must have written policies and procedures to comply with anti-money laundering laws.

The code of conduct that ought to be followed by the investment committee, trustee, trustee company and its directors / directors/ designated partners of the AIF ("**Members**") is as follows:

- Members should maintain integrity and the highest ethical and professional standards of conduct.

- Members should ensure proper care and exercise due diligence and independent professional judgment in carrying out their roles.

- Members should disclose details of any conflict of interest to any decisions in a timely manner

and adhere with the internal policies.

- Members should maintain confidentiality of information received regarding the AIF.

- Members should not indulge in any unethical practice or professional misconduct or any act, whether by omission or commission, which tantamount to gross negligence or fraud.

Applicability of stamp duty on units of AIFs

Chapter 18 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023 has clarified that the following rate of stamp duty shall be applicable at the time of issuance and transfer of units of AIF:

Particulars	Stamp Duty Amount
Issue of units of AIF	0.005%
Transfer of units of AIF	0.015%

Investor Charter

As per the Chapter 17 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023, with a view to providing relevant information to investors about the various activities pertaining to AIFs, an Investor Charter has been prepared by SEBI, which is a brief document containing details of services provided to investors, details of grievance redressal mechanism, responsibilities of the investors etc., at one single place, in lucid language for ease of reference and is required to be brought to the notice of all investors. Further, data on investor complaints received against AIFs and each of their schemes and redressal status thereof shall be disclosed by all AIFs.

Dematerialisation of Units

SEBI vide SEBI (AIF) (Second Amendment) Regulations, 2023, notified on 15 June 2023, has mandated that all AIFs shall issue their units to the investors in a dematerialised form in accordance with the conditionalities and modalities as specified by SEBI.

SEBI Regulations on Initial Public Offerings

In exercise of its powers conferred under Section 30 of the SEBI Act, 1992, SEBI notified the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "**ICDR Regulations**"), on 11 September 2018, replacing the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The ICDR Regulations have come in effect from November 10, 2018. The ICDR Regulations apply to, inter alia, initial public offers ("**IPOs**") by an unlisted issuer, rights issue by listed issuer (where the aggregate value of the issue is INR 100 million or more), preferential issue, qualified institutional placements or bonus issue by listed issuer, issue of Indian depository receipts. The Fund is eligible to participate in any IPO or other applicable issuing, subject to the provisions of the ICDR Regulations.

Participation in *private placement of securities*

The Fund may invest in companies by participating in a private offer of securities by an issuer. The Companies Act, 2013, stipulates that the issuing company (whether listed or unlisted) should obtain the prior approval of its existing shareholders, through a special resolution, before it issues its securities on a preferential basis (i.e., any issue that is not a rights issue to all existing shareholders of the company). The ICDR Regulations further lay down certain requirements for preferential issue of

securities by listed companies in a select group of persons on a private placement basis ("**Preferential Allotment**") and for a qualified institutional placement ("**QIP**").

Offer for Sale

Under certain circumstances, existing shareholders are permitted to exit from companies through an "offer for sale" of their holdings to the public. A company, whose equity share or any security convertible at a later date into equity shares are offered through an "offer for sale", has to comply with the conditions described under the ICDR Regulations. Additionally, only those shares, which are held by the offeror for a period of at least one-year at the time of filing the draft offer document with SEBI can be offered to the public through an "offer for sale".

Takeover Regulations

Under the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Code**"), any acquirer who acquires or holds, together with persons acting in concert with him, 5% or more of the shares or voting rights of a listed public Indian company, is required to notify such target company and the stock exchanges on which the shares of such company are listed about its holding within the prescribed time period. Furthermore, any acquirer who holds, together with persons acting in concert with him, 5% or more of shares or voting rights is required to inform the target company and the stock exchange about any change (acquisition or disposal) in its holding by 2% or more of the shares or voting rights in the target company.

Upon the acquisition of 25% or more of shares or voting rights or on acquisition of control of the company, whether directly or indirectly, the purchaser / acquirer is required to make an open offer to the other shareholders offering to purchase at least 26% of all the outstanding shares of the company at an offer price as determined pursuant to the provisions of the Takeover Code (the "**Open Offer**"). Further, under the provisions of the Takeover Code, any existing shareholder of a listed public Indian company, holding 25% or more but less than 75% of the shares of the company, is entitled to acquire up to 5% voting rights of the company, in any financial year ending March 31 without having to make the Open Offer.

There are certain exemptions under the Takeover Code from the requirement to make an Open Offer in certain specific instances such as an inter se transfer of shares amongst the persons named as promoters in the shareholding pattern filed by the target company in terms of the listing agreement or the Takeover Code for not less than three years prior to the proposed acquisition and transfer of shares pursuant to arrangement involving the target company as a transferor company or as a transferee company, or reconstruction of the target company, including amalgamation, merger or demerger, pursuant to an order of a court or a competent authority under any law or regulation, Indian or foreign. A company may invest through subscription of shares under the preferential route or purchase of shares from existing promoters or shareholders in which case, it would be required to comply with the public offer provisions of the Takeover Code if the post-acquisition holding of the fund is in excess of the prescribed thresholds.

Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations, 2015 and any modifications and re-enactments thereof as applicable from time to time ("**Insider Trading Regulations**") has repealed and replaced the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Insider Trading Regulations prohibits an insider from dealing, either on its own behalf or on behalf of any other person, in the securities of a

company listed on any stock exchange when in possession of unpublished price sensitive information. The insider is also prohibited from communicating, counselling or procuring any unpublished price sensitive information while in possession of such information.

Anti-Money Laundering

The Prevention of Money Laundering Act, 2002 (the "**PMLA**") embodies India's legislative commitment to the elimination and prevention of money laundering. The main objectives of the PMLA are the prevention and control of activities concerning money laundering and the confiscation of property derived or involved in money laundering. Under the PMLA, a "Person" is guilty of money laundering if that Person "directly or indirectly attempts or knowingly assists, or knowingly is a party or is actually involved in, any process or activity connected with the proceeds of crime and projecting it as untainted property". The term "proceeds of crime" has been defined under the PMLA to mean property derived or obtained, directly or indirectly, by any Person as a result of criminal activity relating to an offense listed in the schedule to the PMLA.

The PMLA mandates certain entities such as banks, financial institutions and intermediaries (dealing in securities) to maintain a record of all transactions above a certain value or of a suspicious nature, as prescribed in the rules promulgated under the PMLA. The transactions so prescribed may be a single transaction or a series of inter-connected transactions that take place within one month ("**Transactions**"). The institution must provide information relating to such Transactions to the director appointed under the PMLA within the prescribed time limit. These institutions also must verify and maintain the records of identity of their clients in the manner prescribed in the rules under the PMLA. The PMLA also confers discretionary power on the principal officer of a bank, financial institution or intermediary to report Transactions that have been valued below the prescribed limits to escape scrutiny.

The Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act ("**MSMED Act**") was notified in 2006,primarilyto address policy issues affecting micro, small and medium enterprises ("**MSMEs**")as well as the coverage and investment ceiling of the MSME sector. The Act is divided into 6 chapters and 32 sections, with the objective of facilitating the promotion and development and enhancing the competitiveness of MSMEs. It provides the first-ever legal framework for recognition of the concept of 'enterprise' which comprises both manufacturing and service entities. It defines 'medium enterprises' for the first time and seeks to integrate the 3-tiers of these enterprises, namely, micro, small, and medium. The Act also provides for a statutory consultative mechanism at the national level with a balanced representation of all sections of stakeholders.

In May, 2020, the definition of MSME was amended, whereby the investment limit has been revised upwards and an additional criterion of turnover has been introduced. Further, the distinction between manufacturing and services has been done away with. Moreover, the Aatmanirbhar Bharat Abhiyaan has brought a slew of incentives including financial stimulus to MSMEs, in order to neutralise the effect of COVID-19 and improve the economic health of MSMEs.

THE ABOVE IS ONLY A BRIEF AND GENERAL SUMMARY OF CERTAIN LEGAL AND REGULATORY CONSIDERATIONS AND CONSEQUENCES. INVESTORS ARE URGED TO CONSULT THEIR OWN ADVISORS IN THIS REGARD.

TAX CONSIDERATIONS

The following note is a summary of the principal Indian tax consequences for the Fund and for the investors of the Units of the Fund. In view of the particularized nature of tax consequences, each investor is advised to consult its own tax adviser with respect to the specific tax consequences arising due to investment in the Fund. Additionally, the following tax considerations are with respect to the income-tax implications in India arising to the potential investors and do not cover the local tax implications under the respective jurisdictions of the potential non-resident unitholders/ investors. The Fund, the Trustee, the Sponsor, the Manager and their related persons accept no responsibility for any loss suffered by any investor, as a result of current taxation law and practice or any changes thereto.

This summary does not purport to be a complete analysis of all relevant tax considerations, nor does it purport to be a complete description of all potential risks inherent in purchasing or holding interests in the fund. The conclusions summarized herein could be adversely affected if any of the material factual representations on which they are based should prove to be inaccurate. The summary is based on laws, regulations, rulings, judicial decisions now in effect and current administrative rules, practices and interpretations, all of which are subject to change, with possible retrospective effect.

The income tax law in India is contained under the ITA, and the ITA is amended each year by the Finance Act. The rates specified in this section pertain to the FY 2021-22 as provided under the ITA read with the Finance Act 2021. The tax rates stated below are exclusive of surcharge and health and education cess (unless stated otherwise).

TAXATION OF FUND

The Fund has been registered with SEBI as a Category II AIF under the AIF Regulations vide registration number IN/AIF2/21-22/0924.

It is expected that the Fund would generally invest in the Daughter Funds, that will be registered with SEBI as a Category II AIF under the AIF Regulations which shall onwards invest in securities of investee companies in India. Under the provisions of Section 115UB of the ITA, any income accruing or arising to or received by a unitholder of a Category II AIF shall be taxed in the same manner as if it the investments made by Category II AIF were directly made by such unitholder. Accordingly, income accruing or arising to or received by the Fund from the Daughter Funds would be taxed in the same manner as if the investments in the investee companies were made directly by the Fund.

Further, since the Fund is also registered as a Category II AIF, income accruing or arising to or received by the Fund from its investments in the Daughter Funds (and consequentially the investee companies) would be taxed in the same manner as if the investments in the in the Daughter Funds (and consequentially investee companies) were made directly by its investors.

In view of the above, it is expected that the Fund could earn the following streams of income from its portfolio investments:

- Gains arising from the transfer of securities in the investee companies;
- Dividend income; and

- Interest income.

A separate income-tax regime, for Category I and II AIFs, has been provided under the ITA. Under the specified tax regime, the taxability of such AIFs would be based on whether or not the income of the AIF is characterized as 'profits and gains from business or profession'.

Taxation on individual income components

Characterisation of income

Gains arising from the transfer of securities held in the companies may be treated either as "capital gains" or as "business income" for tax purposes, depending upon whether such securities were held as a capital asset or trading asset (*i.e.*, stock-in-trade). Traditionally, the issue of characterisation of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation. There have been judicial pronouncements on whether gains from transactions in securities should be taxed as "business profits" or as "capital gains". However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Also, the Central Board of Direct Taxes ("**CBDT**") has provided guidance, *vide* its Instruction: No. 1827, dated 31 August 1989 ("**CBDT Instructions**") and Circular No. 4/2007, dated 15 June 2007 ("**CBDT Circular 2007**"), in respect of characterisation of gains as either capital gains or business income. Following are the key illustrative factors indicative of capital gains characterisation (not business income):

(a) Intention at the time of acquisition – capital appreciation;

(b) Low transaction frequency;

(c) Long period of holding;

(d) Shown as investments in books of accounts (not stock in trade);

(e) Use of owned funds (as opposed to loan) for acquisition;

(f) Main object in constitution document is to make investments; and

(g) Higher level of control over the portfolio vehicle.

Further, CBDT had issued a circular no. 6/2016 dated 29 February 2016 ("**CBDT Circular 2016**"), clarifying the issue of taxability of gains arising on sale of listed shares and securities. The CBDT Circular 2016 laid down guiding principles in relation to characterization of gains from sale of listed shares and securities, either as business income or capital gains. It had clarified that the income-tax officer would not dispute any income arising from transfer of listed shares and securities held for more than 12 (twelve) months, if the same was treated as, and offered to tax under the head, 'capital gains', subject to genuineness of the transaction being established. However, the CBDT Circular 2016 did not deal with the treatment of capital gains in case of unlisted shares.

To avoid disputes/ litigation and to have a consistent view in assessments, the CBDT had issued an instruction on 2 May 2016, to the tax department, on determining the tax treatment of income arising from transfer of unlisted shares, providing that income from transfer of unlisted shares (for which no formal market exists for trading) would be treated as 'capital gain' irrespective of period of holding. However, the CBDT has carved out the following 3 (three) exceptions for the Income Tax department to take an appropriate view, if:

(a) The genuineness of transactions in unlisted shares itself is questionable;

(b) The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or

(c) The transfer of unlisted shares is made along with the control and management of underlying business.

Further, the CBDT has issued a clarification dated 24 January 2017 stating that the exception regarding transfer of unlisted shares along with 'control and management of the underlying business' shall not be applicable to a Category I and Category II AIFs.

Therefore, in this regard, the characterization of income of the Fund will need to be evaluated every year, based on the facts existing in that year. The Fund intends to organise itself in a manner that it complies with the conditions and parameters mentioned in the CBDT Circular 2007, CBDT Circular 2016, and CBDT Instructions such that, the income from sale of securities in the investee companies should generally be categorised as capital gains. However, the possibility of the tax authorities seeking to treat such income as business income cannot be ruled out.

Taxability of the–Fund - If income is not characterized as "business income"

In case the income of the Fund is not characterized as "business income", it should be exempt from tax at the level of the Fund.

In such a case, the income accruing or arising to or received by the Investors out of investments made in the Fund should be taxed in the hands of the Investors in the same manner as if it were the income accruing or arising to, or received by the Investors had the investments by the Fund been made directly by them.

Taxability of the–Fund - If income is characterized as "business income"

In case the income of the Fund is characterized as "business income", then the Fund should be taxable in respect of such income at the applicable corporate tax rate. The corporate tax rates applicable to Indian companies shall be 30% / 25% (for companies having a turnover of less than INR 400 crores for the year 2019-20), unless it opts for a concessional tax regime under section 115BAA of the ITA which provides for a concessional tax rate of 22%.

However, such income of the Fund should be exempt from tax in the hands of the Investors.

Loss carry forward and set-off

Unabsorbed losses of the Fund (not absorbed by current year income), can be carried forward and set off at the Investor level on a pass-through basis, except for the following losses:

- Unabsorbed business losses of the Fund, which shall be allowed to be carried forward and set off at the Fund level; and

- Unabsorbed losses other than business losses in case of those Investors who hold units of the Fund for less than 12 months.

Withholding tax implications

In respect of income (other than 'business income') that is paid to or credited to the account of the Investors who are resident in India, the Fund would be required to deduct tax at source at a rate of 10% (ten per cent). It is to be noted that as per Section 196 of the ITA, no deduction of tax shall be made from any sum payable to inter-alia (i) the Government and (ii) the corporation established by or under a Central Act which, under any law for the time being in force, exempt from income tax on its income.

In the case of non-resident Investors, the Fund would be required to deduct tax at the rates in force (which include rates prescribed under the applicable tax treaty). No withholding tax should be required in respect of any income which is not chargeable to tax under the ITA when such income is paid or credited to the account of non-residents.

The ITA provides that where a recipient of income (which is subject to withholding tax, and is a non resident for tax purposes) does not furnish its PAN, then tax is required to be deducted by the payer at the higher of the following i.e., (i) rates specified in the relevant provisions of the ITA; (ii) rates in force; or (iii) at 20% (twenty per cent). In case of non-residents not having a PAN, this provision requiring tax deduction at a higher rate shall not apply if they furnish certain prescribed information / documents.

Accordingly, in case of Investors who do not have a PAN, the Fund would be required to withhold taxes at a minimum rate of 20% (twenty per cent). In case of non-resident investors, the minimum rate of 20% shall not apply if such investor provides their tax residence certificate and certain other prescribed information / documents.

Further, the ITA also provides that where the recipient (other than a non-resident not having a permanent establishment in India) has not filed its income tax return for two financial years preceding the relevant financial year and such recipient has suffered withholding tax or tax has been collected from such recipient of an amount aggregating to INR 50,000 or more in each of the last two financial years, then except in case of certain specified payments[7], the tax shall be deducted at the higher of the following rates, namely:

- twice the rate specified in the relevant provision of the IT Act; or
- at twice the rate or rates in force; or
- at the rate of five per cent.

Further, where the recipient has neither furnished its PAN (which entails withholding of tax at minimum of 20% under current provisions) nor filed its tax return for last two financial years, tax shall be withheld at higher of the rates under both the provisions. These provisions are applicable from 1 July 2021.

Income earned by the Fund, if not paid or credited to the Investor in the relevant financial year, would be deemed to have been credited to the account of the Investor on the last day of the financial year, and accordingly, tax would have to be withheld by the Fund on the same.

[7] Payments in nature of salary, winnings (from lottery, crossword puzzle, horse race, etc), income in respect of investment in securitization trust, payments of certain amounts in cash by banks.

The Daughter Funds and the investee entities, if any, should not be liable to deduct tax on any payments of any income (other than income characterized as 'business income') made by the Investee Entities / Daughter Funds to the Fund.

Reporting to the income-tax authorities and the Investors by the Fund

The Fund or the person responsible for crediting or making payment of income on behalf of Fund shall furnish a statement in Form 64C to the Investors and a statement in Form 64D to the prescribed income-tax authority, giving details of the nature of the income paid or credited during the relevant year and such other relevant details, as may be prescribed.

As per Section 139(4F) of the Income-tax Act, every Fund shall furnish the return of income in respect of the income or loss *i.e.*, it shall be mandatory for the Fund to file its return of income.

Other key aspects

Deemed income on investment in shares / securities

In terms of Section 56(2)(x) of the ITA, if shares / securities are received for less than the fair market value of the shares / securities (computed as per prescribed rules), the difference between the price paid and fair value thereof shall be deemed as ordinary income of the recipient. The Finance (No.2) Act, 2019, introduced a provision enabling the Government of India to notify class of persons (subject to prescribed conditions), receipt from which would not be subject to tax under this provision.

Separately, if shares other than "quoted shares" are transferred for less than the fair value of the shares (computed as per prescribed rules), the fair value of such unquoted shares shall be deemed to be the sale consideration for the seller, for computing its capital gains for Indian tax purposes. "Quoted share" is defined as *"the* share *quoted on any recognised stock exchange with regularity from time to time, where the quotation of such share is based on current transaction made in the ordinary course of business."*

Thus, if the Investor acquires Units of the Fund or the Fund acquires units of the Daughter Funds or shares or securities of the investee companies directly or by way of its investments in the Daughter Funds, at a price below fair value thereof, the difference between the fair value of the shares/securities as per the provisions of Section 56(2)(x) of the ITA and the actual purchase price, would be deemed as ordinary income of the Investors in the Fund and taxed accordingly. Further, if the Fund sells unquoted shares of the investee companies (directly or by Daughter Funds) at a price below fair value thereof, the fair value will be deemed as the minimum sale consideration for the purpose of computing capital gains tax and the Investors will be taxed accordingly (on a pass-through basis).

TAXATION OF DIFFERENT STREAMS OF INCOME IN THE HANDS OF INVESTORS

The income tax implications on the different income streams would depend on whether the investor is a resident or non-resident of India. Tax implications for a resident investor are as follows:

(a) Interest (characterised as business income)**:** Interest income should be subject to tax as ordinary income.

(b) Dividend: Dividend declared or distributed on or after 1 April 2020 shall be taxable in the hands of the shareholders/unitholders at the ordinary income tax rate in case of Indian residents.

(c) Capital gains on sale of securities: As stated earlier, the nature of income in the hands of the investors would be derived from the nature of income earned by the Fund. Any capital gains arising to the Fund should be characterized as capital gains in the hands of the investors. The capital gains would be classified as long term or short term, depending upon the period of holding and nature of the assets.

Any listed securities (other than units) and units of equity-oriented fund held by the Fund / Daughter Funds (acquired out of the investments received from the Fund) for a period of more than 12 (twelve) months, immediately preceding the date of transfer, should qualify as long-term capital asset and upon transfer of such assets, gains should be classified as long-term capital gains. Any unlisted shares of an investee company held by the Fund / Daughter Funds (acquired out of the investments received from the Fund) for a period of more than 24 (twenty-four) months immediately preceding the transfer, will qualify as a long-term capital asset. In the case of other securities held by the Fund/ Daughter Funds, such instruments should be held by the Fund / Daughter Funds for more than 36 (thirty-six) months, immediately preceding the date of transfer, to qualify as a long-term asset.

Capital gains should be taxable in the hands of Investors resident in India at the rates mentioned in the table below:

TYPE OF INSTRUMENT	LONG-TERM CAPITAL GAINS	SHORT-TERM CAPITAL GAINS
(i) Equity shares listed on a recognized stock exchange; or (ii) Units of equity-oriented fund on which STT has been paid.	10% (without indexation) Gains upto INR 1,00,000 exempt from tax.	15%
Listed bonds or listed debentures	10% (*_Note 1_)	Taxed at the rate applicable for ordinary income
Listed shares and STT has not been paid	10% (without indexation) or 20% (with indexation)	Taxed at the rate applicable for ordinary income
Unlisted securities (other than unlisted bonds and unlisted debentures) including units of the Fund	20% (with indexation)	Taxed at the rate applicable for ordinary income
Units of mutual fund (other than equity-oriented fund on which STT is paid)	20% (with indexation)	Taxed at the rate applicable for ordinary income
Unlisted bonds or unlisted debentures	20% (*_Note 1_)	Taxed at the rate applicable for ordinary income

*_Note 1_: Indexation benefit is not available on bonds and debentures.

The tax implications on the income streams for non-resident Investors[8], are as follows:

[8] This section does not deal with the taxability of the streams of income mentioned therein under the local laws of the respective non-resident investor jurisdiction, which needs to be separately evaluated. Further, this section does not include the rates applicable to FPIs

(a) **Interest** (if not characterised as business income): Interest income attributable to a foreign company and other non-resident Investors, should be subject to tax at the rate of 40% (in case of a foreign company) and 30% (for persons other than foreign company) respectively.

(b) **Dividends**: Dividend declared or distributed on or after 1 April 2020 shall be taxable in the hands of the shareholders/unitholders @20%.

(c) **Capital gains on sale of securities**: Any capital gains arising to the Fund should be characterized as capital gains in the hands of the Investors.

The capital gains should be classified as long term or short term, depending upon the period of holding and nature of the assets. Any listed securities (other than units) and units of equity-oriented fund held by the Fund / Daughter Funds (acquired out of the investments received from the Fund) for a period of more than 12 (twelve) months, immediately preceding the date of transfer, should qualify as long-term capital asset and upon transfer of such assets, gains should be classified as long-term capital gains. Any unlisted shares of an Investee Entity held by the Fund / Daughter Funds (acquired out of the investments received from the Fund) for a period of more than 24 (twenty-four) months immediately preceding the transfer will qualify as a long-term capital asset. In the case of other securities held by the Fund, such instruments should be held by the Fund / Daughter Fund for more than 36 (thirty-six) months, immediately preceding the date of transfer, to qualify as a long-term asset. Capital Gains should be taxable in the hands of non-resident Investors, at the rates mentioned in the table below.

TYPE OF INSTRUMENT	LONG-TERM CAPITAL GAINS	SHORT-TERM CAPITAL GAINS
(i) Equity shares listed on a recognized stock exchange; or (ii) units of equity oriented mutual fund on which STT has been paid.	10% Gains upto INR 1,00,000 exempt from tax.	15%
Listed bonds or listed debentures or listed shares on which STT is not paid	10% (Note 1)	40% (in case of corporates) / 30% (others)
Unlisted securities (including unlisted bonds, unlisted debentures, units of the Fund)	10% (Note 1 and 2)	40% (in case of corporates) / 30% (others)
Units of mutual fund (other than equity oriented fund on which STT is paid)	10% (20% if the units are listed)	40% (in case of corporates) / 30% (others)

Note 1: Indexation benefit is not available in case of non-resident investors.

Note 2: If unlisted bonds or debentures are not regarded as unlisted "securities"[9], the Indian tax authorities may seek to apply a higher rate of 20% on long-term capital gains arising on sale of unlisted bonds / debentures by non-residents

Treaty Benefits for Non-Resident Investors

As per Section 90(2) of the ITA, the provisions of the ITA would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ("**Treaty**") between India and the country of residence of the non-resident investor (subject to the provisions of the General Anti Avoidance Rules and Multilateral Instrument as discussed below). This chapter does not discuss the tax implications applicable to the non-residents under a beneficial Treaty, which would need to be analysed separately based on the specific facts.

Tax Residency Certificate

In order to claim Treaty benefits, the non-resident Investor has to obtain the TRC as issued by the relevant authorities of its home jurisdiction. Further, the non-resident Investor shall be required to furnish such other information or document as may be prescribed. In this connection, the CBDT *vide* its notification dated 1 August 2013 has prescribed certain information in Form No. 10F to be produced along with the TRC, if the same does not form part of the TRC.

The tax authorities may grant Treaty benefit (after verifying the TRC) based on the facts of each case.

Securities transaction tax

STT is payable on certain on-market transactions (sale and purchase) ranging from 0.001% to 0.2% on the value of the transaction.

General Anti-Avoidance Rules

Under the Income-tax Act, General Anti Avoidance Rules ("**GAAR**") may be invoked by the income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the four below mentioned tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing 't arm's-length;
- It results in directly / indirectly misuse or abuse of the provisions of the ITA;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into or carried out in a manner, which is not normally employed for bona fide purposes.

In such cases, the tax authorities are empowered to determine tax implications based on "substance"

[9] As defined under the Securities Contracts (Regulation) Act, 1956

ignoring the "form" of the arrangement. Some of the illustrative powers are:

- Disregarding or combining or re-characterising any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situs of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure;
- Re-characterising equity into debt, capital into revenue, etc. and
- Denying benefits of a Treaty.

The provisions of GAAR came into effect on 1 April 2017.

It is provided that GAAR shall not apply, *inter alia*, to arrangements where the aggregate tax benefit in a relevant year, to all the parties involved, does not exceed INR 3 crores.

Multilateral Convention to implement Treaty related measures to prevent Base Erosion and Profit Shifting

Note that India has signed the Multilateral Instrument (**"MLI"**) issued by the Organisation for Economic Co-operation and Development and therefore India's tax treaties with other jurisdictions which have also signed the MLI have been notified as 'covered tax agreements.' Amongst other provisions that may be agreed in a covered tax agreement, one of the provisions seeks to deny tax treaty benefit where the *'any of the principal purpose of an arrangement or a transaction is to claim the tax treaty benefit'*, unless it is established that granting the tax benefit is in accordance with the object and purpose of the relevant tax treaty.

TRANSFER OF UNITS OF THE FUND

The tax implications arising on transfer / redemption of units of the Fund shall be as follows:

In case the Units of the Fund qualify as capital assets, any profits or gains arising from the transfer of such units shall be chargeable to income-tax under the head 'Capital Gains'. The gains would be taxable as short-term capital gains if the units are held for a period of 36 (thirty-six) months or less immediately preceding the date of transfer, otherwise, the gains would be taxable as long-term capital gains. The applicable tax rates shall be as follows:

NATURE OF INCOME	TAX RATE FOR INVESTORS WHO ARE RESIDENTS IN INDIA	TAX RATE FOR INVESTORS WHO ARE NON-RESIDENTS NOT BEING AN FPI (SUBJECT TO PROVISIONS OF THE APPLICABLE TREATY)
Short-term capital gains	Taxed at the rate applicable for ordinary income	40% (in case of corporate investors) or 30% (in case of non-corporate Investors)

Long-term capital gains	20% (with indexation benefit)	10% (without indexation)

TAX COLLECTION AT SOURCE ('TCS') ON SALE OF 'GOODS'

Under the ITA, every seller who receives consideration for sale of goods exceeding INR 5 million from a buyer in a financial year, is required to collect TCS at 0.1% on the consideration exceeding INR 5 million. Seller has been defined to mean a person whose total sales or turnover or gross receipts from the business in the financial year immediately preceding the financial year in which the sale of goods is carried out exceeds INR 100 million. While the term "goods" is not defined under the ITA, the CBDT has clarified that (a) TCS will not be applicable on transactions involving securities and commodities which are traded through recognised stock exchange or cleared and settled by recognized clearing corporation and (b) where the buyer is required to withhold tax and has actually withheld such tax. Thus, the applicability of TCS on the investments / divestments by the Fund needs to be evaluated on a case-to-case basis.

TAX DEDUCTED AT SOURCE ('TDS') ON PURCHASE OF GOODS

As per the ITA, with effect from July 1, 2021, a buyer whose sales, turnover or gross receipts from business exceeds INR 10 crores during the immediately preceding financial year, shall be liable to deduct TDS at the rate of 0.1% on consideration paid to a resident seller in excess of INR 50 lakhs for sale of goods. TDS would need to be deposited with the Indian Government to the credit of the seller, basis which seller would get credit of such taxes deducted by buyer. Similar to TCS provisions, the term "goods" is not defined for TDS purpose as well. However, it has been clarified that this TDS provision would not be applicable (a) on transactions involving securities and commodities traded through recognised stock exchange or cleared and settled by recognized clearing corporation (b) where a buyer is liable to deduct TDS under any other provisions of the ITA and (c) where a buyer is a non-resident and the purchase of goods by such non-resident is not effectively connected to its permanent establishment in India.

OVERVIEW OF TAXATION AT INVESTEE COMPANY LEVEL

Corporate Tax

The corporate tax rates applicable to Indian companies shall be 30% / 25% (for companies having a turnover of less than INR 400 crores for the year 2018-19). In certain circumstances, companies can elect to be taxed at a concessional corporate tax rate as discussed below:

(a) A company can opt to be taxed at a corporate tax rate of 22% without claiming certain specified exemptions / incentives.

(b) Indian Manufacturing companies can avail a corporate tax rate of 15% / 25% subject to fulfilment of certain conditions.

If any investee entity incurs a business loss, such loss should be allowed to be carried forward (subject to prescribed conditions) for a period of 8 (eight) years and set off against future business income.

Minimum Alternative Tax

If the income-tax payable on the taxable income as per the regular provisions is less than the tax computed at 15% on the profits of the Investee Entity as per its books (after prescribed adjustments), a Minimum Alternative Tax ("MAT") is payable at the rate of 15% on such book profits. An exemption from the MAT provisions has been provided in certain cases for Indian companies which opt to be taxed at a concessional tax rate (subject to conditions as discussed above).

Where MAT has been paid, credit is available in subsequent financial years for the MAT paid in excess of income-tax payable in a financial year. This credit should be eligible to be carried forward for 15 (fifteen) years and set-off against future income-tax payable to the extent normal income-tax payable exceeds MAT in that financial year

Shares subscribed at premium

If the shares of a company in which the public is not substantially interested ("**Closely Held Company**") are subscribed by a resident at a premium above fair value of the shares (to be determined in the prescribed manner), the difference between consideration for subscription and fair market value of such shares would be considered as ordinary income of the Investee Entity and taxed accordingly. However, an exemption from such tax (payable on excess premium received on issuance of its shares) is provided if shares are issued by a venture capital undertaking (as defined under the ITA) to a Category I or Category II AIF.

SURCHARGE AND HEALTH AND EDUCATION CESS

The above rates of income-tax shall be increased by the following surcharge on income-tax:

PARTICULARS	SURCHARGE ON INCOME-TAX
Resident companies with income exceeding: - INR 10 million but less than INR 100 million - INR 100 million Note: In certain cases where an Indian company opts to be taxed at a concessional tax rate, the rate of surcharge shall be 10%, irrespective of the amount of income.	 7% 12%
Non-resident companies with income exceeding: - INR 10 million but less than INR 100 million - INR 100 million	 2% 5%

Firms with total income exceeding INR 10 million	12%
Resident and non-resident Individuals, Hindu undivided family, association of persons or body of individuals, whether incorporated or not, or an artificial juridical person with total income exceeding: - INR 5 million but less than INR 10 million - INR 10 million but less than INR 20 million - INR 20 million but less than INR 50 million - INR 50 million Note: The enhanced rates of surcharge of 25% and 37% shall not apply in case of dividend and in case of capital gains arising on an on-market transfer of the following securities (where applicable STT has been paid): • Equity shares • Units of an equity-oriented fund • Units of a Real Estate Investment Trust (REIT) or Infrastructure Investment Trust (InvIT), the units of which are required to be listed on a recognized stock exchange in India	10% 15% 25% 37%

In addition to the surcharge, health and education cess is chargeable at 4% on income-tax as increased by applicable surcharge.

IMPORTANT QUALIFICATION

THE ABOVE INFORMATION DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL RELEVANT TAX CONSIDERATIONS; NOR DOES IT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL POTENTIAL TAX COSTS, INCIDENCE AND RISKS INHERENT IN PURCHASING OR HOLDING THE UNITS OF THE FUND. THE INFORMATION CONTAINED HEREIN IS BASED ON AN INTERPRETATION OF PREVAILING TAX LEGISLATION AND COULD THEREFORE CHANGE OR BE ADVERSELY AFFECTED IF ALTERNATIVE INTERPRETATIONS ARE ADOPTED. NO REPRESENTATION IS MADE EITHER BY THE FUND OR THE INVESTMENT MANAGER OR ANY EMPLOYEE, DIRECTOR, SHAREHOLDER OR AGENT OF THE INVESTMENT MANAGER IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION OF THE FUND AND TAXATION OF UNIT HOLDERS OF THE FUND BY THE INCOME TAX AUTHORITIES UNDER THE ITA.

SELF RELIANT INDIA (SRI) FUND

SCHEDULE I: DEFINITIONS

Advisory Board	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
AIF	means an alternative investment fund registered with SEBI under the AIF Regulations.
AIF Regulations	means SEBI (Alternative Investment Funds) Regulations, 2012 as amended, modified, restated, and/or enacted from time to time. The term 'AIF Regulations' shall also deem to include all guidelines, directions, regulations, rules and notifications issued by the Government or any statutory or regulatory authority or SEBI for the operation and management of AIFs, or any legislation in regard thereto, if applicable to the Fund.
AMC Agreement	shall have the meaning ascribed to the term in "**SECTION VI: MANAGEMENT AND ADMINISTRATION**".
Anchor Investor	means Government of India, which is a Contributor to the Fund.
Applicable Law	means any applicable Indian statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument, which has a force of law in India, as is in force from time to time. For the avoidance of doubt, the term 'Applicable Law' shall include the AIF Regulations.
Associate	means a company or a limited liability partnership or a body corporate in which a director or trustee or partner or Sponsor or InvestmentManager of the Fund or a director or partner of the Investment Manager or Sponsor holds, either individually or collectively, more than fifteen percent of its paid-up equity share capital or partnership interest, as the case may be.
Auditors	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Business Days	means a day other than a Saturday, Sunday or a public holiday on which banks in New Delhi, India are open for normal banking business.
Board	shall have the meaning ascribed to the term in "**SECTION I: EXECUTIVE SUMMARY**".
Capital Commitment	means the aggregate amount agreed by a Contributor to be contributed to the Fund in accordance with the provisions of the Contribution Agreement

	and this Memorandum.
Capital Contribution	means the portion of the Capital Commitment that has been contributed to the Fund or deemed to be contributed by a Contributor to the Fund, pursuant to the execution of the Contribution Agreement and as per the applicable Drawdown Notice and terms of the Contribution Agreement.
Category II AIF	means a Category II Alternative Investment Fund under the AIF Regulations.
Class or Classes	means a class or classes of Units of the Fund for the purpose of segregating class assets and class liabilitiesand includes Class A Units and Class B Units and any additional Units as may be issued through this Memorandum.
Class A Units	means Class A Units of the Fund being offered through this Memorandum and to be subscribed to by the Anchor Investor.
Class A Contributors	means the holders of Class A Units.
Class B Units	means Class B Units of the Fund being offered through this Memorandum and to be subscribed to by the Sponsor.
Class B Contributors	means the holders of Class B Units.
Closing	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Commitment Period	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Conflicted Transaction	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Contribution Agreement	means the agreement entered into in relation to Fund, between each Contributor and the Investment Manager primarily to regulate the acceptance and disbursal of Capital Contributions and the disbursal of the income earned thereon.
Contributors / Unitholders	means such Persons who have made or agreed to make Capital Commitment and (i) who fulfil the 'know your client' norms as prescribed by SEBI and the Investment Manager from time to time, and (ii) each of such Persons have made or agreed to make Capital Commitment to the Fund in accordance with the Contribution Agreement and this Memorandum.
Contribution Fund	means the aggregate of all Capital Contributions of the holders of Class A Units and Class B Units and any additions thereto and undistributed income accumulated in respect thereof.
Custodian	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".

Daughter Funds	means such Category I and Category II AIFs, including private equity funds, venture capital funds or angel funds, and any incorporated or unincorporated pool of capital or fund, in which the Fund has invested or is authorised to invest under Applicable Law.
Drawdown	shall have the meaning as ascribed to it in **'SECTION VII: SUMMARY OF PRINCIPAL TERMS**'.
Drawdown Notice	shall have the meaning as ascribed to it in **'SECTION VII: SUMMARY OF PRINCIPAL TERMS**'.
MSME	means Micro, Small & Medium Enterprises.
Establishment Expenses	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Force Majeure	means an event beyond the control of the Investment Manager, which is not caused due to any fault or negligence of the Investment Manager and is not reasonably foreseeable. Force Majeure events shall be deemed to include, but not be limited to blockade, riots, floods, natural calamities, acts of God or public enemies, fires, floods, epidemics, quarantine restrictions, strikes and other industrial disputes, unusually severe weather, pandemic, typhoons, earthquakes, or volcanic eruptions, import / export restrictions, any law, rule, regulation, judgment or decree which will have a material adverse effect on providing the services, change of policies by Central/State Government of and disruptions due to political / industrial agitation.
Fund or SRI Fund	means the Self Reliant India (SRI) Fund.
Fund Documents	means the documents as detailed in the "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
GAAR	means General Anti Avoidance Rules as provided for under Chapter 10A of the ITA.
Government	means the Government of India or any Indian central, state or local government authority, agency, branch or body or any instrumentality thereof.
Investment Committee	shall have the meaning as ascribed to it in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS'**.
Interested Party	shall have the meaning as ascribed to it in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS'**.

Investment Management Agreement	means the agreement entered into by and between the Board and the Investment Manager for appointment of Investment Manager to advise, administer and manage on matters relating to the investment, management and administration of the Fund, as amended, modified or supplemented from time to time.
Investment Manager or SVL	means SBICAP Ventures Limited.
Investment Proceeds	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Investment Policy	means the investment policy of the Fund as approved by the Advisory Board.
INR/ Rs/ Rupees	means the lawful currency of the Republic of India.
IPO	means initial public offering.
IT sector	means the information technology sector.
ITA	means Income Tax Act, 1961, as amended from time to time.
Legal Advisor	mean the legal advisor of the Fund appointed by the Board to advise the Fund with respect to various legal matters from time to time.
MAT	means Minimum Alternate Tax.
Management Fee	means the management fee payable to the Investment Manager in connection with the Fund as set out in the Investment Management Agreement and the Contribution Agreement.
Management Team	is as defined in "**SECTION I: EXECUTIVE SUMMARY".**
Memorandum	means this document and all supplements thereto.
Non-recurring Operating Expenses	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
NSIC	means the National Small Industries Corporation Limited.
NVCFL	means NSIC Venture Capital Fund Limited.
Operating Fees	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Operating Guidelines	the Guidelines for Self-Reliant India (SRI) Fund scheme approved by MoMSME (vide letter No. 1(64)/I&F/Guidelines/2020-21 dated 5thAugust 2020) as may be amended from time to time.

p.a.	means per annum.
Person	includes a Hindu Undivided Family, an individual, corporation, a partnership, a limited liability company, a body corporate, a body of individuals, association, trust, an institutional investor or other entity or organization whether incorporated or not, including a government body (Central or State) or an agency or instrumentality thereof.
PMLA	means the Prevention of Money Laundering Act, 2002.
Portfolio Company	means such company, body corporate, special purpose vehicle, limited liability partnership, enterprise, venture or such special purpose vehicle engaged in the MSME sector in which aDaughter Fund will invest or is authorised to invest subject to compliance with its applicable Investment policy and the AIF Regulations.
Portfolio Investment	means each investment into Daughter Funds made by the Investment Manager on behalf of the Fund pursuant to approval from the Investment Committee, subject to the guidelines and restrictions as prescribed by this Memorandum and theApplicable Law.
Protected Person	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Reserves	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
RBI	means the Reserve Bank of India.
SBI	means State Bank of India.
SBICAPS	means SBI Capital Markets Limited.
Scheme	means the various schemes of NVCFL.
SEBI	means the Securities and Exchange Board of India established under Section 3 of the SEBI Act.
SEBI Act	means the Securities and Exchange Board of India Act, 1992.
Sponsor	means NSIC Limited.
Sponsor Commitment	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".

STT	means Securities Transaction Tax as per Chapter VII of Finance Act (No.2) Act, 2004.
Super Majority of the Members	means not less than 75% of the members of the Investment Committee or the Advisory Board, as applicable.
Super-Majority of the Contributors	mean Contributors having made Capital Contributions, the sum of which equals or exceeds 75% (seventy-five per cent) of the aggregate of all Capital Contributions made in the Fund. With respect to the following items in connection with the Fund, Super-Majority of the Contributors shall be formed with the consent of the two-thirds of Contributors by value of their investment in the Fund: - Extension of the Term of the Fund; and - Any material alteration to the Fund's strategy.
Temporary Investments	shall have the meaning as ascribed to it in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS"**.
Term	shall have the meaning as ascribed to it in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS"**.
Transfer	is as defined in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS'**.
Units	means a unit of Class evidencing Beneficial Interest in the Fund and issued by the Investment Manager to a Contributor on the making of a Capital Contribution and such interest shall include a fraction of a Unit evidencing Beneficial Interest in the Contribution Fund, of a value less that the face value of the unit.

SELF RELIANT INDIA (SRI) FUND

SCHEDULE II: DISCIPLINARY HISTORY

Details of Disciplinary History of the AIF, Sponsor, Investment Manager and each of their Directors/Partners/Promoters and Associates are in coordance with Clause 2.1.5. and 2.1.6. of SEBI Master Circular dated July 31, 2023 and is updated till March 2024

SELF RELIANT INDIA (SRI) FUND

A. **Disciplinary history of the Sponsor as on 31st March 2024**

CONTINGENT LIABILITIES: CLAIMS AGAINST THE CORPORATION NOT ACKNOWLEDGED AS DEBTS

S.No.	Name of the Party	Branch Office / Centre	Particulars	FY 2023-24 (Amount Rs.)	Status
1	NSIC-PTC Employee Union	Head Office	NSIC (Selection Grade)	25.30	1. NSIC PTC Employees Unions vs NSIC (selection grade) pending before Hon'ble High Court of Delhi, The financial implication will remain at Rs.25.30 lakhs (approx.), status sine-die. 2. SLP (C) No.36386/2014 titled AKS Rathore vs NSIC pending Hon'ble Supreme court has no financial implication, status pending.
2	State Bank of India, padmarao Nagar Branch, Secundrabad, Vs. 1. S.N. Reddy, 2. Smt. Sadathunnisa Begum & NSIC Ltd., Hyderabad	BO Hyderabad	RMA	37.17	The unit M/s. S.N. Reddy Enterprises availed with NSIC RMA facility by furnishing the BG issued by SBI. As the unit failed to pay the dues, NSIC invoked the BG's. SBI filed case against the unit, Guarantors for the unit and NSIC stating that the unit submited fake sale deed and obtained the BG's from them. The Hon'ble Court decreed the suit on 11/10/2006 against all the parties directing the defendants including NSIC to pay the suit amount of Rs. 745963/- with interest 18% p.a., from 13/02/2001 till the date of

					realisation and costs of Rs. 25078/- NSIC filed appeal before Hon'ble High Court of A.P. and also requested to grant interim stay. The Hon'ble court while granting interim stay, directed NSIC to deposit the suit costs. Accordingly the NSIC deposited Rs. 25078.00 in the court towards suit costs. Now the case is to be listed.
3	M/s Brahma Teja Paper Products	BO Hyderabad		66.99	M/s Brahma Teja Paper Products filed claim application before MSEFC against NSIC and other Departments. Finally MSEFC Rangareddy distt. issue an Award against NSIC Rs. 66,98,437/-. The Corporation filed an appeal against the said Award before District. Court Rangareddy, at Huderabad and deposited Rs. 50,23,828/- towards 75% of Award MSMED act. This balance amount of Rs. 16.74,609/- has been shown the balance claim amount. The original petition yet to be Number.
3	General Radiators	BO Noida	HP	16.22	In this case our suit was dismissed and party`s counter claim was allowed. We filed appeals in which High Court directed to deposit the decretal amount. Accordingly, we deposited the amount in the High Court and the case is yet to come up for hearing.

4		NTSC Neemka		10.37	Guest Faculties have filed case against NTSC , so liability for the 5 guest faculty involved
		Total		156.05	

PENDING DUES RELATED TO TAX

The National Small Industries Corporation Limited					
FY 2022-23					
S.No	**Name of Statute**	**Nature of Dues**	**Amount to be reported in CARO in FY 2022-23 (Rs.)**	**Period to which the amount relates**	**Forum where the Dispute is Pending**
1	CST Act, 1956	Central Sales Tax	0.49	2009-10	Appellate Deputy Commissioner CT (III), Chennai
2	CST Act, 1956	Central Sales Tax	0.56	2011-12	Appellate Deputy Commissioner CT (III), Chennai
3	Finance Act, 1994	Service Tax	3.29	2009-10	The Commissioner of Service Tax, Chennai
4	Finance Act, 1994	Service Tax	50.89	2015-16 to 2016-17	The Commissioner of Service Tax, Chennai
5	Commercial Tax	Commercial Tax	13.97	2012-13 & 2013-14	Joint Commissioner, Sales Tax, Cuttack, Orissa
6	Service Tax	Service Tax	9.56	October 2007 to June 2012	Appellate Tribunal, Allahabad
7	Sales Tax Act	Differential Tax, Interest & Penalty	15.88	2005-06	Dy. Comm. Of Sales Tax - Appeals (Mumbai)
8	Sales Tax Act	Differential Tax, Interest & Penalty	23.92	2009-10	Dy. Comm. Of Sales Tax - Appeals (Mumbai)

9	Sales Tax Act	Differential Tax, Interest & Penalty	231.24	2012-13	Jt. Comm. Of Sales Tax - Appeals (Mumbai)
10	Sales Tax Act	Differential Tax, Interest & Penalty	18.92	2013-14	Dy. Comm. Of Sales Tax - Appeals (Mumbai)
11	Sales Tax Act	Differential Tax, Interest & Penalty	46.97	2014-15	Jt. Comm. Of Sales Tax – Appeals (Mumbai)
12	Sales Tax Act	Differential Tax, Interest & Penalty	82.43	2015-16	Jt. Comm. Of Sales Tax - Appeals (Mumbai)
13	Customs, Excise & Service Tax	Service Tax & Penalty	1.85	2015-16 to 2016-17	Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Allahabad
14	GST (Compensation to States) Act, 2017	GST State Cess	71.08	2018-19	Joint Commissioner of Central Tax (Appeals), Cuttack
15	Orissa VAT Act	Sales Tax	13.89	2014-15	Joint Commissioner of Sales Tax, Cuttack
16	Income Tax Act	Income Tax Regular Demand	18.39	2016-17	CIT (Appeals)-IX, New Delhi
17	Income Tax Act	Income Tax Regular Demand	0.08	2017-18	DCIT, Circle -25(1), New Delhi
		Total	**603.41**		

Contingent Liabilities (Other money for which the Corporation is contingently liable) FY 2022-23

Sr. No.	Branch	Particulars	Amount Rs. Lacs
1	BO Jamshedpur	Rent-Bihar-State Financial Corporation	19.90
2	NTSC-Chennai	Booked for the Court case- Dindigul casual labour	0.75
3	NTSC Okhla	The case regarding hospital bill of Gardner Shri Bhagat Singh is still pending before the court.	2.89
4	Head Office	SITC of 33/440 KV Sub Station at MDBP SL Electromac	130.02
5	Head Office	Construction of MDBP Building	2533.39
6	Head Office	Guarantees	300.05
7	NTSC Aligarh	Contingent liability towards Shri Rajkumar Case	0.50

8.	NTSC Okhla	Arbitration case going on for foundry shop building, replacement of roof of main workshop building at NTSC-Okhla contractor is Gupta Builder engaged by CPWD.	227.50
		Total	**3215.00**

Figures in INR cr				
	Capital contribution			
	Class A –GoI	10,000.0	99.95%	
	Class B - NSIC/ Sponsor	6.0	0.05%	
	Total	**10,006.0**	**100.00%**	

Disciplinary history of the Manager and its directors

Name of the Fund and details of the Advisory/Caution letter issued by SEBI	**SEBI Remarks**	**Action taken by SVL as IM**
SVL-SME Fund A Caution letter was issued by SEBI to SBICAP Ventures Limited (in its capacity as the investment manager of SVL-SME Fund) dated February 20, 2023 concerning registration of KRA.	The KRA registration for SVL-SME Fund is not procured.	SBICAP Ventures Limited has acknowledged the letter and responded to SEBI on March 1, 2023 stating that the application for KRA registration was made on 10th November 2022 and the registration was received on 02nd December 2022.
UK India Development Cooperation Fund An advisory letter was issued by SEBI to SBICAP Ventures Limited (in its capacity as the investment manager of UKIDCF) dated February 1, 2024 concerning inaccurate	The quarterly report submitted for March 2023 erroneously indicated that hedging and leverage was undertaken in the Fund.	SBICAP Ventures Limited has taken due note of the letter and has submitted that the error was typographical in nature and going forward, it shall make best endeavours to avoid such inadvertent errors.

information submission in the quarterly report.		
SVL-SME Fund An advisory letter was issued by SEBI to SBICAP Ventures Limited (in its capacity as the investment manager of SVL-SME Fund) dated March 7, 2024 concerning failure to maintain an escrow account.	The PPM Audit report submitted for FY 2022-23 comprised an observation about not maintaining an escrow account as required in the PPM of the Fund. Accordingly, SEBI had asked for action taken on such observation and to ensure and improve the compliance in future.	SBICAP Ventures Limited has taken due note of the letter and shared a letter of acknowledgement stating that the requisite escrow account was opened as mentioned in the PPM of the Fund.
Self Reliant India (SRI) Fund An advisory letter was issued by SEBI to SBICAP Ventures Limited (in its capacity as the investment manager of NSIC Venture Capital Fund) dated March 7, 2024 concerning delay in information submission to the investors of NSIC Venture Capital Fund.	The PPM Audit report submitted for FY 2022-23 comprised an observation about the annual audited financial statements not submitted to the investors within a period of 120 days of end of financial year as mentioned in the PPM.	SBICAP Ventures Limited has taken due note of the letter. To ensure compliance with the said clause in PPM, 100% consent was obtained from the investors to change the period of 120 days to 180 days (as per the SEBI AIF regulation) in PPM for submission of annual audited financial statements not submitted to the investors.

Details of litigation filed by SBICAP Ventures Limited as Investment Manager of SWAMIH Investment Fund I

Nature of litigation and brief details	**Status**	**Developments as of date**
Akash Gupta & Ors V. Shree Vardhaman Infrahome Pvt. Ltd. Homebuyers have filed an Application being	SVL has filed an impleadment application to be made a party to the matter in order to ensure that SVL's rights are safeguarded.	Next date is in May, 2024

Application No.1893 of 2017 filed in the National Consumer Disputes Redressal Commission to claim compensation. We have also initiated CIRP proceedings against the Developer, the Corporate Debtor and the Personal Guarantors.		
Writ Petition No. 1360 of 2023 filed in the Bombay High Court against the Directorate of enforcement, Bengaluru ("ED") to vacate attachment of the secured units (in project known as castles Vista Private Limited) that were attached by the ED	The Bombay HC has vacated the attachment and passed a favourable order in favour of SVL and disposed off the matter.	In furtherance of receiving a favourable order in the Bombay High Court, SVL has filed an application in the Karnataka High Court in in Writ Petition No. 20713 of 2022 filed by Mantri Developers Private Limited against the ED to get a clarification with respect to setting aside of the stay on sale of units in the project. We have received a favourable order from the Karnataka HC as well and the stay by the ED has been vacated.
Arbitration Petition (L) No. 24409 of 2023 was filed in the Bombay High Court against Shree Naman Developers Private Limited wherein the landowners (Petitioners) have asked the Developer for disclosure of accounts.	The Bombay HC has directed the Developer to file a disclosure application	The Fund was made a party as it had invested in the project. Affidavits were filed on our behalf to ensure our rights are not jeaopardised. As on date, we have made a full exit from the investment and therefore

		are not a part of the proceedings anymore.
The homebuyers have filed CIRP proceedings against Ansal Crown Infrabuild Private Limited in NCLT, New Delhi.	We have filed our claim in the said project.	IRP has been appointed and the matter is ongoing.
Erstwhile landowners have filed a matter against Samrin Infra Private Limited.	The matter is filed in the Dindoshi city civil court	Next date is 16th April 2024
Homebuyers have filed against Swastik Homebuild Pvt. Limited in NCLT, Chandigarh Catalyst Trusteeship Limited v. Swastik Homebuild Private Limited (C.P. (IB) No. 290 of 2023)	We have filed and IA to safeguard our rights. The Developer has not been appearing in court.	Next date of hearing is 28th May, 2024
Homebuyers Association have filed against (Sikka) Ecogreen Buildtech Pvt. Ltd. In NCLT New Delhi	Homebuyers have initiated CIRP proceedings against the Developer. We have filed and IA to safeguard our rights.	Next date to be announced
Homebuyers have filed against Imperia Structures Limited in NCLT, New Delhi	Homebuyers have initiated CIRP proceedings against the Developer.	We have filed our claim in the matter.

Details of Claims and disputed liabilities not acknowledged as debts

Claims against the Company/disputed liabilities not acknowledged as debts	2022-23	2021-22	2020-21	2019-20	2018-19

For income tax matters	NIL	NIL	95.99	65.53	NIL

Against the SBI, Promoter of SBICAP Ventures Limited (data is as on 15th March 2024)

a. The Reserve Bank of India imposed a penalty of Rs. 700 lacs on the Bank on 15-07-2019 under the provisions of Section 4 7 A (1) (c) read with sections 46(4) (i) and 51 (1) of the Banking Regulation Act, 1949. RBI had previously issued a Show Cause Notice (SCN) in this regard on 10-10-2018 and Bank had replied on 30-10-2018. A personal hearing was conducted on 15-04-2019. After examining the facts of the case, RBI has observed non-compliance with the directions issued by RBI on (i) Income Recognition and Asset Classification (IRAC) norms, (ii) code of conduct for opening and operating current accounts and reporting of data on Central Repository of Information on Large Credits (CRILC) and (iii) fraud risk management and classification and reporting of frauds. This has resulted in levy of a penalty of Rs. 700 lacs. The penalty has been paid to RBI on 19.07.2019.

b. The Reserve Bank of India in exercise of the powers conferred under Section 47A (1) (c) read with Section 46 (4) (i) and 51(1) of the Banking Regulation Act, 1949 has imposed a penalty of Rs. 50 lacs on 31-07-2019 on the Bank for delay in reporting of fraud in the account of M/s Kingfisher Airlines Limited by Bank and State Bank of Mysore. The penalty has been paid to RBI on 09.08.2019.

c. The Reserve Bank of India had issued Show Cause Notice CO.ENFD.DECB.No.S47/02-01-021/2021-22 dated 24.05.2021 for violations of RBI guidelines, directions. etc. observed during scrutiny conducted in the account of Karnataka State Handicraft Development Corporation Limited. The SCN was replied by Bank vide letter dated 09.06.2021. The RBI, in exercise of the powers conferred under Section 47A (l)(c) read with section 46(4)(i) and Section 51(1) of the Banking Regulation Act, 194 imposed a monetary penalty of Rs. 1 crore (Rupees One Crore only) on the Bank on 18-10-2021, for non-compliance with the directions contained in the "Reserve Bank of India - Frauds Classification and Reporting by Commercial Banks and select FIs" directions 2016. The Bank responded to the SCN vide letter dated 09.06.2021. Thereafter. a personal hearing in the case was conducted by RBI on 10.08.2021 and was attended by Bank's Top Management. The Bank is analysing the issue of non -compliance and corrective action and new controls, etc. shall follow the detailed analysis of the Order by the Bank. The penalty has been paid to RBI on 25.10.2021.

d. The Reserve Bank of India has imposed a total penalty of Rs.200 lacs on 16-03-2021, including penalty of Rs.100 lacs for contravention of the provisions of section of 10(l)(b)(ii) of Banking Regulation Act, 1949 and additional penalty of Rs.100 lacs for contravention of RBI directions specifically issued to the bank vide Letter No.DBS.CO.SSM-SBV1751113.26.00 1/2019-20 dated 19-09-2019 regarding payment of commission to employees engaged in cross-selling activities. The penalty has been paid to RBI on 24-03-2021.

e. The Reserve Bank of India imposed a monetary penalty of Rs.50.00 lacs for failure to ensure data accuracy and integrity while submitting the data on large credit (CRILC

reporting) to RBI. Bank did not report data of two companies namely M/s Managlore SEZ Limited and M/s Parkline LLC, with sanctioned amount of more than Rs. 5 crore as Group Companies of the borrower from June 2017 to March 2020 and from March 2018 to December 2019 respectively. Bank also incorrectly reported data of two companies namely M/s Malwa Solar Power Generation Private Limited and M/s SRM Institute of Science and Technology as group companies of the borrower from March 2018 to March 2020 and June 2018 to September 2018 respectively. The penalty has been paid on 14.07.2021.

f. The Reserve Bank of India imposed a penalty of Rs.1.00 crore for contravention of the provisions of subsection (2) of section 19 of the Banking regulation Act related to the following 1. The bank held shares as a pledgee, of an amount exceeding thirty percent of the paid-up share capital of six borrower companies as on March 31, 2018 and continued to hold shares exceeding thirty percent of the paid up share capital of two borrower companies as on March 2019. The penalty has been paid on 01.12.2021

g. Penalties amounting to Rs. 1824/- is levied by INTL. tax range 4(2) , Mumbai, under section 271C of the IT act,1961. The penalty has been paid on 15.10.2022.

h. A Show Cause Notice (SCN) amounting to Rs.37.15 lakhs has been received from Central GST (Audit) office , Patiala, in respect of e-SBP branches for the period April 2016 to march 2017 on the issue of non-payment of service tax on penal interest recovered from customers.

i. An SCN amounting to Rs.9.75 lakhs, has been received from Deputy Commissioner, Telangana, in respect of Telangana GSTIN for the period April 2020 to March 2021 on the issue of:

i. Excess ITC claimed on account of non-reconciliation of information declared in GSR09.
ii. Excess ITC reversed in GSTR9 over and above GSTR3B.
iii. Under- declaration of ineligible ITC.

SBI has examined the issues involved and have observed that the claim is not sustainable. SBI has replied on 24th June 2022.

j. An SCN amounting to Rs.17.29 crore, has been received from Central Excise (audit), Kochi in respect of eSBT for the period Oct-2016 to Mar-17 alleging:

i. Short Service Tax paid.
ii. Ineligible ITC.

SBI has examined the issues involved and have observed that the Bank is not at fault and the claim by the tax authorities is not sustainable. SBI has replied to the SCN within stipulated time.

k. An SCN amounting to Rs.9.28 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2017- to March 2018). SBI has examined the issues involved and have observed that the Bank is not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

l. An SCN amounting to Rs13.10 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2018- to March 2019). SBI has examined the issues involved and have observed that the Bank is

not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

m. An SCN amounting to Rs.13.72 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2019-to March 2020). SBI has examined the issues involved and have observed that the Bank is not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

n. An SCN amounting to Rs.16.29 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2020-to March 2021). SBI has examined the issues involved and have observed that the Bank is not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

o. An SCN amounting to Rs.9.28 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2021-to March 2022). SBI has examined the issues involved and have observed that the Bank is not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

p. SCNs amounting to Rs.4739.44 lakh has been received from Deputy Commissioner, Abids, STU-2, Telangana, in respect of Telangana GSTIN for the period 2020-2021 on the issue of:
(a)Reconciliation of GSTR3B with GSTR 1.
(b) ITC to be reversed on non-business transactions & exempt supplies.
(c) Under declaration of Ineligible ITC.
(d) ITC claimed from cancelled dealers
SBI has filed the reply.

q. SCN amounting to Rs.42.74 lakh has been received from Assistant Commissioner of State, Raipur, in respect of Chattisgarh GSTIN for the period under 2020-21 in respect of Difference in GSTR 3 B with GSTR 2A. SBI has replied on 14.10.2022.

r. SCN amounting to Rs.11.89 lakh has been received from Assistant Commissioner of state, Vijaywada, in respect of Amrawati GSTIN for the period under 2021-22 in respect of GST TDS particulars not shown in GSTR-3B for the month of December 2021. SBI has replied on 10.10.2022.

s. 5 SCNs amounting to Rs. 303.25 crore has been received in respect of Rajasthan GSTIN for the period 2017-18 to 2021-22 on the issue of matching of Input Tax Credit (ITC) availment with GSTRA2A by SBI and ineligible ITC u/s 17(5). SBI has examined the issue involved and have observed that SBI is not at fault and the claim by the tax authorities is not sustainable. SBI is in the process of replying to the tax authorities.

t. The Reserve Bank of India imposed penalty on various currency chests of State Bank of India. The circle wise summary of penalties imposed on currency chests for last three FY are as follows:

(Amount in millions)

Circle-wise summary of Penalty imposed by RBI during				
CIRCLE	**FY 19-20**	**FY 20-21**	**FY 21-22**	**As on September 30, 2022**
AHMEDABAD	5.47	4.23	1.15	32.86
AMARAVATI	2.36	0.02	0.81	0.64
BENGALURU	2.85	4.96	5.46	21.67
BHOPAL	6.83	1.07	5.20	3.31
BHUBANESWAR	1.38	0.34	5.74	6.24
CHANDIGARH	5.61	1.01	1.01	3.61
CHENNAI	2.31	0.50	1.11	0.64
GUWAHATI	0.83	1.56	6.24	1.81
HYDERABAD	1.42	0.38	0.62	0.77
JAIPUR	13.00	0.84	2.47	6.01
KOLKATA	0.30	0.01	0.71	5.84
LUCKNOW	4.48	0.77	31.88	2.27
MAHARASHTRA	2.22	0.88	5.54	1.12
MUMBAI METRO	1.90	0.62	0.74	1.45
NEWDELHI	3.21	1.59	2.37	1.86
PATNA	2.20	33.38	6.64	9.41
THIRUVANANTHAPURAM	0.53	0.33	0.36	0.15
TOTAL	**56.87**	**52.49**	**78.05**	**99.65**

u. RBI issued SCN dated 06.04.2023 as the Bank failed to comply with RBI's directions on the following-:

- Loans and Advances sanctioned to Andhra Pradesh State Development Corporation Limited (APSDCL),
- Kisan Credit Card (KCC) scheme
- Guidelines on management of intra-group transactions and exposures

SBI has replied on 27.04.2023.

v. RBI vide its letter dated 25.09.2023 imposed aggregate penalty of Rs.1.30 Crores on SBI due to non-compliance with RBI's instructions observed during the statutory inspection based on its financial position as on March 31, 2021 for following (i) The Bank did not comply with Reserve Bank Direction on Loans and Advances when it sanctioned a term loan of Rs. 6000 crores to Andhra Pradesh State Development Corporation Limited (APSDCL) (ii) Did not abide with Guidelines on management of intra-group transactions and exposures.

w. RBI has issued SCN on 09.10.2023 pointing out non-compliance in respect of the following:

- The Bank held shares of an amount exceeding thirty percent of the paid-up share capital of 13 companies.
- The Bank did not (a) credit to the Depositor Education and Awareness Fund an amount aggregating Rs.4107.40 Crore standing to the credit of 73.28 lakh accounts, which were not operated for a period of ten years, within a period of three months from the expiry of the said period of ten years and the aforesaid amount was transferred to the Fund with a delay up to eight years; (b) transfer balances pertaining to Inter Office Instruments older than ten years amounting to Rs.750.00 Crore to the Fund and the amount was transferred with a delay
- The Bank failed to comply with the Reserve Bank directions on Central Repository of Large Common Exposures, when it did not report 243 borrowers with an exposure of Rs.5.00 Crore and above in the Central Repository of Information on Large Credits (CRILC) platform.
- The Bank failed to comply with the Reserve Bank directions on frauds classification and reporting, when it did not refer 862 cases of frauds to police/Law Enforcement Agencies (LEA) immediately on detection during FY 2021-22.

SBI has replied on 26.10.2023.

x. RBI issued SCN on 22.12.2023 advising as follows:

1) Reimbursements were availed from RBI in respect of redemption proceeds on maturity, half yearly interest payments for Relief Bonds/Saving Bonds, without the payments actually being made to the bond holders.

2) To remit unpaid redemption proceeds lying with it as on date, to Central Accounts Section (CAS), RBI, Nagpur for which such reimbursements were availed from the RBI and to furnish the information pertaining to unpaid coupon and redemption proceeds outstanding as on date duly verified and certified by its concurrent auditors.

SBI vide letter dated September 22, 2023, made available to the RBI the details of the reimbursements claimed and further authorised RBI to debit an amount of Rs.29,15,764/- towards such reimbursements claimed.

In view of the above, it appeared to RBI that SBI has violated the terms and conditions contained in the Agency Agreement entered into by the RBI with the Bank under Section 45 of the Reserve Bank of India Act, 1934 and also the directions and notifications issued vide Department of Government and Bank Accounts, RBI, Central Office, letter dated October 30, 2002. In this regard, SBI has been called upon by RBI to show cause as to why penalty under Section 30 of the Government Securities Act, 2006 and also under the Agency Bank Agreement shall not be imposed.

SBI has replied on 12.01.2024.

y. RBI vide its letter dated 26.02.2024 imposed aggregate penalty of Rs.2.00 Crores due to non-compliance with RBI directions by SBI, observed during the statutory inspection based on its financial position as on March 31, 2022.

The compliance breaches were as under:
a) The Bank held shares of an amount exceeding thirty percent of the paid-up share capital of 13 companies, as on March 31, 2022, despite imposition of penalty for similar contravention observed during ISE-2018 and 2019.
b) The Bank did not: i) Credit to the Depositor Education and Awareness Fund (Fund) an amount aggregating Rs.4107.40 Crore standing to the credit of 73.28 lakh accounts, which were not operated for a period of ten years, within a period of three months from the expiry of the said period of ten years and the aforesaid amount was transferred to the Fund with a delay up to eight years;
ii) Transfer balances pertaining to Inter Office Instruments older than ten years amounting to Rs.750.00 Crore to the Fund and the amount was transferred with a delay

z. In respect of Overseas Regulators, details of penalties imposed are furnished below:

Commercial Indo Bank LLC, Moscow

i. The Central Bank of Russia (CBR) imposed a penalty of RUB 1000,000 (INR 1082500) on CIBL in August 2019 for violation of certain items in Art 3 and Art 6 of Federal Law No. 353-FZ observed in granting of a term loan to a natural person. The penalty has been paid on 17.09.2019
ii. The Central Bank of Russia (CBR) imposed a penalty of RUB 36,829 (INR 39867) on CIBL on 20-08-2019 for shortfall of RUB 3.31 million, in the obligatory reserves kept by CIBL with CBR from 10.07.2019 to 06.08.2019. The penalty has been paid on 06.09.2019
iii. The Central Bank of Russia issued a penalty of RUB 8,637,000 (INR 81,40,373 appx) in December 2020 for violations of legislation of Russian Federation and regulations of Central Bank of Russia in the field of AML, established by results of inspection dated 30-07-2020.The penalty has been paid on 15-12-2020.

Bank SBI Indonesia

i. The Otoritas Jasa Keuangan (OJK) (Financial Services Authority of Indonesia) has fined IDR 9,540,000.00 on Bank SBI Indonesia in October 2019 for error in input of data in Financial Information Service System (SLIK) detected by the regulator in an off-site examination. The penalty has been paid on 16-10-2019.
ii. The Otoritas Jasa Keunangan imposed a penalty of IDR 50.000 in August 2019 for errors in reporting LHBU sanction Form 201 International Banking April 2019. The penalty has been paid on 08-08-2019.

iii. The Otoritas Jasa Keunangan imposed a penalty of IDR 200.000 in May 2019 for errors in reporting LBU online correction sanction cost April 2019. The penalty has been paid on 23-05-2019.

iv. The Otoritas Jasa Keuangan (OJK) (Financial Services Authority of Indonesia) has fined IDR 3,162,000.00 in December 2019 for adjustment / correction of Monthly General Bank Report (LBU) and in SLIK based on the OJK inspection. The penalty has been paid on 12-12-2019.

v. The Otoritas Jasa Keuangan (OJK) (Financial Services Authority of Indonesia) fined in August 2020 the Bank SBI Indonesia IDR 7000000 for late reporting of the extension of tenure of an existing Director. The penalty has been paid on 02-09-2020.

vi. OJK has fined of IDR 3,050,000 in October 2020 on account of errors found in regulatory reporting in their annual inspection at the Bank. The penalty has been paid on 12-01-2021.

vii. The Otoritas Jasa Keunangan imposed a penalty of IDR 4.85 million on July 16, 2021 for errors in regulatory reporting. The penalty has been paid on 29-07-2021.

viii. The Otoritas Jasa Keunangan imposed a penalty of IDR 300,000 on August 05, 2021 for errors in published quarterly results. The penalty has been paid on 25.08.2021 .

ix. The Otoritas Jasa Keunangan imposed a penalty of IDR 6.20 million (INR 33000) on December 16, 2021 for errors in regulatory reporting. The penalty has been paid on 22-12-2021.

x. The Otoritas Jasa Keunangan imposed a penalty of IDR 0.10 million (INR 550) on March 2, 2022 for errors in regulatory reporting. The penalty has been paid on March 8, 2022 .

xi. The Otoritas Jasa Keunangan conducted an inspection as on 30.04.2022, during which certain inadequacies in Regulatory Reporting were noted by the regulator and levied a penalty of IDR 153,250,000 in September 2022. The penalty has been paid on September 23, 2022.

SBI (Mauritius)_ Ltd

The Bank of Mauritius imposed a penalty of MUR 200,000.00 (INR 3,48,000.00) for discrepancy in data reported to Mauritius Credit Information Bureau (MCIB). The penalty has been paid on 13-08-2021.

SBI South Africa operations (SBISA)

SBI South Africa operations (SBISA) has received a notice dated 26.07.2022 from Prudential Authority, notifying the regulators' intention to impose Administrative Sanctions on SBISA which include an aggregate financial penalty of ZAR10.25 million (INR 4.84 crore)(out of which ZAR 3.5 mio is suspended until 26.07.2025). the Prudential Authority (PA) in its letter dated 26.07.2022 has stated that SBSA may make representations to the PA, in writing or or before 06.09.2022, citing reasons as to why some or all the above mentioned sanctions should not be imposed.. SBISA submitted its representation on 04.10.2022.

SBI Australia (SBIA)

SBIA noticed on 03.02.2023 that it did not notify *Australian Prudential Regulation Authority* (APRA) about the appointment of M/s. Findex Australia Pty Ltd. in June 2022 as Internal Auditors of SBIA. (As per APRA CPS 231-Outsourcing requirements, all outsourcing agreements entered into are to be notified to the regulator in not later than 20 business days). The apparent breach of APRA CPS 231-Outsourcing requirements came to the notice of SBIA on receipt of an APRA email dated 03.02.2023 seeking information on the existing Internal Auditors and their appointment notification. In response to APRA mail dated 03.02.2023, breach Notification letter, including the causes of breach, details of the underlying SBIA procedures, the assessment of the breach and the letter of notification for appointment of the Internal Audit firm, was submitted by SBIA to APRA on 09.02.2023. APRA was given assurance that SBIA has outlined the appropriate corrective actions to ensure against repetition of the issue.

Noting the breach, APRA, vide letter dated 09.03.2023, confirmed that they have decided not to take further action on the basis that SBIA will thoroughly undertake the remedial actions outlined in its letter of 09.02.2023.

SELF RELIANT INDIA (SRI) FUND

SCHEDULE III: ILLUSTRATION OF EXPENSES

Figures in INR cr															
Particulars	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**FY2030**	**FY2031**	**FY2032**	**FY2033**	**FY2034**	**FY2035**	**FY2036**
Capital commitment:															
Total Capital commitment from Unit Holders	10,005.0														
Total Contribution received from Unit Holders	613.3	1,346.3	1,853.9	2,455.9	3,095.4	362.7	35.5	35.7	35.9	36.0	36.2	36.4	36.6	19.8	5.4
Fees and other expenses															-
Fund registration, set-up and structuring / legal cost (one time)	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management fees (inc. GST*)	7.1	15.6	21.4	28.3	35.7	9.9	-	-	-	-	-	-	-	-	-
Operating fees (inc. GST*)	2.8	8.1	14.9	22.4	29.9	32.4	32.4	32.4	32.4	32.4	32.4	32.4	32.4	15.4	0.8
Fees to advisory board	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees to investment committee	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Other organization expenses	2.3	2.5	2.5	2.6	2.7	2.8	2.9	3.1	3.2	3.4	3.6	3.7	3.9	4.1	4.3
Net amount invested by Fund in Daughter Funds (Capital Deployed)	600.0	1,320.0	1,815.0	2,402.4	3,027.0	317.4	-	-	-	-	-	-	-	-	-
**Management fees and operating fees include GST at 18%*															

SELF RELIANT INDIA (SRI) FUND

Figures in INR cr				
	Capital contribution			
	Class A –GoI	10,000.0	99.95%	
	Class B - NSIC/ Sponsor	5.0	0.05%	
	Total	**10,005.0**	**100.00%**	
	As there is no hurdle rate for investor, there are 3 cases:			
	Case A Fund is at loss	8,004.0	80% of committed capital	
	Case B Fund is at no profit no loss	10,005.0		
	Case C Fund is at profit	12,006.0		
	Capital Commitment Received and Drawn Down			
S.No.	**Particulars (in INR cr)**	**Class A**	**Class B**	**Total**
1	Total Capital commitment from Unit Holders	10,000.0	5.0	10,005.0
2	Total Contribution received from Unit Holders	10,000.0	5.0	10,005.0
3	*Fees and other expenses*			
a	Fund registration, set-up and structuring/ legal cost (one time)	1.0	0.0	1.0
b	Management fees (inc. GST)	118.0	0.1	118.1
c	Operating fees (inc. GST)	353.8	0.2	353.9
d	Fees to advisory board	-	-	-
e	Fees to investment committee	2.6	0.0	2.6
f	Other organization expenses	47.5	0.0	47.6
4	Net amount invested by Fund in Daughter Funds (Capital Deployed)	9,477.1	4.7	9,481.9
	Case A: Fund is at a loss			
S.No.	**Particulars (in INR cr)**	**Class A**	**Class B**	
1.	Total amount available for distribution, post all expenses	8,000.0	4.0	

2.	Allocation of consideration for unit holders as documented in the PPM	8,000.0	4.0	
3.	Towards 100% repayment of capital contribution, if any	8,000.0	4.0	
4.	Balance amount available post repayment of capital contribution, if any	-	-	
5.	Towards hurdle rate on capital invested, if any	Not applicable	Not applicable	
6.	Towards catch-up rate on capital invested, if any	Not applicable	Not applicable	
7.	Balance distribution proceeds in excess of capital contributed, hurdle rate and catch up, if any	-	-	
8.	Allocation of distribution proceeds in excess of capital contributed, hurdle rate, and catch up to unit holders of each class, if any	-	-	
9.	Total distribution made to unit holders of each class	8,000.0	4.0	

	Case B: Fund is at no profit no loss			
S.No.	**Particulars (in INR cr)**	**Class A**	**Class B**	
1.	Total amount available for distribution, post all expenses	10,000.0	5.0	
2.	Allocation of consideration for unit holders as documented in the PPM	10,000.0	5.0	
3.	Towards 100% repayment of capital contribution, if any	10,000.0	5.0	
4.	Balance amount available post repayment of capital contribution, if any	-	-	
5.	Towards hurdle rate on capital invested, if any	Not applicable	Not applicable	
6.	Towards catch-up rate on capital invested, if any	Not applicable	Not applicable	
7.	Balance distribution proceeds in excess of capital contributed, hurdle rate and catch up, if any	-	-	
8.	Allocation of distribution proceeds in excess of capital contributed, hurdle rate, and catch up to unit holders of each class, if any	-	-	
9.	Total distribution made to unit holders of each class	10,000.0	5.0	
	Case C: Fund has earned profits			
S.No.	**Particulars (in INR cr)**	**Class A**	**Class B**	
1.	Total amount available for distribution, post all expenses	12,000.0	6.0	
2.	Allocation of consideration for unit holders as documented in the PPM	12,000.0	6.0	
3.	Towards 100% repayment of capital contribution, if any	10,000.0	5.0	
4.	Balance amount available post repayment of capital contribution, if any	2,000.0	1.0	
5.	Towards hurdle rate on capital invested, if any	Not applicable	Not applicable	
6.	Towards catch-up rate on capital invested, if any	Not applicable	Not applicable	
7.	Balance distribution proceeds in excess of capital contributed, hurdle rate and catch up, if any	2,000.0	1.0	
8.	Allocation of distribution proceeds in excess of capital contributed, hurdle rate, and catch up to unit holders of each class, if any	2,000.0	1.0	
9.	Total distribution made to unit holders of each class	12,000.0	6.0	

The above schedule is only illustrative of the expected expenses and distribution, it shall be subject to individual agreements amongst the stakeholders and operations of the Fund.

ANNEXURE I

Annexure I-A
INVESTOR CHARTER FOR ALTERNATIVE INVESTMENT FUNDS

A. Vision and Mission Statement:

Vision

To develop the Alternative Investment Fund ("**AIF**") industry on professional and ethical lines and maintain high standards of governance and transparency.

Mission

- Maintain high professional and ethical standards within the AIF industry.
- Comply with all applicable regulations and co-operate with the regulators in all aspects of the AIF activity.
- Act in a fiduciary capacity towards the investors.

B. Details of business transacted by the organization with respect to the investors:

- To raise capital from domestic and offshore investors.
- To invest in portfolio entities in accordance with investment strategy stated in Fund documents, with an objective to generate positive returns for the stakeholders including investors.
- To distribute returns to the investors as per the fund documents.

C. Details of services provided to investors:

1. On-boarding of investors.

1.1. Sharing of Private Placement Memorandum ("**PPM**").

1.2. Account opening with the AIF:

- Completing KYC of investors and registration of KYC with KYC Registration Agencies ("**KRA**").
- Sharing of copies of fund documents with investors.
- Entering into contribution agreement with investor.

2. Obtaining investor consent for material changes to fund structure

2.1. Change in the sponsor or the manager of the AIF.

2.2. Change in control of the sponsor or the manager of the AIF.

2.3. Material changes to terms of PPM:

- Term of Fund.
- Investment Strategy.
- Increase in fees and charges.

2.4. Winding up of Fund/ Scheme prior to expiry of tenure.

3. Dissemination of financial information of Fund.

3.1. Net Asset Value of Fund.

3.2. Financial information of Investee Entities.

3.3. Information on performance of Fund.

4. **Disclosures with respect to material risks associated with the fund and its portfolio investments.**
   4.1. Any inquiries/ legal actions by legal or regulatory bodies in any jurisdiction. - Please refer "**SECTION XIV- DISCIPLINARY HISTORY**".
   4.2. Any material liability arising during the tenure of the fund - Please refer "**SECTION XIV- DISCIPLINARY HISTORY**".
   4.3. Any breach of a provision of the PPM or any other agreement made with the investor or any other fund documents - There is no breach of a provision of the PPM of the Fund.
   4.4. Intimation regarding any conflict of interest – Please refer "**SECTION IX: CONFLICTS OF INTEREST**".
   4.5. Risks associated with the portfolio, such as concentration risk, foreign exchange risk, leverage risk, realization risk, strategy risk, reputation risk, extra-financial risks such as social and corporate governance risks etc. at fund and investee company/portfolio entity level - Please refer "**SECTION IX: CONFLICTS OF INTEREST**".

5. **Intimation of any non-material changes in the operations of the fund:**
   5.1. Non-material changes such as
   - Bank account details
   - Address of AIF or its Manager or Sponsor – Please refer to "**SECTION I: EXECUTIVE SUMMARY"** of this Memorandum for details.
   - Contact details such as email-id, contact number, etc. of AIF or its Manager or Sponsor - Please refer to the **DISCLAIMER** of this Memorandum for details of the Manager.

6. **Grievance redressal**
   Redressal of investor complaints received directly from investors and/ or from SEBI / SCORES – NIL. Please refer to Annexure I-B for complaints data.

D. Timelines of the activity/services provided to investors:

Sr. No.	Description of activity/services provided by Alternative Investment Funds (AIFs) to its investors	Timeline for completion of activity
1.	**Valuation related disclosures:**	
a.	Valuation of investment by Category I and II Alternative Investment Fund	At least once every six months. Can be extended to once a year with approval of 75% of its investors by value of investment.
2.	**Transparency related disclosures:**	
a.	Disclosure of financial information of investee companies/portfolio entities	Category I and II AIFs - within 180 days from the end of the quarter end or earlier as per the fund documents.
b.	Disclosure of Material risks: concentration risk, foreign exchange risk at fund level and leverage risk, realization risk, strategy risk, reputation risk at investee company/portfolio entity level, extra-financial risks such as social and	

	corporate governance risks etc. at fund and investee company/portfolio entity level	
C.	Financial, risk management, operational, portfolio, and transactional information regarding fund investments	To be disclosed periodically to the investors
d.	Any fees ascribed to the Manager or Sponsor; and any fees charged to the Alternative Investment Fund or any investee company/portfolio entity	
e.	Any inquiries/ legal actions by legal or regulatory bodies in any jurisdiction	As and when occurred
f.	Any material liability arising during the Alternative Investment Fund's tenure	
g.	Any breach of a provision of the placement memorandum or agreement made with the investor or any other fund documents	
h.	Intimation regarding conflict of interest in any transaction	As and when they arise or seem likely to arise
i.	Any change in terms of Private Placement Memorandum /fund documents	On consolidated basis within one month of end of each financial year
3.	**Complaint handling related services:**	
a.	Response to complaint received from investors	Within 30 days from the date of receipt of complaint
b.	Redressal of investor complaint received from SEBI/ SCORES	Within 30 days from the date of receipt of complaint

E. Details of grievance redressal mechanism and how to access it.

1. Alternative Investment Funds are required to redress all investor complaints in timely manner.

2. An Alternative Investment Fund, by itself or through the Manager or Sponsor, are required to lay down procedure for resolution of disputes between the investors and AIF or Manager or Sponsor through arbitration or any such mechanism as mutually decided between the investors and the Alternative Investment Fund.

3. Investors can also approach SEBI for redressal of their complaints through SEBI SCORES platform. On receipt of complaints, SEBI takes up the matter with the concerned AIF.

4. Investors may send their complaints to: Office of Investor Assistance and Education, Securities

and Exchange Board of India, SEBI Bhavan. Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

F. Responsibilities of investors

1. Responsibility to inform and educate yourself

1.1. Read thoroughly all fund documents including Private Placement Memorandum, Contribution Agreement, sales literature, newsletters and understand the product.

1.2. Carefully consider all investment risks, fees, and/or other factors detailed in these documents.

1.3. Ensure and make certain that the proposed investment in the Fund meets your investment objective and is in alignment with your risk appetite.

1.4. Review your portfolio holdings, account statements and transaction confirmation on regular basis to ensure that you aware of all transactions and securities where you are invested.

2. Responsibility to timely update your KYC and information with the Intermediary

2.1. Provide complete and accurate information in your KYC documents, including financial/ income status.

2.2. Timely updation of KYC information.

3. Responsibility to abide by the contribution agreement.

3.1. The investor needs to read carefully and understand the agreement that he/she is entering into with the Alternative Investment Fund and abide by the terms thereof.

3.2. The investor should be aware that investment terms are not guarantee of future performance or returns of the Fund/ Scheme.

4. Responsibility to use right financial intermediaries, consultants and advisors.

4.1. Carefully consider validity and reliability of investment information obtained from all sources, especially unsolicited information obtained over the Internet.

5. Responsibility to maintain confidentiality of information.

5.1. Investors shall not disclose any material non-public information that is received by virtue of being investors of the fund, except as may be guided by the terms of the fund documents.

SELF RELIANT INDIA (SRI) FUND

Annexure- I - B
COMPLAINTS DATA TO BE DISPLAYED BY AIFS FOR EACH SCHEME

A. Investor complaints data for the quarter ending March 2024

S.No.	Investor Complaints received from	Pendingas at the end of the last quarter	Received	Resolved	Total Pendingat the end of the quarter	Pending complaints > 3 months	Average Resolution time ^ (in days)
1.	Directly from Investors	-	-	-	-	-	-
2.	SEBI (SCORES)	-	-	-	-	-	-
3.	Other Sources (if any)	-	-	-	-	-	-
	Total	-	-	-	-	-	-

^ Average Resolution time is the sum total of time taken to resolve each complaint in days in the currentquarter divided by total number of complaints resolved in the current quarter.

B. Investor complaints data for last three Financial Years (FY)

S.No	FY	Carried forward from previous FY-	Received	Resolved	Pending at the end of FY
1.	2021-22	-	-	-	-
2.	2022-23	-	-	-	-
3.	2023-24	-	-	-	-
	Total	-	-	-	-

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NSE Indices

Annexure A

SELF-RELIANT INDIA FUND

AIF Performance Report



September 2023

This report pertains to the period ended September 30, 2023
This report has been prepared relying on the data reported to us by the fund without due diligence of the accuracy and validity of the data being submitted to us.
This report has been provided for the sole purpose of comparing the fund's performance with Nifty AIF Benchmarks for reporting to existing investors.

SRI FUND*

FUND OF FUNDS (FOF), VINTAGE: 2022

IRR and Investment Multiples – Pooled and Equal Weighted (INR)

Metric	Scheme Performance	Fund of Funds			Fund of Funds Vintage: 2022		
		No. of Schemes	Pooled	Equal Weighted	No. of Schemes	Pooled	Equal Weighted
IRR	8.42%	14	25.27%	17.88%	5	15.00%	14.39%
DPI	0.00		0.30	0.58		0.04	0.08
RVPI	1.06		1.71	1.79		1.10	1.17
TVPI	1.06		2.00	2.37		1.14	1.25

Source: NSE Indices. Data as of Sep 30, 2023. Returns and multiples are calculated on a post-expenses, pre-carry, and pre-tax basis.
Please refer the annexure for definitions, Definitions of metrics used, and the number of schemes excluded from the calculation of benchmark metrics for the period ended Sep 30, 2023.
Abbreviations used: IRR: Internal Rate of Return, DPI: Distribution to Paid in Capital, RVPI: Residual Value to Paid in Capital, TVPI: Total Value to Paid in Capital.

The table above compares the IRR, DPI, RVPI and TVPI of SRI Fund with pooled and equal-weighted metrics of the following Nifty AIF indices:

- Fund of Funds: consisting of 14 Category I and II schemes which are “Fund of Funds”
- Fund of Funds 2022: consisting of 5 Category I and II schemes which are “Fund of Funds” having Vintage 2022

In INR terms, SRI Fund has generated an IRR of 8.42%, while both indices have achieved pooled IRRs of 25.27%, and 15.00% respectively.

*The fund has revised data for SRI Fund after publication of Nifty AIF Benchmark Report for the period ended September 30, 2023. Metrics for this scheme in this report are calculated using revised data submitted by the fund. However, Nifty AIF Fund of Funds Benchmark metrics are the published numbers which were calculated using the fund’s previously submitted data.

NSE Indices

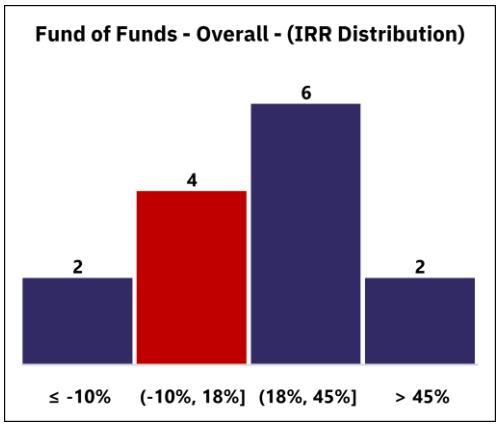
Quartile Analysis (INR)

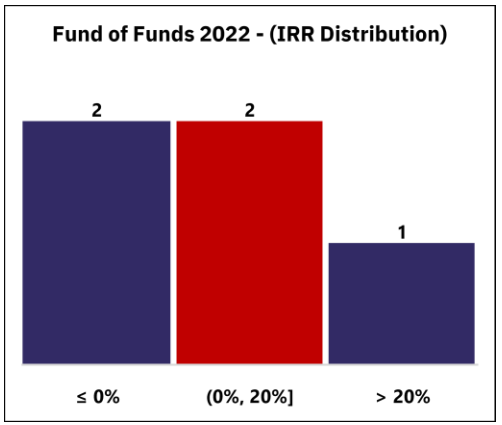
Metric	Scheme Performance	Fund of Funds					Fund of Funds Vintage: 2022				
		No. of Schemes	Q1	Median	Q3	Position	No. of Schemes	Q1	Median	Q3	Position
IRR	8.42%	14	25.32%	20.02%	2.44%	Third Quartile	5	13.44%	0.15%	-3.02%	Second Quartile
TVPI	1.06		2.27	1.84	1.03	Third Quartile		1.12	1.00	0.98	Second Quartile

Source: NSE Indices. Data as of Sep 30, 2023. Returns are calculated on a post-expense, pre-carry, and pre-tax basis.
1st and 3rd Quartiles are the return and multiple thresholds for the top 25% and bottom 25% schemes respectively, based on individual scheme IRRs and TVPIs. Please refer the annexure for Definitions, definitions of metrics used, and the number of schemes excluded from the calculation of benchmark metrics for the period ended Sep 30, 2023.
Abbreviations used: IRR: Internal Rate of Return, TVPI: Total Value to Paid in Capital.

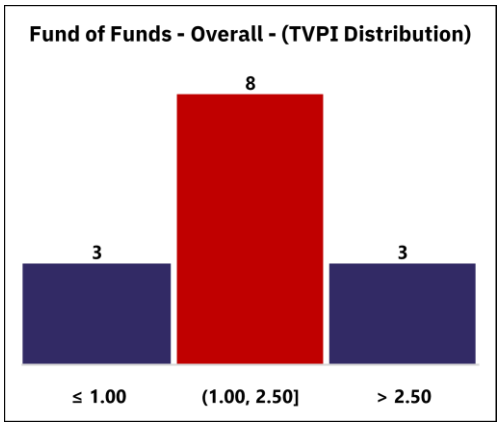
The table above shows SRI Fund's IRR and TVPI compared to the distribution of IRRs and TVPIs of relevant Fund of Funds indices, in INR terms. For instance, there are 14 Category I and II schemes which are fund of funds. SRI Fund has an IRR of 8.42% and TVPI of 1.06 putting it in the Third Quartile of all Category I and II schemes which are fund of funds for both metrics. Further, there are 5 Category I and II schemes which are fund of funds and have the same vintage as SRI Fund. When compared to those 5 schemes, an IRR of 8.42% and TVPI of 1.06 puts SRI Fund in the Second Quartile for both metrics.

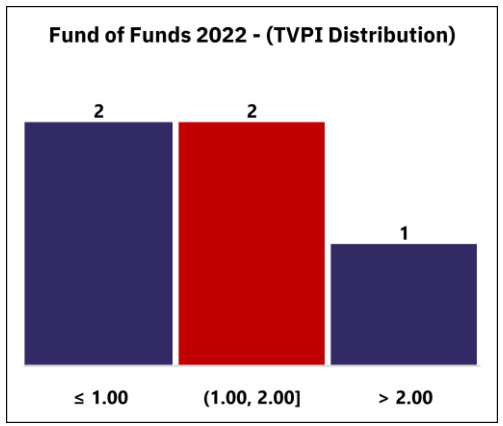
IRR Distribution (INR)





TVPI Distribution (INR)





Red bars indicate the positioning of SRI Fund
Source: NSE Indices. Data as of Sep 30, 2023. Returns and multiples are calculated on a post-expenses, pre-carry, and pre-tax basis. Please refer the annexure for details regarding scheme eligibility criteria and the number of schemes excluded from the calculation of benchmark metrics for the period ended Sep 30, 2023. Abbreviations used: IRR: Internal Rate of Return, TVPI: Total Value to Paid in Capital.

NSE Indices

Annexure

Definitions and Calculation Methodologies

NSE Indices strives to be in alignment with the best practices in the industry and maintain consistency and transparency in the methodology and definitions used. Below are the definitions of metrics used in this report.

Definitions relevant to Category I and II:

Vintage Year

Benchmarks for Categories I and II are calculated based on their vintage years. Vintage year is defined as the financial year in which the scheme had its first close i.e., the vintage year of a scheme will be FY14 if it had its first close anywhere between Apr 01, 2013, and Mar 31, 2014.

Pooled Internal Rate of Return (IRR)

Pooled IRR denotes the IRR calculated at an aggregate level by pooling all the cash flows that have occurred within all the schemes belonging to a particular category - vintage year combination. The cash flows are considered according to the date on which they have occurred and the valuation as of Sep 30, 2023, is considered as the terminal value for calculation.

Equal – Weighted IRR

This is equivalent to a simple average of the individual schemes' IRRs. The result is that each scheme in these calculations has an equal impact on the output, regardless of the scheme size.

Multiples and Realization ratios

Three types of ratios are considered for calculation of benchmarks, viz distributions to paid-in capital (DPI), residual value to paid-in capital (RVPI) and total value to paid-in capital (TVPI). All the three ratios are calculated for each applicable vintage year.

Distribution to paid – in capital multiple (DPI)

DPI is calculated by dividing the total distributions made to investors, by the total paid-in capital by the investors. DPI is also known as the realization multiple.

Residual Value to paid-in capital multiple (RVPI)

RVPI is calculated by dividing the residual value of all the investments remaining in the scheme post distributions, by the total paid-in capital. The residual value refers to the valuation of the scheme as of the date for which the benchmarks have been calculated.

Total Value to paid-in capital multiple (TVPI)

TVPI is calculated by dividing the sum of total distributions and residual value, by the total paid-in capital. It is also known as the investment multiple. It is the sum of DPI and RVPI.

Pooled Multiples

These ratios are calculated by aggregating (summing) the cashflows of all schemes of a vintage year into a single series of cashflows.

Equal-Weighted Multiples

These ratios are calculated as the simple average of the multiples of constituent schemes of each vintage year.

Quartile Analysis

Summary statistics of the distribution of IRRs and TVPIs by vintage year are calculated. Top quartile, median and bottom quartile IRR and TVPI levels are reported. Top and bottom quartiles are the calculated IRR/TVPI levels for the top 25% and bottom 25% schemes, respectively based on the individual scheme IRRs/TVPIs in each vintage year. Quartile numbers in the report are calculated basing calculations on a percentile range of 0 to 1, inclusive of lower bounds.

Kaplan-Schoar Public Market Equivalent (KS-PME)

The Kaplan-Schoar PME represents the market-adjusted equivalent to the traditional TVPI. It incorporates the performance contribution of a public market index by compounding each scheme cash flow – both capital calls and distributions – based on the public market index performance between the date of the cash flow and the valuation date. The KS-PME is calculated by adding the scheme's final NAV to the distributions compounded at the public market index return and dividing this sum by the sum of capital calls compounded at the public market index return. The KS-PME produces a multiple that represents the out/underperformance of the scheme relative to the public market index. If the KS-PME is greater than 1, the scheme outperformed the public market index and vice versa.

The formula for KS-PME is given as: $$KS - PME = \frac{\sum FV(D) + NAV}{\sum FV(C)}$$

Where FV(D) and FV(C) are the future value (at the final calculation date) of distributions and capital calls respectively, compounded at the public market index CAGR, and NAV is the valuation of the fund/scheme as on the final calculation date.

NSE Indices

Sub-Category Definitions

For classification of schemes into various sub-categories, actual asset allocation has been considered. For schemes that are active as on September 30, 2023, portfolio composition as on September 30, 2023, has been considered. For schemes that have matured, their last available portfolio compositions have been considered.

Category I & II sub-classification criteria

For Category I Schemes:
Category I Schemes are classified purely based on their nature of registration with Securities and Exchange Board of India (SEBI).

For Category II schemes:
Real Estate – Equity Oriented Fund: Schemes that have at least 90% exposure to real estate sector and at least 65% exposure to real estate equity.
Real Estate – Non-Equity Oriented & Others Fund: Schemes that have at least 90% exposure to real estate sector and less than 65% exposure to real estate equity. Also included in this category are those schemes that have at least 90% exposure to real estate sector but have not specified the nature of real estate investments – whether equity or debt.
Real Estate – Non-Equity Oriented & Others Fund – Residential Only: Schemes that are classified as Real Estate – Non-Equity Oriented & Others above and have at least 65% exposure to Residential real estate.
Distressed Asset Fund: Schemes that have at least 65% exposure to distressed asset.
Debt Fund: Schemes that are not classified as Real Estate above and have at least 65% exposure to debt.
Unlisted Equity Fund: Schemes that are not classified as Real Estate above and have at least 90% exposure to unlisted equity.
Listed + Unlisted Equity Fund: Schemes that are not classified as Real Estate and Unlisted Equity above and have at least 65% exposure to equity (listed + unlisted).
Fund of Funds: 'Fund of Funds' (FOF) is an investment strategy of holding a portfolio of other investment funds rather than investing directly in stocks, bonds, or other securities. An FOF Scheme of a primarily invests in the units of another AIF scheme.
Note:

In addition to the above-mentioned criteria, scheme's historical portfolio allocation, investment strategy and self-classification have also been considered for subcategorization.

Eligibility Criteria

All AIFs registered with SEBI under the SEBI (Alternative Investment Funds) Regulations, 2012, are considered for the calculation of benchmarks, provided they fulfil the following criteria:

- Completion of one year from the first close of the scheme as on the date for which the benchmarks are calculated. For e.g., the AIF benchmark calculated for the period ending Sep 30, 2023, will have schemes that had their first close on or before Sep 30, 2022
- Valid data is provided to NSE Indices Ltd. in the specified format and by the stipulated deadline.

The following are **excluded** from calculation of benchmarks:

- Any scheme that has not completed one year since its first close as on the date for which the benchmarks are calculated, i.e., Sep 30, 2023
- Angel Funds registered under Category I-AIF
- Any scheme that has not provided complete or valid data or that has not provided data in the required format.
- Schemes having vintage of 2012 or earlier.

22 schemes were excluded from the calculation of Category I and Category II benchmark metrics as on Sep 30, 2023, due to the following reasons:

- Submission of incomplete/ inconsistent data
- Manual exclusions when data was provided/ revised after stipulated deadline or cases of extreme IRRs for which confirmations were not received from respective AIFs within stipulated time.

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About NSE Indices Limited:

NSE Indices Limited (formerly known as India Index Services & Products Ltd. - IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. The company focuses on the index as a core product. The company owns and manages a portfolio of indices under the Nifty brand of NSE, including the flagship index, the Nifty 50. Nifty equity indices comprises of broad-based benchmark indices, sectoral indices, strategy indices, thematic indices, and customised indices. NSE Indices Limited also maintains fixed income indices based on Government of India securities, corporate bonds, money market instruments and hybrid indices. Many investment products based on Nifty indices have been developed within India and abroad. These include index-based derivatives traded on NSE and NSE International Exchange IFSC Limited (NSE IX) and a number of index funds and exchange traded funds. The flagship Nifty 50' index is widely tracked and traded as the benchmark for Indian Capital Markets.
For more information, please visit: www.niftyindices.com

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Self Reliant India (SRI) Fund

Report for the month ended 31st March 2024
Date: 8th April 2024

Submitted by: SBICAP Ventures Ltd. (SVL)

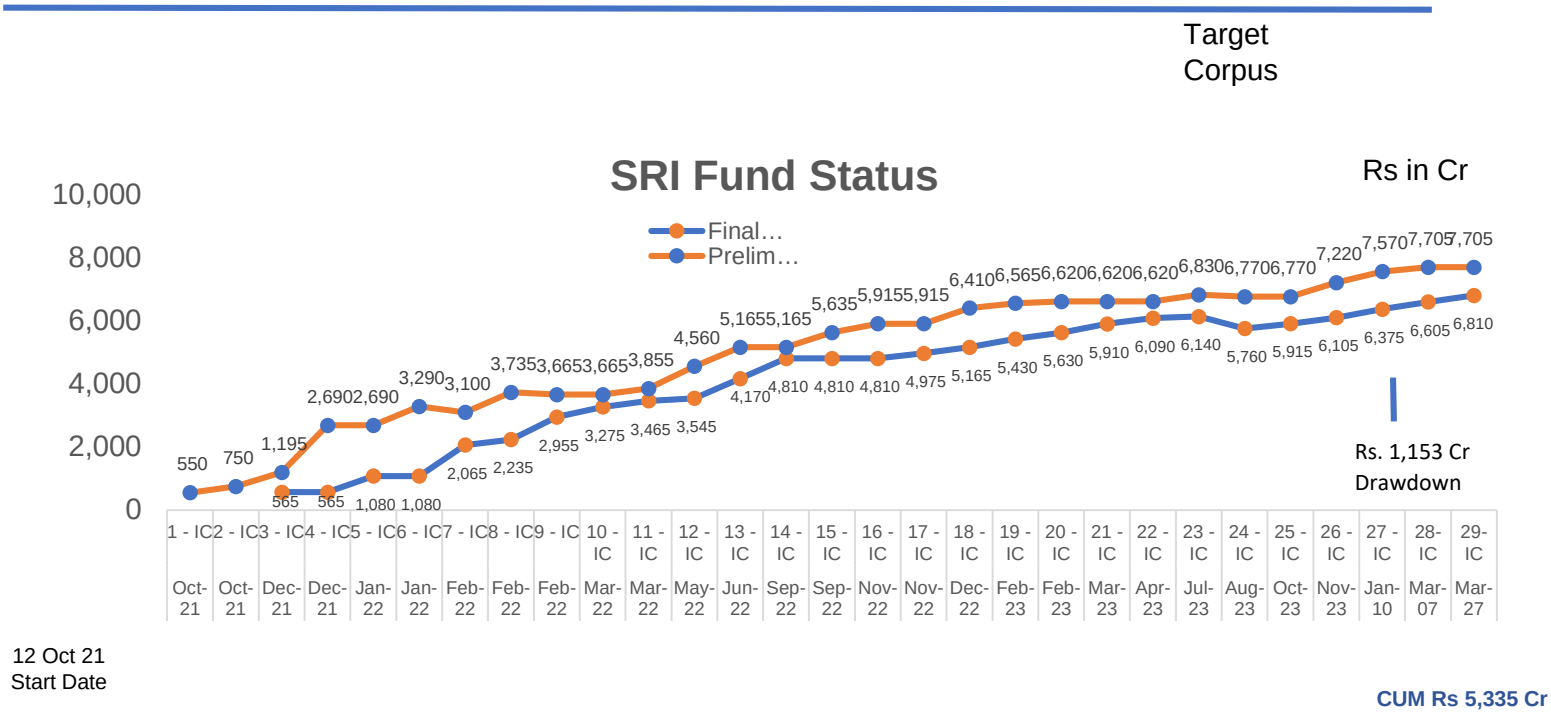
1. About SRI Fund:

The 'Self Reliant India (SRI) Fund' was launched as the first scheme of NSIC Venture Capital Fund Limited (NVCFL), a 100% subsidiary of The National Small Industries Corporation Limited (NSIC), a Mini-Ratna Corporation of Government of India under Ministry of Micro, Small and Medium Enterprises (MoMSME). SRI Fund employs a 'Fund-of-Fund' investment strategy wherein the Fund invests in SEBI registered, Category I and Category II Alternative Investment Funds ("Daughter Funds"), which in turn invest in MSMEs (called the investee or portfolio companies). The Daughter Funds are required to invest at least 5 times the amount of capital contribution received from SRI Fund (net of fees and expenses) in MSMEs, designated as such as per the MSMED Act.

Status of the SRI Fund

The Contribution Agreement was signed between the Anchor Investor (Govt. of India through the MoMSME), Sponsor (NSIC), Investment Manager (SBICap Ventures Ltd.) and the AIF company (NVCFL) on the 12th October 2021.

Since the signing of the Contribution Agreement, meetings of the duly constituted Investment Committee (IC) of SRI Fund are being regularly held and till date, 29 IC meetings have been held. As per the Investment Process stated in PPM, each investment proposal is subject to two reviews by the Investment Committee. First during the Preliminary Investment Committee meeting - wherein proposals are considered for in-principle approval to go-ahead for detailed processing. Secondly, the Final Investment Committee meeting, to consider the proposal for final approval, after considering the findings of the detailed due diligence conducted by the independent professional agency including legal due diligence by Khaitan & Co, Legal Advisor to SRI Fund and Finance/ other Due diligence by E & Y or Deloitte. The performance of the Fund, as on 31st March 2024, can be summarised as under:



Details	March 2024 (Current Month)	Feb 2024 (Previous Month)	FY 23-24 (Current FY)	FY 22-23 (Previous FY)	2021-22	Inception-to-date (ITD)
Number of IC meetings held	-	-	8	10	11	29
Number of proposals placed before IC	-	-	15 (Rs 1,330)	26 (Rs. 2,815 Cr)	26(Rs 3,855 Cr)	66 (Rs.8.105 Cr)
Preliminary approvals	-	-	15 (Rs 1,330)	26 (Rs. 2,815 Cr)	25 (Rs 3,425 Cr)	65 (Rs. 8,055 Cr)
Final approvals	-	-	15 (Rs 1,525)	23 (Rs. 2,440 Cr)	25 (Rs 3,085 Cr)	57 (Rs.6,725 Cr)
Documents signed	-	-	13 (Rs 1,410)	22 (Rs. 2,220 Cr)	20(Rs 3,200 Cr)	53 (Rs. 6,445 Cr)
Commitment Under Management (CUM)	-	-				53 (Rs. 5,335 Cr)
Number of Daughter funds drawdown requests	3	1	40	38	16	45
Drawdown Amount Requested	Rs. 3 Cr	Rs. 3 Cr	Rs 580 Cr	Rs. 393 Cr	Rs 180 Cr	Rs.1,153[1] Cr

It is pertinent to mention that deployment of funds is in phases as per demands raised by the empanelled Daughter Funds. The Daughter Funds are required to mobilise the funds committed by SRI Fund from other investors and must seek funds on a backended basis for investment in investee companies.

CUM is defined as *Commitment Under Management the final commitment amounts calculated basis the revised Target size changes for each Daughter Fund after the final close or revision of Target corpus as communicated by respective Daughter Funds (DF) to SVL from time to time.*

S. No.	Name of Daughter Fund	Amount Committed	Commitment Under Management	Reduction in Commitment
1	BanyanTree India Growth Capital Fund	145	30	115
2	Cornerstone Venture Partners Fund	40	35	5
3	Gaja Capital India Fund 2020 LLP	375	255	120
4	Kae Capital Fund III	80	55	25
5	Fireside Ventures Investment Fund III	165	160	5
6	Zephyr Peacock India Growth	85	45	40
7	Paragon Partners Growth Fund II	70	40	30
8	Sabre Partners Fund – 2019	150	45	105

[1] Drawdown amount includes Rs. 18.5 Cr for fees and expenses

9	TrueScale Venture Growth Fund I / 360 One	100	45	55
10	Aavishkaar India Fund VI	250	170	80
11	Enzia Investment Trust	70	25	45
12	Carpediem Capital Partners Fund II	135	75	60
13	Maharashtra Defence and Aerospace Venture Fund	100	35	65
14	Dallas Venture Capital Fund I	40	35	5
15	Epiq Capital II	125	105	20
16	Menterra Social Impact Fund II	140	25	115
17	Cactus Partners Fund I	110	75	35
18	SVL-SME Fund (NEEV II)	270	135	135
19	Ubharte Sitaare Fund	100	50	50
	Total	**2,550**	**1,440**	**1,110**

**MegaDelta Fund II (Commitment of Rs 380 Cr withdrawn as they did not do the first close within 18 months of sanction) + Edhina Sustainability Fund I (Commitment of Rs 80 Cr cancelled by DF)*

Outstanding Commitment

Sr No	Name of Fund	Amount Approved (Rs Cr)	IC approval status
1	JM Financial India Growth Fund III	100	Final IC approved but side letter not accepted.
2	Your Nest Innovative Products VC Fund III	65	
3	RVCF India Growth Fund IV	30	Final IC approved but documentation pending
4	Orios Venture Partners Fund III	85	
	Total Commitment	**280**	

The above amount though included in final sanctioned amount but excluded while calculating Capital Under Management.

2. Drawdown from SRI Fund till 31st March 2024

Rs 6.5 Cr Drawdown was processed during March 2024 and cumulatively total Drawdown of Rs. 1,153 Cr has been requested by SRI Fund from its investors until 31st March 2024. The breakup of the drawdown among the investors, and the purpose of the drawdown, are as below:

Investor-wise Drawdown

S. No.	Name of Investors	Amount Drawdown (Rs Cr)	
		March 24	ITD
1	Government Of India - Ministry of Micro Small and Medium Enterprises	6.49	1,151.9
2	NSIC Venture Capital Fund Limited	0.003	0.6
3	The National Small Industries Corporation Limited	0.001	0.1
	Total	**6.49**	**1,152.6**

Category-wise Drawdown from Investors

S. No.	Purpose of Drawdown	Amount Drawdown Cumulative (Rs Cr)	
		March 24	ITD
1	Investment in Daughter Fund	6.41	1,134.0
2	Management Fees to NVCFL @1 % (incl GST)	0.08	13.5
3	Expenses (incl GST)	-	5.1
	Total	**6.49**	**1,152.6**

3. Utilisation at Daughter Funds level till 31st March 2024

Break Up of Drawdown from SRI Fund to invest in Daughter Funds (DF)

S. No.	Name of Investors	Amount Drawdown (Rs Cr)	
		March 24	ITD
1	Investment in Portfolio Companies via Daughter Funds (DF)	5.49	968.3
2	Management Fees paid to DF (incl 18% GST)	0.81	143.6
3	Organizational & Operating Expenses paid to DF (incl 18% GST)	0.11	22.1
	Total	**6.41**	**1,134.0**

Drawdown for March 2024: **(Rs in Cr)**

S. No.	Name of Daughter Fund	Daughter Fund wise Drawdown	Daughter Fund wise Investment in MSMEs from SRI Fund	Daughter Fund wise Investment in MSMEs from all investors
1	9Unicorns Accelerator Fund	1.22	0.95	4.79
2	Whiteboard Capital Fund – II	3.18	2.70	19.39
3	Arali Ventures II	2.00	1.82	12.39

Drawdown since inception till March 2024:

Amounts in Rs. crore

Total Number of Daughter Funds	Amount Committed from SRI Fund(Document Signed)	Commitment Under Management	Aggregate Drawdown	No of MSME	Total Investment in MSMEs from SRI Fund	Total Investment in MSMEs from other investors	Total Investment in MSMEs	Total Investment Invested at Fund Level
53	6,445	5,335	1,153	434	893	6,756	7,649	6,689

Detailed, Daughter Fund wise list of Drawdown since inception is attached as Annexure 1 and MSME in Annexure 2.

4. Details of Investment in MSME

Details of new Investments through Daughter Funds in MSME Companies in the current month

(Rs in Cr)

Sr No	Name of MSME	Name of Daughter Fund	DF Investment in MSME from SRI Fund	DF Investment in MSME from all investors
1	Earth Crust Private Limited (Let'S Try)	9Unicorns Accelerator Fund	0.24	3.99
2	Flickstree Productions Private Limited		0.09	1.50
3	Greenikk Sustainable Ventures Private Limited (Greenikk).		0.05	0.75
4	Aubotz Labs Pvt Ltd (Peppermint Robotics)		0.24	4.00
5	Remedo Clinitech Private Limited	Whiteboard Capital Fund – II	0.25	3.00
6	Breeo Solutions Private Limited		0.17	2.05
7	Brio Hospitality Private Limited		0.38	4.49
8	Griot Retail Tech Pvt. Ltd. (Doto Kids)		0.29	3.5
9	Healthlicious Basil Foodtech Private Limited)		0.05	0.65
10	Jugyah Real Estate Services Private Limited		0.06	0.82
11	Mymuse India Private Limited		0.29	3.50
12	Neuracle Health Pvt Ltd (Marble Health)		0.11	1.38
13	Fluxgen Sustainable Technologies Private Limited	Arali Ventures II	0.14	2.74
14	Fifty Finance Private Limited		0.59	4.48
15	Bidaal Technology Private Limited		0.69	5.17

Total Investment in MSMEs, through Daughter Funds, since inception:

Number of MSMEs	Number of Daughter Funds	DF Investment in MSMEs from SRI Fund	DF Investment in MSMEs from all investors
434	53	893	7,649

Female founder companies	Founders OBC	Founders SC/ST	Male Employment	Female Employment	Total Employment	MICRO MSME	SMALL MSME	Medium MSME
70	11	2	74,338	23,945	98,333	331	77	26

5. Exits from Daughter Fund to SRI Fund

(Rs in Cr)

Sr.No.	Name of Daughter Fund	Name of MSME	Cost of Investment	Profit / Loss	Capital distributed
1	NABVENTURES Fund I	VnF Ideas Private Limited	1.34	1.90	3.24
2	Maharashtra Defence and Aerospace Venture Fund	FFS Industries Private Limited	1.75	0.11	1.86
3	Cactus Partners Fund I	Rubix Data Sciences Pvt Ltd	0.79	0.71	1.50
4	Pontaq – NextGen Technology Fund-1	Suhora Technologies Private Limited	0.04	0.05	0.01
		Cognotia Institute Private Limited	0.03	0.03	0.00
5	Paragon Partners Growth Fund II	GFM Retail Private Limited	7.78	-5.69	2.09
	Total		**11.73**	**-2.89**	**8.7**

6. Details of Investments through Daughter Funds in Non-MSME Companies

(Rs in Cr)

Sr.No.	Name of Daughter Fund	Name of Non MSME	DF Investment in Non MSMEs from SRI Fund	DF Investment in Non MSMEs from all investors
1	India Advantage Fund S5 I	Cello World Private Limited	16.1	240.0
2		Pritam International Private Limited	17.3	180.0
3	Singularity Growth Opportunities Fund I	LCNC Services Private Limited	3.1	35.0
4	Exfinity Technology Fund- Series III	Unscript AI Pvt Ltd	0.4	4.0
5		Neural Garage Pvt Ltd	0.6	5.6
6	Filter Capital India Fund I	M/S Loadshare Networks Private Limited	5.3	41.1
7	9Unicorns Accelerator Fund	Shop Kirana E Trading Private Limited	0.4	7.0
8		Vedantu Innovations Private Limited	0.5	10.0
9		Inai Technologies Co.	0.2	4.0
10	Epiq Capital II	GHV Advanced Care Private Limited (Pristyncare)	4.8	74.8
11		Lenskart Solutions Private Limited (Lenskart)	11.2	172.9
12	Tata Capital Healthcare Fund II	Sakar Healthcare Limited	3.7	60.0
13	Grand Anicut Fund 3	Illumine-i	2.4	36.4
14	IvyCap Ventures Trust Fund III	Bluestone Jewellery and Lifestyle Pvt Ltd (Bluestone)	8.9	50.0
15	Arali Ventures II	Radar Ventures Pvt. Ltd.	0.4	3.0
	Total		**75.3**	**923.8**

The respective drawdown requests were in order, as opined by Khaitan & Co., Legal Advisor to SRI Fund, vide their letter dated 27th January 2022 that SRI Fund, being registered as a Category II AIF with SEBI, is a pooling vehicle as per SEBI Regulations and, therefore, the stipulation of 5x times of SRI Fund investment being in MSMEs can be reckoned only at the end of the commitment period.

7. State wise details of Investee Companies 31st March 2024

Details of Investments through Daughter Funds in MSME Companies

Name of State	No of Investee Companies
Andhra Pradesh	3
Assam	1
Bihar	2
Chandigarh	3
Chhattisgarh	1
Delhi	57
Dadra and Nagar Haveli	1
Goa	2
Gujarat	18
Haryana	36
Himachal Pradesh	2
Jharkhand	1
Kerala	6
Karnataka	109
Madhya Pradesh	8
Maharashtra	114
Odisha	6
Puducherry	1
Punjab	2
Rajasthan	6
Tamil Nadu	24
Tripura	1
Telangana	18
Uttarakhand	2
Uttar Pradesh	7
West Bengal	3
Total	**434**

Details in Annexure 2

Sr No	Name of Daughter Fund AAHCN1355M/ABVAS2830H	Date of AIF registration	SEBI Registration No	Final IC Sanctioned Commitment Amount (Rs. Cr)	Commitment Under Management (Rs. Cr)	Target corpus used for Final IC
1	BanyanTree India Growth Capital Fund	19-01-2018	IN/AIF2/17-18/0515	145	30	175
2	Stakeboat Capital Fund II	29-10-2020	IN/AIF2/20-21/0837	150	150	300
3	SVL-SME Fund (Neev II)	25-09-2019	IN/AIF1/19-20/0730	270	135	405
4	Carpediem Capital Partners Fund II	09-04-2019	IN/AIF2/19-20/0674	135	75	210
5	Maharashtra Defence and Aerospace Venture Fund	05-09-2018	IN/AIF2/18-19/0578	100	35	135
6	NABVENTURES Fund I	04-04-2019	IN/AIF2/19-20/0671	50	50	100
7	Gaja Capital India Fund 2020 LLP	08-02-2021	IN/AIF2/20-21/0860	375	255	2000
8	IvyCap Ventures Trust Fund III	12-07-2018	IN/AIF-2/18-19/0564	400	400	800
9	Tata Capital Healthcare Fund II	12-10-2018	IN/AIF2/19-20/0666	60	60	120
10	Pavestone Technology Fund	01-07-2021	IN/AIF1/21-22/0900	100	100	200
11	Paragon Partners Growth Fund II	11-12-2018	IN/AIF2/18-19/0622	70	40	1000
12	SVAS Winning Businesses	03-12-2020	IN/AIF2/20-21/0844	100	100	200
13	Ubharte Sitaare Fund	09-07-2021	IN/AIF2/21-22/0905	100	50	150
14	Aavishkaar India Fund VI	27-04-2021	IN/AIF2/21-22/0877	250	170	420
15	Menterra Social Impact Fund II	07-05-2019	IN/AIF1/19-20/0694	140	25	165
16	Pontaq – NextGen Technology Fund-1	02-06-2020	IN/AIF2/20-21/0807	130	130	260
17	Enzia Investment Trust	04-08-2021	IN/AIF1/21-22/0917	70	25	95
18	Sabre Partners Fund – 2019	19-09-2018	IN/AIF2/8-19/0588	150	45	195
19	Cornerstone Venture Partners Fund	09-08-2018	IN/AIF1/18-19/0572	40	35	75
20	Achieving Women Entrepreneurs Early Growth Fund I	06-08-2019	IN/AIF2/19-20/0722	65	65	130
21	Zephyr Peacock India Growth Fund	11-10-2017	IN/AIF2/17-18/0377	85	45	130
22	GVFL Emerging Enterprises Venture Capital Fund	15-01-2020	IN/AIF2/19-20/0765	80	80	500
23	Alkemi Venture Fund II - Scheme I	31-01-2022	IN/AIF2/21-22/0984	150	150	300
24	Avaana Sustainability Fund	05-04-2022	IN/AIF2/22-23/1033	200	200	400
25	TrueScale Venture Growth Fund I	02-11-2020	IN/AIF2/20-21/0838	100	45	145
26	Omnivore Agritech & Climate Sustainability Fund 3	11-03-2022	IN/AIF2/21-22/1010	225	225	450
27	Roots Ventures-II Fund	22-02-2022	IN/AIF1/21-22/0996	100	100	200
28	Kae Capital Fund III	11-05-2020	IN/AIF2/20-21/0796	80	55	135
29	Fireside Ventures Investment Fund III	23-03-2022	IN/AIF2/21-22/1018	165	160	325
30	India Advantage Fund S5 I	20-10-2021	IN/AIF2/21-22/0939	200	200	400
31	Equanimity Ventures Trust II	14-02-2022	IN/AIF2/21-22/0993	95	95	190
32	Cactus Partners Fund I	17-11-2020	IN/AIF2/20-21/0842	110	75	185
33	Grand Anicut Fund 3	25-04-2022	IN/AIF1/22-23/1048	75	70	500
34	Whiteboard Capital Fund – II	15-12-2021	IN/AIF2/21-22/0964	25	25	300
35	Singularity Growth Opportunities Fund I	24-07-2021	IN/AIF2/21-22/0913	40	40	80

36	9Unicorns Accelerator Fund	29-03-2019	IN/AIF1/18-19/0663	25	25	837.7
37	Amicus Capital Partners India Fund II	20-04-2022	IN/AIF2/22-23/1052	200	200	1,000
38	Arali Ventures II	20-04-2022	IN/AIF1/22-23/1050	40	40	300
39	Dallas Venture Capital Fund I	13-05-2022	IN/AIF2/20-21/0819	40	35	350
40	Filter Capital India Fund I	13-05-2022	IN/AIF2/22-23/1064	75	75	750
41	Exfinity Technology Fund- Series III	07-02-2014	IN/AIF1/13-14/0094	80	80	160
42	Epiq Capital II	30-09-2021	IN/AIF2/21-22/0930	125	105	1875
43	IAN Alpha Fund	02-09-2022	IN/AIF2/22-23/1127	100	100	650
44	Jashvik Capital Fund I	11-04-2022	IN/AIF2/22-23/1047	200	200	1500
45	Elev8-Capital Fund I	01-09-2022	IN/AIF2/22-23/1123	125	125	1620
46	Asha Ventures Fund I	28-09-2022	IN/ AIF2/ 22-23/1143	100	100	100
47	Antler Innovation India Fund I	19-05-2021	IN/AIF2/21-22/088	50	50	100
48	Sorin Trust	15-03-2022	IN/AIF2/21-22/1015	40	40	1250
49	Somerset Indus Healthcare India Fund III			200	200	1400
50	Ankur Capital Fund III			70	70	500
51	Agastya Capital India Growth Fund			200	200	1400
52	Colossa Women First Fund			30	30	400
53	Endiya Partners Trust III			120	120	800
				6,450	**5,335**	

Sector as per DAF
Sector agnostic incl. manufacturing, infrastructure, consumer, NBFC etc.
Focus on manufacturing/ services sectors including healthcare; value added industrials and manufacturing; & B2B tech/ businesses/ services
Sustainable agriculture, waste management, water supply & sanitation, clean technology, energy efficiency, renewable energy and urban mobility
Focus on companies operating in value and affordable product / services segment catering to aspirational customers
Defence, aerospace and allied sectors
Education, healthcare, food and agri-business value chain
EEE, consumer, software, healthcare and financial service sectors
Sector agnostic
Healthcare, Life-sciences and allied sector
Sector agnostic, portfolio companies to typically cater to manufacturing, industrials, pharma, aerospace, IT & financial services
Consumer Discretionary, Financial Services, Healthcare Services, Manufacturing and Industrials, Infrastructure Services, and Technology
Sector agnostic including focus on education, medical, agritech, fintech, and logistics
Sector agnostic
Sustainable Agriculture, Financial Inclusion and Essential Services.
Agriculture, healthcare and education
Agriculture, Health, Smart City (including Waste, Water, Transport and Energy) and Fin Services
Healthcare, Education and Environment
Growth stage businesses in healthcare segment
Innovative SMEs operating in B2B space
Manufacturing and services related businesses in healthcare, education, food & agriculture and sustainability (cleantech & water)
Sector agnostic approach with focus on Food & Agriculture, Infrastructure Ancillaries and Financial Services.
Sector agnostic
Entire spectrum of Healthcare & Wellness, including prevention & wellness, healthcare delivery, diagnostics, pharma and allied
Climate and sustainability related sectors
Agriculture, Aerospace, Consumer, Data Services, Education, Electric Vehicles, Healthcare
Agriculture
Consumer, sustainability, health care, manufacturing services, education and others.
Health, Consumer Products, e-Commerce and digitization of MSME businesses
Focus on consumer brands
Sector Agnostic with focus on consumer, healthcare, Pharma, Life Sciences and Specialty Manufacturing
Education, Healthcare, Consumer, Agriculture, Retail, Supply Chain, Electric Mobility
health, climate, B2B and direct to consumer space
sector agnostic approach with focus on consumer brands and companies in education, healthcare, agriculture
Consumer, healthcare, software and financial services
Health, Clean Energy and Consumer

Consumer, Education, Enterprise solutions, healthcare, agriculture and financial services
Healthcare, consumer, tech, financial services
Manufacturing,Healthcare, Logistics, Retail and financial services space
Enterprise B2B companies in artificial intelligence, Analytics, Cloud, IoT, Cybersecurity, and Blockchain technology
Business Services, Education, Logistics, Healthcare, retail, media and software
Healthcare, Enterprise Related Companies, SaaS and companies with potential platform plays
Healthcare, consumer, enterprises and finance
Healthcare, Climate and Others
Healthcare, consumer
Healthcare, Agriculture,Education, Retail & FMCG, Infrastructure and others
Healthcare, Agriculture,Education, climate, Infrastructure, Retail & FMCG and others
Healthcare, Agriculture,Education, climate and others
Health, Consumer, SaaS, B2B, e-commerce marketplaces, climate and fintech

Devinder K Jain & Associates

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To,
The Contributors of
Self-Reliant India Fund *[the first AIF scheme of NSIC Venture Capital Fund Limited ('NVCFL')]*

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Self-Reliant India Fund** ('the Fund'), which is the first AIF scheme of NVCFL, which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss and statement of cash flows 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 a true and fair view of the financial position of the entity as at 31 March 2023 and of its financial performance and its cash flows for the period then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI')

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. 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 Fund in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with 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 2 of the financial statements which explains the facts surrounding the establishment of SRI Fund and also explains the presentation in the financial statements of the funds received as contribution to SRI Fund by the respective contributors (including remittance in transit) in the bank account maintained by NSIC Venture Capital Fund Limited, which has floated the SRI Fund pursuant to receiving approval from the Securities and Exchange Board of India as a Category-II Alternative Investment Fund

Our opinion is not modified in respect of the above matters

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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.

- 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.

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

CA D.K Jain
Partner
Membership No.: 083417
UDIN : 23083417BGXHDG8647

Place: New Delhi
Date: 27 SEP 2023

Self Reliant India (SRI) Fund

(first AIF scheme of NSIC Venture Capital Fund Limited)

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

Balance Sheet as at 31 March 2023

(Amount in ₹)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
EQUITY AND LIABILITIES			
Unitholders' Funds			
(a) Unit Capital	4	5,73,46,95,973	1,80,45,27,544
(b) Reserves and Surplus	5	-11,33,25,461	-4,22,08,446
		5,62,13,70,512	**1,76,23,19,098**
Current Liabilities			
(a) Other Current Liabilities	6	6,55,74,945	1,11,17,551
Total		**5,68,69,45,457**	**1,77,34,36,649**
ASSETS			
Non Current Assets			
(a) Non-current investments	7	4,61,41,13,698	-
(b) Long-term loans and advances	8	5,04,907	-
(c) Other non-current assets	9	2,09,42,214	-
Current Assets			
(a) Cash and Cash Equivalent	10	95,65,65,085	1,77,34,36,649
(b) Current Investment	11	9,48,19,553	-
			-
Total		**5,68,69,45,457**	**1,77,34,36,649**

Accompanying notes are integral part of the financial statements — 1 to 18

In terms of our report of even date attached

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

CA D.K Jain
Partner
Membership No.: 083417
UDIN: 23083417BGXHDQ8647
Place : New Delhi
Date : 27 SEP 2023

For and on behalf of the Fund
Self Reliant India (SRI) Fund
(First AIF scheme of NSIC Venture Capital Fund Limited

Saravana Kumar Ananthan
Director & CEO
NVCFL

Rajesh Madan
General Manager
NVCFL

Adarsh Kansal
Chief Manager (F&A)
NVCFL

Nishtha Goyal
Company Secretary
NVCFL

Self Reliant India (SRI) Fund

(first AIF scheme of NSIC Venture Capital Fund Limited)

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

Statement of profit and loss for the year ended 31.03.2023

(Amount in ₹)

Particulars	Note No.	For the period ended 31.03.2023	For the period ended 31.03.2022
INCOME			
Income from operations	12	4,59,72,904	-
Total Income		**4,59,72,904**	-
EXPENSES			
Investment Management fee expenses	13	9,51,43,546	2,52,43,869
Other Expenses	14	2,19,46,373	1,69,64,577
Total Expenses		**11,70,89,919**	**4,22,08,446**
Profit/Loss for the Year before extraordinary items and tax		**-7,11,17,015**	**-4,22,08,446**
Extraordinary items			-
Loss for the Year before tax		**-7,11,17,015**	**-4,22,08,446**
Tax Expense:	-		
-Current tax		-	-
-Deferred tax		-	-
		-	-
Loss for the Year after tax		**-7,11,17,015**	**-4,22,08,446**
Accompanying notes are integral part of the financial statements	1 to 18		

In terms of our report of even date attached

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

CA D.K Jain
Partner
Membership No.: 083417

Place : New Delhi
Date : 27 SEP 2023

For and on behalf of the Fund
Self Reliant India (SRI) Fund
(First AIF scheme of NSIC Venture Capital Fund Limited

Saravana Kumar Ananthan
Director & CEO
NVCFL

Rajesh Madan
General Manager (NVCFL)

Adarsh Kansal
Chief Manager (F&A)
NVCFL

Nishtha Goyal
Company Secretary
NVCFL

Self Reliant India (SRI) Fund

(a first scheme of NSIC Venture Capital Fund Limited)

Office Address: NSIC Bhawan, Okhla Industrial Estate,
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Cash Flow Statement for the period 01.04.2022 to 31.03.2023

(Amount in ₹)

Particulars	For the period ended 31.03.2023	For the period ended 31.03.2022
A. Cash Flow from Operating Activities		
Deficit before tax	-7,11,17,015	-4,22,08,446
Adjustments for:		
Income accrued but not received	-2,09,42,214	
Operating loss before Working Capital changes	-9,20,59,229	-4,22,08,446
Changes in Working Capital		
Increase / (decrease) in other current liablities	5,44,57,394	1,11,17,551
Cash Utilised in Operations	-37601835.00	**-3,10,90,895**
Income Tax Paid	-5,04,907	-
Net Cash (Utilised in) / Generated from Operating Activities	**-3,81,06,742**	**-3,10,90,895**
B. Cash Flow from Investing Activities		-
Purchase of short term investment	-9,48,19,553	-
Purchase of long-term investments	-4,61,41,13,698	-
Net Cash (Utilised in) / Generated from Investing Activities	**-4,70,89,33,251**	-
C. Cash Flow from Financing Activities		
Contributions received towards unit capital	3,93,01,68,429	1,80,45,27,544
Net Cash (Utilised in) / Generated from Financing Activities	**3,93,01,68,429**	**1,80,45,27,544**
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)	**-81,68,71,564**	**1,77,34,36,649**
Cash and Cash Equivalents at the beginning of the period	**1,77,34,36,649**	-
Cash and Cash Equivalents at end of the period	**95,65,65,085**	**1,77,34,36,649**
Details of Cash and Cash Equivalents at the end of the year -		
(a) Balance with Banks		
In Current Account	95,65,65,085	1,77,34,36,649
In Term Deposits	-	-
(b) Cheques/Draft in Hand	-	-
Total Cash and Cash Equivalents at the end of the year	**95,65,65,085**	**1,77,34,36,649**

- The above statement has been prepared using the 'indirect method' as prescribed in AS 3 - Cash flow Statement.
- Components of cash and cash equivalents are disclosed in Note - 10.

Accompanying notes are integral part of the financial statements 1 to 18.

In terms of our report of even date attached

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

CA D.K Jain
Partner
Membership No.: 083417

Place : New Delhi
Date : 27 SEP 2023

For and on behalf of the Fund
Self Reliant India (SRI) Fund

Saravana Kumar Ananthan
Director & CEO
NVCFL

Rajesh Madan
General Manager
NVCFL

Adarsh Kansal
Chief Manager (F&A)
NVCFL

Nishtha Goyal
Company Secretary
NVCFL

Self Reliant India (SRI) Fund
(a first scheme of NSIC Venture Capital Fund Limited)
Office Address: NSIC Bhawan, Okhla Industrial Estate,
Phase - III, New Delhi - 110020

Note : 4 Unit Capital

(Amount in ₹)

Details of Units Issued

Particulars	As at 31.03.2023		As at 31.03.2022	
	Units	Amount	Units	Amount
(i) Issued units (Class A) of face value INR 1 crore each: (Ministry of MSME)				
Units issued at the beginning of the period	180.35	1,80,34,58,088	-	-
Add: Issued during the period	392.78	3,92,78,50,000	180.35	1,80,34,58,088
Total	573.13	5,73,13,08,088	180.35	1,80,34,58,088
Issued units outstanding at end of the year	573.13	5,73,13,08,088	180.35	1,80,34,58,088
(i) Issued units (Class B) of face value INR 1 crore each:				
Units issued at the beginning of the period	0.110	10,69,456	-	-
Add: Issued during the period	0.232	23,18,429	0.110	10,69,456
Total	0.342	33,87,885	0.110	10,69,456
Units outstanding/paid up at end of the year	0.342	33,87,885	0.110	10,69,456
(i) Issued units (Class B) of face value INR 1 crore each: (NVCFL)				
Units issued at the beginning of the period	0.089	8,91,213	0.00	0
Add: Issued during the period	0.195	19,45,003	0.089	8,91,213
Total	0.284	28,36,216	0.089	8,91,213
Units outstanding/paid up at end of the year	0.284	28,36,216	0.089	8,91,213
(i) Issued units (Class B) of face value INR 1 crore each: (NSIC)				
Units issued at the beginning of the period	0.02	178243.00	0.00	0
Add: Issued during the period	0.04	373426.00	0.018	1,78,243
Total	0.055	5,51,669	0.018	1,78,243
Units outstanding/paid up at end of the year	0.055	5,51,669	0.018	1,78,243

(B) Details of Unit-holders

(Amount in ₹)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Units	Amount	Units	Amount
Class A units (face value INR 1 crore each)				
Ministry of Micro, Small & Medium Enterprises, GOI (Anchor Investor)	573.13	5,73,13,08,088	180.35	1,80,34,58,088
Class B units (face value INR 1 crore each)				
NSIC Venture Capital Fund Ltd.	0.284	28,36,216	0.089	8,91,213
The National Small Industries Corporation Ltd. (Sponsor)	0.055	5,51,669	0.018	1,78,243

(C) Details of Unit Contributors/ Drawdown

(Amount in ₹)

Name of the Contributors	Drawable Corpus	Amount Drawn upto 31.03.2023	Balance Drawable Corpus	Amount Drawn upto 31.03.2022	Balance Drawable Corpus
Ministry of Micro, Small & Medium Enterprises, GOI (Class - A)	10,00,00,00,000	5,73,13,08,088	92,46,52,33,824	0	98,19,65,41,912
NSIC Venture Capital Fund Ltd. (Class - B)	5,00,00,000	28,36,216	4,62,72,571	8,91,213	4,91,08,787
The National Small Industries Corporation Ltd. (Class - B)	1,00,00,000	5,51,669	92,70,088	1,78,243	98,21,757
Total	**10,06,00,00,000**	**5,73,46,95,973**	**92,52,07,76,483**	**10,69,456**	**98,25,54,72,456**

(D) The beneficial interest and rights of the unitholders are specified in the contribution agreement entered into with the unitholders.

Self Reliant India (SRI) Fund
(a first scheme of NSIC Venture Capital Fund Limited)
Office Address: NSIC Bhawan, Okhla Industrial Estate,
Phase - III, New Delhi - 110020

Note : 5 Reserve & Surplus

(Amount in ₹)

Particulars	As at 31.03.2023	As at 31.03.2022
Opening balance	-42,208,446	
Deficit in the statement of profit and loss for the period	-71,117,015	-42,208,446
Total	-113,325,461	-42,208,446

Note : 6 Other Current Liabilities

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory dues payable	2,972,647	5,000
Current Liabilities for Expenses	1,234,245	45,000
Payable to NVCFL (refer note 15)	61,368,053	11,067,551
Total	65,574,945	11,117,551

The Trade Payable has been re-grouped and the balance of previous year i.e. FY 2021-22 amounting to ₹ 1,00,87,551/- has been re-grouped to Payable to NVCFL.

Self Reliant India (SRI) Fund
(a first scheme of NSIC Venture Capital Fund Limited)
Office Address: NSIC Bhawan, Okhla Industrial Estate,
Phase - III, New Delhi - 110020

Note : 7 Non-current investment

(Amount in ₹)

	No of units	For the period ended 31.03.2023	Type of Units Issued	For the period ended 31.03.2022
(Unquoted, at cost)				
Investment in Daughter Funds:				
Aavishkaar India Fund VI			partly paid up	
Avaana Sustainability Fund	1116540.00	225,298,346	₹193.2995/unit	
	48654.39	98,654,389	fully paid up	
Banyan Tree India Growth Capital Fund			fully paid up	
			(unallocated fi	
Cactus Partners Fund I	452.00	45,399,890	99,890)	
	768.60	131,482,269	fully paid up	
Carpediem Capital Partners Fund II				
			partly paid up	
Cornerstone Venture Partners Fund	42469.00	44,007,851	₹1,036.23 per unit	
Enzia Investment Trust	1060.00	107,926,340	fully paid up	
	535.18	53,518,377	fully paid up	
Equanimity Ventures Trust II			partly paid up	
	2434646.76	36,264,037	₹15/unit	
Exfinity Technology Fund- Series III			partly paid up	
	5005.00	112,288,717		
Fireside Ventures Investment Fund III	0.49	81,528,938	fully paid up	
Gaja Capital India Fund 2020 LLP	4388.40	439,840,392	fully paid up	
Grand Anicut Fund 3	58141.00	58,140,952	fully paid up	
GVFL Emerging Enterprises Venture Capital Fund	4396.40	71,578,169	fully paid up	
India Advantage Fund SS I	1776131.00	177,617,100	fully paid up	
IvyCap Ventures Trust Fund III	4023078.93	402,307,893	fully paid up	
Kae Capital Fund III	686.10	68,609,703	fully paid up	
Maharashtra Defence and Aerospace Venture Fund	3666.70	348,093,373	fully paid up	
NABVENTURES Fund I	1358756.41	163,302,259	fully paid up	
Paragon Partners Growth Fund II			partly paid up	
	1988.65	188,864,795	₹58.94/unit	
Pavestone Technology Fund	1349.40	134,940,376	fully paid up	
Pontaq – NextGen Technology Fund-1	274629.00	27,462,858	fully paid up	
Roots Ventures-II Fund	559133.17	55,913,317	fully paid up	
Sabre Partners Fund – 2019	2537822.96	253,782,296	fully paid up	
Singularity Growth Opportunities Fund I	1170859.66	206,546,756	fully paid up	
Stakeboat Capital Fund II	1015.72	101,570,824	fully paid up	
SVAS Winning Businesses	803471.64	103,993,140	fully paid up	
SVL-SML Fund (Navi II)	390424.88	390,424,872	fully paid up	
			partly paid up	
Tata Capital Healthcare Fund II	600000.00	196,368,055	₹327.2801/unit	
TrueScale Venture Growth Fund I	831865.00	32,299,458	fully paid up	
Ubharte Sitaare Fund	179300.49	179,300,486	fully paid up	
Zephyr Peacock India Growth Fund	10468.40	80,742,565	fully paid up	
Total		**4,614,113,698**		
Aggregate carrying value of unquoted investments		**4,614,113,698**		

*Note: It is to be noted that the PFMS (MoMSME's contribution) were debited from Axis account of SRI Fund in April 2023, but was debited on PFMS Portal on 30th and 31st March 2023 for the following funds -

Cactus Partners Fund I	54,822,437
Fireside Ventures Investment Fund III	81,480,021
NABVENTURES Fund I	27,426,618
SVAS Winning Businesses	23,731,728
Singularity Growth Opportunities Fund I	89,457,098
Exfinity Technology Fund- Series III	112,216,347

Self Reliant India (SRI) Fund
(a first scheme of NSIC Venture Capital Fund Limited)
Office Address: NSIC Bhawan, Okhla Industrial Estate,
Phase - III, New Delhi - 110020

Note : 8 Long term loans and advances

(Amount in ₹)

Particulars	As at 31.03.2023	As at 31.03.2022
Income tax refundable	504,907	-
Total	504,907	-

Note : 9 Other non-current assets

(Amount in ₹)

Particulars	As at 31.03.2023	As at 31.03.2022
Income accrued on non-current investment but not due	20,942,214	-
	20,942,214	-

Note : 10 Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance in current account (refer note 2)	956,565,085	1,773,436,649
Total	956,565,085	1,773,436,649

Note: Balance in Current Account as on 31.03.2022 included an amount of ₹ 25.00 cr on account of remittance in transit.

Note : 11 Current Investment

(Unquoted, at cost)

Fixed deposits with maturity more than three months	94,819,553	-
Total	94,819,553	-

Aggregate carrying value of unquoted investments 94,819,553

Note : 12 Income from Operations

(Amount in ₹)

Particulars	For the period ended 31.03.2023	For the period ended 31.03.2022
Short term capital Gain	30,106,376	-
Interest on investment made in daughter funds	9,133,824	-
Long term Capital Gain on investment made in daughter funds	1,688,459	-
Dividend Received from investment in daughter funds	1,030	-
Interest income on fixed Deposit	5,043,215	-
Total Income	45,972,904	-

Note : 13 Investment Management Fees Expense

(Amount in ₹)

Particulars	For the period ended 31.03.2023	For the period ended 31.03.2022
Management Fees expense (Refer Note 15.1.b)	45,626,451	21,032,620
Fund Manager Operating fee expense (Refer Note 15.1.b)	49,517,095	4,211,249
Total	95,143,546	25,243,869

Note : 14 Other Expenses

Particulars	For the period ended 31.03.2023	For the period ended 31.03.2022
Legal & Professional fees (Refer Note 15.1.b)	6,838,980	4,130,150
Advertisement expenditure (Refer Note 15.1.b)	254,607	239,524
Auditor remuneration	79,000	50,000
Meeting & conference expenses (Refer Note 15.1.b)	289,432	111,629
Fund Expenses (Refer Note 15.1.b)	4,686,706	12,433,139
Manpower (Refer Note 15.1.b)	6,199,203	-
Stamp Duty Paid on Units Issued	190,008	-
Traveling & Conveyance (Refer Note 15.1.b)	632,643	-
Rent Paid (Refer Note 15.1.b)	699,231	-
Expenses on Security and Allied Services (Refer Note 15.1.b)	911,514	-
Valuation Expenses	1,147,000	-
Bank Charges	6,249	135
Miscellaneous expenses	11,800	-
Total	21,946,373	16,964,577

Self Reliant India (SRI) Fund (first Scheme of NSIC Venture Capital Fund Limited) forming part of the Balance Sheet as at 31.03.2023 and the Income & Expenditure Account for the period from 01.04.2022 to 31.03.2023

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1. General Information

Self Reliant India (SRI) Fund ('the Fund') is registered separately as an Association of Person, and is the first scheme of NSIC Venture Capital Fund Limited (NVCFL). NVCFL is registered with Securities and Exchange Board of India ('SEBI') with registration no. IN/AIF2/21-22/0924 as Category II AIF from 1st September, 2021. SRI Fund (The Fund) is a close ended fund established to invest in other Alternative Investment Funds ('AIF') registered as a Category I or II AIF under SEBI Regulations ('Daughter Fund'). The Term of the Fund will be 15 (fifteen) years from the date of Final Closing, extendable 2 (two) years additional 1 (one) year by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value) in accordance with the AIF Regulations. The Fund shall terminate upon the expiry of the term based or on occurrence of events described in the contribution agreement. SBICAP Ventures Limited ('SVL') is the Investment Manager of the Fund.

The investment objective of the Fund is to support Daughter Funds for onward investment in MSMEs as growth capital, through equity, quasi-equity and debt, as permitted under the AIF Regulations.

Final closing of the Fund was held on 12th October, 2021. The investment period for the Fund will commence from the date of Final Closing and will end on the date that is 13 (thirteen) years from the date of Final Closing. Each unit holder will be allotted such number of units as correspond to capital commitment of such unit holder divided by INR 1 crore (Rupees one crore only) and capital contributions of such unit holder shall evidence its beneficial interest. The Fund has received commitments INR 10,006 crore (Rupees Ten Thousand and Six crore only).

The Fund has two classes of units viz. Class – A and Class - B having a par value of INR 1 crore each.

2. Establishment of SRI Fund

NSIC Venture Capital Fund Limited ('NVCFL') was incorporated as a company and 100% subsidiary of The National Small Industries Corporation Limited (NSIC) for implementing the Government of India's Fund of Fund scheme for developing the MSME sector – the SRI Fund. While was registered with SEBI as Category-II Alternate Investment Fund, the SRI fund is a scheme administered by NVCFL with a distinct identity of its own. After deliberations with its legal advisors, NVCFL was advised to setup SRI Fund as an 'Association of Persons' as per the provisions of the Income-tax Act, 1961 whereby the contributors to the fund i.e. the Government of India, NSIC and the NVCFL shall be the members in accordance with the terms of the contribution agreement dated 12 October 2021. While NVCFL was in the process of executing this regulatory structure, the Govt. of India transferred an amount of INR 18,034.58 Lakh (Including remittance in Transit of ₹ 2500.00 Lakh for FY 2021-22) during the year ended 31 March 2022 in a separate bank account maintained by NVCFL for SRI Fund as their contribution to SRI Fund. An amount of ₹ 1.78 Lakh and ₹ 8.91 Lakh was also transferred by NSIC and NVCFL to such separate bank account as their respective contribution to SRI Fund.

Since the amount had been received in the bank account of NVCFL but has been intended solely for SRI Fund which is a separate entity, the balance amount of ₹ 17,734.37 Lakh (after adjustment of expenditure of SRI Fund) was considered to be held in trust by NVCFL on behalf of SRI Fund. Accordingly, the funds held in Company bank account on behalf of SRI Fund have been presented in books of account as a cash and cash equivalents in SRI fund books. NVCFL intends to transfer the entire balance to a separate bank account of SRI Fund once such account is setup.

During FY 2022-23, GOI transferred ₹ 392,78,50,000/- to SRI Fund, ₹ 19,45,003/- was transferred by NVCFL and ₹ 3,73,426/- was transferred by NSIC as respective contribution.

3. Significant Accounting Policies

3.1 Basis of preparation

The financial statements have been prepared to comply in all material respects with Accounting Standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI) and generally accepted accounting principles in India, to the extent applicable. These financial statements have been prepared under the historical cost convention on an accrual basis. The significant accounting policies are in accordance with the accounting principles generally accepted in India and have been adopted by the Self Reliant India (SRI) Fund and have been consistently applied by the Fund.

3.2 Use of Estimate

The preparation of the financial statements requires the SRI Fund to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses during the reporting period. Actual result may be differ from the estimates and assumptions used in preparing the accompanying financial statements. Such differences are recognized in future periods.

3.3 Contributions

Unit capital contribution from beneficiaries represents amount contributed by the investors in terms of the Contribution Agreement for the allotment of units of the Fund.

Out of the amounts committed by Unit holders (beneficiaries), the amount contributed by unit holders in terms of Contribution Agreements till the balance sheet date, is reflected accordingly in the balance sheet.

The Fund has issued Class A and Class B Units to qualifying investors, each having a face value of INR 1 crore (Rupees one crore only) which are fully paid up to the extent of contributions and will be issued to the investors.

3.4 Cash and Cash Equivalent

Cash and cash equivalent comprise cash on hand, demand deposits with banks and remittance in transit. Cash equivalent are short term deposits (with original maturity of three months or less from the date of acquisition) and highly liquid investment that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

3.5 Cash Flow Statement

Cash flow are reported using the indirect method, whereby surplus / (deficit) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipt or payments. The cash flow from operating, investing and financing activities of the fund are segregated based on the available information.

3.6 Investments

Recording of Investments

Purchase of Investments is accounted, on disbursal of funds, at the cost of acquisition including brokerage, commission and stamp duty, other incidental expenses, if any. Investment transactions are recorded when commitment is funded.

Subsequent Measurement

Valuation of Investments

All Portfolio investments are carried at cost. If there is a decline, other than temporary in the value of such investments, a provision is made for the resultant reduction in the carrying amount by charging it to the revenue account for the year.

Impairment

The Fund assesses at each reporting date whether there is any objective evidence of a decline other than temporary in the carrying value of the Portfolio Investments and whether such Investments are impaired. Portfolio Investments are deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after their initial recognition (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the Portfolio Investments, that can be reliably estimated. Objective evidence could also include a 'significant' or 'prolonged' decline in the carrying value of the Portfolio Investments, below their respective costs and the Investment Manager, in its best judgment expects that the cost is not likely to be recovered on their disposal. Where there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the carrying value, less any impairment loss on that investment previously recognized in the Revenue Account), is removed from the cost and recognized in the Revenue Account.

Current Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current investments are valued at cost or market / fair value whichever is lower.

3.7 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

Income from Units in underlying Funds are recognized when the right to receive payment is established.

Interest income on fixed deposits is accrued proportionately based on period for which the same is placed. Any return realized on temporary investment shall be deemed to be investment proceeds and shall be available for utilization by the fund for its purpose.

Realized Gains or losses on Investment are dealt with in the Income & Expenditure Account.

3.8 Expenses

3.8.a Management Fee and Operating Fee

In accordance with the operating guidelines issued by the Government of India and Contribution Agreement signed with the contributors, an investment management fee ('Management Fee') is payable to NVCFL and Operating Fee is also payable to SVL, Investment Manager as per the Investment Management Agreement between the SVL, Investment Manager and the NVCFL (Self Reliant India (SRI) Fund), a Management Fee and Operating Fee is payable as follows:

Management Fee payable to NVCFL:

(a) Management Fee payable to NVCFL as a percentage as specified in the contribution agreement, of the corpus actually placed at the disposal of the fund.

(b) Operating Fee payable to SVL:

Operating Fee payable to SVL, as a percentage specified in the contribution agreement, of the contributor's commitment and outstanding commitments made by the Fund to the Daughter Fund (i.e. funds committed but not yet deployed).

(c) After the funds contributed/ deployed by the Fund to the Daughter Funds and

3.8.b Allocation of Expenses

Fund expenses (in nature of recurring and non – recurring) and Establishment expenses are accrued in accordance with the Contribution Agreement and Private Place Memorandum (PPM).

3.9 Income taxes

The Fund is registered with SEBI as a Category II AIF in accordance with the AIF Regulations and hence its taxability is governed by section 10(23FBA), 10(23FBB) and section 115UB of the Income-tax Act, 1961 ('Act'), as discussed below –

Tax on income of an AIF (other than business income) is eligible for pass through exemption under provisions of section 10(23FBA) of the Act. Accordingly, any income of the Fund other than income chargeable under the head "Profits and Gains of Business and Profession" is exempt from income tax in the hands of the Fund. Further, as per the provisions of Section 115UB of the Act, this income distributed to the investors of the Fund shall be chargeable to income-tax in the hands of the respective investors, in the same and like manner, as if it were the income accruing and arising to, or received by, such investor had the investments been made directly by such investor. The Fund is of the view that it has not earned any business income during the year and hence no tax is payable at the entity level.

Further, as per section 194LBB of the Act, the Fund is required to deduct tax at 10% on all income (other than business income) payable to resident unit holders, and at the rates in force (i.e. provisions of the Act or the relevant Double Taxation Avoidance Agreement, whichever is more beneficial) on all income payable to non-resident unit holders at the time of credit or payment, whichever is earlier. Further, no tax deduction at source is required on income payable to a non-resident unit holder if the said income is not chargeable to tax under the provisions of the Act. The unit holders are entitled to claim credit with respect to taxes so deducted in their respective return of income in India.

Further, pursuant to CBDT Notification No. 51/2015, dated 25th June 2015, since Category II AIFs have been awarded 'pass through status' for tax on income, no deduction of tax under Chapter XVII of the Act shall be made on the payments of the nature specified in clause (23FBA) of Section 10 of the said Act received by any Fund as defined in clause (a) of the Explanation 1 of section 115UB of the said Act.

Additionally, loss other than business loss incurred by Category II AIF shall be passed on to the unit holders, only where units are held by the respective unit holder for a period of at least 12 months. However, any business loss incurred by a Category II AIF can be carried forward and set-off by the AIF, and cannot be passed on to the unit holders.

3.10 Deferred Tax

Deferred tax asset / liability is recognised on timing differences between the income accounted in financial statements and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date in accordance with AS-22 issued by the Institute of Chartered Accountants of India. Deferred tax asset relating to unabsorbed depreciation/business losses/losses under the head "capital gains" or any other timing difference is recognised and carried forward only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

3.11 Provisions and contingencies

A provision is recognized when the Fund has a present obligation as a result of past event and it is probable that an outflow of economic resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are not recognized in the financial statement. However, they are assessed continually, and if it has become virtually certain that inflow of economic benefits will arise, the asset and related income are recognized in the financial statements.

15 Related Party Disclosures

Disclosure as required by Accounting Standards (AS) – 18 on 'Related Party Disclosures' detailed below:

15.1.a Names of the related parties and description of the relationship during the year:

Name of Related Party	Nature of Relationship
NSIC Venture Capital Fund Limited ("NVCFL")	Contributor
Ministry of MSME, GOI ("MSME") (Anchor Investor)	Contributor
SBICAP Ventures Limited ("SVL")	Investment Manager
The National Small Industries Corporation Limited ("NSIC") (Sponsor)	Contributor

15.1.b Transactions with related parties:

The following table provides the total amount of transactions that have been entered into with related parties for the period from 01.04.2022 to 31.03.2023:

Name of the related party	Nature of transaction	Year ended 31st March, 2023 (₹)	Year ended 31st March, 2022 (₹)
NVCFL	Unit capital contributed	19,45,003/-	8,91,213/-
MSME	Unit capital contributed	392,78,50,000/-	1,80,34,58,088/-
NSIC	Unit capital contributed	3,73,426/-	1,78,243/-
NVCFL	Management Fee	4,56,26,451/-	2,10,32,620/-
NVCFL	Fund Expenses	46,86,706/-	1,24,33,139/-
NVCFL	Operating Fee to SVL	4,95,17,095/-	42,11,249/-
NVCFL	Legal & Professional Fees	67,38,626/-	41,30,150/-
NVCFL	IC Meeting Expenses	1,73,556/-	1,11,629/-
NVCFL	Advertisement Expenses	2,54,607/-	2,39,524/-
NVCFL	Advance Received	-	1,25,000/-
NVCFL	Manpower	61,99,203/-	-
NVCFL	Traveling & Conveyance	4,51,726/-	-
NVCFL	Rent Paid	6,99,231/-	-
NVCFL	Expenses on Securities & Allied Services	9,11,514/-	-

15.1.c Balance outstanding with related parties as at year end:

The following table provides the balance of transactions with related parties at balance sheet date:

Name of the related party	Nature of balance	Year ended 31st March, 2023 (₹)	Year ended 31st March, 2022 (₹)
NVCFL	Unit capital contributed	28,36,216/-	8,91,213/-
MSME	Unit capital contributed	573,13,08,088/-	1,80,34,58,088/-
NSIC	Unit capital contributed	5,51,669/-	1,78,243/-
NVCFL	Amount Payable	6,13,68,053.32/-	1,08,28,026/76

16. During the Financial Year 2022-23 SRI Fund has Invested an amount of ₹ 422,49,65,201/- (₹ 422.50 cr.) in 31 daughters funds, fair value of the investment as on 31-03-2023 is ₹ 535,44,07,731/- (₹ 535.44 cr.) as per valuation done by an independent Valuer. The Fund has not recognised any unrealised loss or gain in the Books of Accounts being temporary in the nature as it's the first year of operation of the Fund.

During the year ended 31 March 2023, two daughter funds (Nabventures Fund and Maharashtra Defence Aerospace Venture Fund) exited from investee units and extended

an income of ₹ 2,07,10,802/- in the form of Short /long term Capital Gain and interest on investment made (Please Refer Note 12).

Note:

The financial statements show investment in daughter funds as at 31 March 2023 to be ₹ 461,41,13,698/- (₹ 461.41 cr.) while the amount invested as per valuation report issued by the appointed Valuer shows the amount to be ₹ 422,49,65,201/- {fair market value of investment as on 31.03.2023 as per the valuation report of the appointed Valuer is ₹ 535,44,07,731/- (₹ 535.44 cr.)}. The difference of ₹ 38,98,71,824/- (₹ 38.99 cr.) is due to fund released to daughter funds through PFMS portal by SRI Fund in last two days of March 2023 was received by daughter funds in April 2023.

17. During the year FY 2022-23, TDS ₹ 5,04,907/- on interest income of ₹ 50,43,215/- has been deducted by the Bank on the PAN of NVCFL. Since the income pertains to SRI Fund, the TDS will be claimed by SRI Fund in its return.

18. The Fund has no dues to suppliers registered under Micro, Small and Medium Enterprises development Act, 2006 (Amended from time to time).

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

CA D.K Jain

Partner

Membership No.: 083417

Place : New Delhi
Date : 27 SEP 2023

For and on behalf of the Fund

Self Reliant India (SRI) Fund
(First AIF scheme of NSIC Venture Capital Fund Limited ['NVCFL'])

Saravana Kumar Ananthan
Director & CEO
(NVCFL)

Rajesh Madan
General Manager
(NVCFL)

Adarsh Kansal
Chief Manager (F&A)
(NVCFL)

Nishtha Goyal
Company Secretary
(NVCFL)

NSIC Venture Capital Fund Ltd.

("A wholly Owned Subsidiary of NSIC")

Balance Sheet: 31 March 2023

Annual Financial Accounts

for the Financial Year 2022-23

INDEPENDENT AUDITORS' REPORT

To,
The Members of
NSIC Venture Capital Fund Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **NSIC Venture Capital Fund Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flows and for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. ('financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023 and its profit including other comprehensive income, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 35 of the financial statements which explain the facts surrounding the establishment of SRI Fund, which is a AIF scheme launched by the Company and is a separate entity subject to an independent financial audit, and also explain the presentation in the financial statements of the funds received as contribution to SRI Fund by the respective contributors but such amount was received in the bank account of the Company.

Our opinion is not modified in respect of the above matters



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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls systems in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of changes in equity and Statement of cash flows dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the financial statements comply with the Ind AS specified under section 133 of the Act, as applicable.

   (e) In terms of notification no. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 164(2) of the Act are not applicable to the Company being a government company.

   (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B;

   (g) In terms of notification no. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act are not applicable to the Company being a government company;

   (h) With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Act, refer to our separate report in Annexure C;

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The final dividend paid by the Company during the year in respect of the dividend declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in Note 37 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

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

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

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

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



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

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

CA D.K Jain
Partner
Membership No.: 083417
UDIN : 23083417BGXHCJ3856

Place: New Delhi
Date: 28 August 2023

Annexure A referred to in our Independent Auditor's Report on Financial Statements to the members of NSIC Venture Capital Fund Limited for the period ended 31 March 2023

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

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) As explained to us, property, plant and equipment have been physically verified by the management during the period in accordance with the annual programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not own any immovable property.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(ii) (a) According to the information and explanations given to us, the Company's business does not involve any physical inventories and accordingly the requirements of Para 3(ii)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any loan or advance or guarantee or security, to companies, firms, limited liability partnership or any other parties during the year



The Company has made an investment in a fund and has provided an unsecured loan to Director of the Company in respect of which:

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided an advance to a director of the Company. The Company has advanced an amount of INR 0.12 lakhs during the year on account of recovery towards transport provided to him and such balance of INR 0.12 lakhs remains outstanding as at the close of the reporting period. No other loan or advance has been granted to any other party during the year.

(b) In our opinion, the investments made in SRI Fund, the first AIF scheme setup by the Company along with Government of India and the Company's holding company (The National Small Industries Corporation of India Limited) as the contributors to the SRI Fund and grant of advance to Director, are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loan granted by the Company, no specific schedule of repayment of principal and payment of interest has been stipulated

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same party

(f) The Company has granted an advance of INR 0.12 lakhs to Mr. Saravana Ananthan, Director of the Company and a a related party, as explained in clause (iii)(a) above. Such advance to related party is recoverable on demand and represents a hundred percent of total loans or advances granted by the Company. No loans or advances have been granted to any promoter and no loans and advances have been granted to any party where terms or period of repayment are not specified

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Companies Act, 2013 to the extent applicable in respect of loans, investments, guarantees, and security.

(v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities carried out rendered by the Company. Accordingly, para 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, goods and services tax and other material statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable were in arrears as at 31 March 2023, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, good and services tax and cess, duty of customs, excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) According to the information and explanations given to us:

(a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet any obligations of subsidiaries, associates or joint ventures

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable

(x) (a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during



the period. Accordingly, para 3 (x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the period. Accordingly, para 3(x)(b) of the Order is not applicable to the Company.

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

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year

(xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, para 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, to the extent applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) In our opinion and based on our examination, the Company did not have an internal audit system for the period under audit and accordingly no internal audit reports have been considered.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him covered by Section 192 of the Companies Act, 2013.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as it has obtained necessary regulatory approvals from Securities & Exchange Board of India (SEBI) for setting up an Alternate Investment Funds (AIF) vide certificate dated 1 September 2021 and the Reserve Bank of India has specifically exempted (AIFs) from registration with the Reserve Bank of India *vide* Master Direction – Exemption from provisions of RBI Act, 1934, as updated from time to time. Accordingly, para 3(xvi) is not applicable to the Company

(xvii) The Company has not incurred any cash losses in the current or preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clause 3(xx) of the Order is not applicable.

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

CA D.K Jain
Partner
Membership No.: 083417

Place: New Delhi
Date: 28 August 2023

Annexure B referred to in our Independent Auditor's Report to the members of NSIC Venture Capital Limited for the period ended 31 March 2023

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

We have audited the internal financial controls with reference to the financial statements of NSIC Venture Capital Fund Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



CA D.K Jain
Partner
Membership No.: 083417

Place: New Delhi
Date: 28 August 2023

Annexure C referred to in our Independent Auditor's Report to the members of NSIC Venture Capital Limited for the period ended 31 March 2023

Report on Directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 ("the Act") with respect to the financial statements of NSIC Venture Capital Fund Limited for the period ended 31 March 2023.

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

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

CA D.K Jain
Partner
Membership No.: 083417

Place: New Delhi
Date: 28 August 2023

NSIC Venture Capital Fund Limited

("A wholly Owned Subsidiary of NSIC")

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

(CIN No.: U65990DL2020GOI368828)

Balance Sheet as at 31.03.2023

(₹ in Lakh)

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

Statement of Corporate information Note 1
Accounting Policy Note 2
Accompanying notes are integral part of the financial statements 1 to 39

In terms of our report of even date attached

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

Name : D. K. Jain
Partner
Membership No. 083417
Place New Delhi
Date 28 August 2023
UDIN 23083417BGXH ET2856

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

Vipul Goel
Chairman
DIN: 10279523

Saravana Kumar Ananthan
Director & CEO
Din No 9769378

Rajesh Madan
General Manager

Adarsh Kansal
Chief Manager

Shritha Goyal
Company Secretary
Membership No. A27168

NSIC Venture Capital Fund Limited
("A wholly Owned Subsidiary of NSIC")
Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020
(CIN No.: U65990DL2020GOI368828)
Statement of Profit & Loss for the period
01.04.2022 to 31.03.2023

(₹ in Lakh)

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

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

In terms of our report of even date attached

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

Name : D. K. Jain
Partner

Membership No.: 083417
Place : New Delhi
Date : 28 August 2023
UDIN : 23083417BGXHCJ2856

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

Vipul Goel
Chairman
DIN: 10229523

Saravana Kumar Ananthan
Director & CEO
DIN: 9769378

Rajesh Madan
General Manager

Adarsh Kansal
Chief Manager

Nishtha Goyal
Company Secretary
Membership No.: A27768

NSIC Venture Capital Fund Limited
("A wholly Owned Subsidiary of NSIC")
Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020
(CIN No.: U65990DL2020GOI368828)
Cash Flow Statement

(₹ in Lakh)

Sl. No.	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
	Cash Flow From Operating Activities:		
	Profit / (Loss) before Tax	405.63	230.94
	Net loss Before Adjustments:		
	Depreciation	0.51	0.32
	Recognition of income tax recoverable for previous year	0.00	0.83
	Operating loss before Working Capital Changes	**406.14**	**232.09**
	Movement in Working Capital		
	(Increase)/Decrease in Loans & Advances	1.06	-1.25
	(Increase)/Decrease in Trade Receivable	0.00	-109.42
	(Increase)/Decrease in Current Assets	-163.11	0.00
	(Increase)/Decrease in Other Financial Assets	-504.29	2.31
	(Increase)/Decrease in Other Non - Financial Assets	0.83	4.07
	Increase/(Decrease) in Trade Payables	0.00	77.85
	Increase/(Decrease) in Other Financial Liabilities	307.55	41.47
	Increase/Decrease in Provision	1.87	0.00
	Cash (utilised in)/ generated from Operations	**-356.09**	**247.12**
	Income Tax Paid	-52.35	-2.34
I	**Net cash generated from / (utilised in) Operating Activities**	**-408.44**	**244.78**
	Cash Flow From Investment Activities:		
	Purchase of property, plant and equipment	-3.28	0.00
	Amount Reimbursed for Intangible Assets Under Development	0.00	16.93
	Investment in Term Deposits - (Maturity more than 3 months but not exceeding 1 year)		70.00
	Investment in Term Deposits - (Maturity more than 1 year)	105.42	136.18
	Investment in AIF - SRI Fund	-19.45	-8.91
II	**Net cash (utilised in)/ generated from Investing Activities**	**82.69**	**74.20**
	Cash Flow From Financing Activities:		
	Dividend paid for FY 2021-22	-57.08	0.00
III	**Net Cash (utilised in)/ generated from Financing Activities**	**-57.08**	**0.00**
	Net (Decrease)/ Increase in Cash and Cash Equivalents (I+II+III)	23.31	**318.98**
	Cash and cash equivalents at the beginning of the period	**329.48**	**10.50**
	Cash and cash equivalents at end of the period	**352.79**	**329.48**

Accompanying notes are integral part of the financial statements

In terms of our report of even date attached

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

Name : D. K. Jain
Partner

Membership No.: 083417
Place : New Delhi
Date : 28 August 2023
UDIN : 23083417BGXRCJ2856

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

Vipul Goel
Chairman
DIN: 10229523

Saravana Kumar Ananthan
Director & CEO
Din No.: 9769378

Anjesh Madan
General Manager

Adarsh Kansal
Chief Manager

Nishtha Goyal
Company Secretary
Membership No : A22768

NSIC Venture Capital Fund Limited
("A wholly Owned Subsidiary of NSIC")
Reg. Office: NSIC Bhawan, Okhla Industrial Estate, Phase - III, New Delhi - 110020
(CIN No.: U65990DL2020GOI368828)

Statement of Changes in Equity for the period 01.04.2022 to 31.03.2023

I Equity Share Capital		(₹ in Lakh)
Particulars	**As at 31.03.2023**	**As at 31.03.2022**
Shares having Face Value of Rs. 100/-		
Balance at the beginning of the period	**600**	**600**
Changes in equity share capital during the year	0	0
Balance at the end of the period	**600**	**600**

II - Other Equity			(₹ in Lakh)
Particulars	**Retained Earnings**	**Other Comprehensive**	**Total**
Balance at the beginning of the period as at 01.04.2022	**129.17**	0.00	**129.17**
Profit/(Loss) for the period	303.66	0.00	303.66
Comprehensive Income for the period	0.00	0.00	0.00
Dividend Paid	-57.08		-57.08
As at 31.03.2023	**375.75**	0.00	**375.75**
Balance at the beginning of the period as at 01.04.2021	**-61.10**	0.00	**-61.10**
Profit/(Loss) for the period	190.27	0.00	190.27
Comprehensive Income for the period	0.00	0.00	0.00
As at 31.03.2022	**129.17**	0.00	**129.17**

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

Name : D. K. Jain
Partner
Membership No.: 083417
Place : New Delhi
Date : 28 August 2023
UDIN : 23083417BGXHCJ2851
New Delhi

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

Vipul Goel
Chairman
DIN: 10229523

Saravana Kumar Ananthan
CEO & Director
DIN: 9769378

Rajesh Madan
General Manager

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Chief Manager

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Company Secretary
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Note : 3 Cash and Cash Equivalents

(₹ in Lakh)

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

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

Note - 4 Bank Balances Other Than Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Term Deposits	328.39	433.82
Total	**328.39**	**433.82**

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

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

Note : 5 Receivables

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

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

5.2 Trade receivables ageing schedule.

Sr. No	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 6 months	6 months – 1 year	1 - 2 year	2 - 3 Years	
1	Undisputed trade receivables considered good		0.00	-	-	-
			(-)	(-)	(-)	(-)
2	Undisputed trade receivables significant increase in credit risk		0.00	-	-	-
			(-)	(-)	(-)	(-)
3	Undisputed Trade receivables credit impaired		0.00	-	-	-
			(-)	(-)	(-)	(-)
4	Disputed Trade receivables considered good		0.00	-	-	-
			(-)	(-)	(-)	(-)
5	Disputed Trade receivables significant increase in credit risk		0.00	-	-	-
			(-)	(-)	(-)	(-)
6	Disputed Trade receivables credit impaired		0.00	-	-	-
			(-)	(-)	(-)	(-)
7	Unbilled Trade Receivables					-
						(-)
	Total		**0.00**	-	-	-
			(-)	(-)	(-)	(-)

Previous period amounts disclosed in (brackets)

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

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Note - 6 Loans & Advances (₹ in Lakh)

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

Note : 7 Investment (₹ in Lakh)

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

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

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

Note : 8 Other Financial Assets (₹ in Lakh)

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

Note: 9 Current Tax Assets (net)	**31.03.2023**	(₹ in Lakh) **31.03.2022**
Advance Tax	110.00	0
Add: TDS	53.11	0
Less: Prov. For Tax	102.00	0
Curr ax Assets (Net)	**61.11**	**0**

NSIC VENTURE CAPITAL FUND LIMITED

DEVENDRA K. JAIN & ASSOCIATES NEW DELHI Chartered Accountants

NSIC Venture Capital Fund Limited
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(CIN No.: U65990DL2020GOI368828)

Note : 10 Deferred Tax Assets/ (Liabilities) (Net)

(₹ in Lakh)

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

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Note 11: Property, Plant & Equipment

(₹ in Lakh)

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

(₹ in Lakh)

Particulars	Computers, Laptops & Processing Units	Mobile	Total
For the year ended 31.03.2022			
Gross Carrying Amount			
Opening Balance	0.88	0.14	1.01
Additions during the year	-	-	-
Disposals during the year	-	-	-
Gross carrying value as at 31.03.2022	**0.88**	**0.14**	**1.01**
Accumulated depreciation and impairment			
Opening Balance	-	0.01	0.01
Depreciation Expenses for the year	0.28	0.04	0.29
Disposals during the year	-	-	-
Accumulated depreciation and impairment as of 31.03.2022	**0.28**	**0.05**	**0.33**
Net carrying amount as at 31.03.2022	**0.59**	**0.08**	**0.68**

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Note - 11 Other Intangible Assets (₹ in Lakh)

Particulars	Business Licence	Total
For the year ended 31.03.2023		
Gross Carrying Amount		
Opening Balance	-	-
Additions during the year	-	-
Disposals during the year	-	-
Gross carrying value as at 31.03.2023	-	-
Accumulated amortisation and impairment		
Opening Balance	-	-
Amortisation Expenses for the year	-	-
Disposals during the year	-	-
Accumulated amortisation and impairment as of 31.03.2023	-	-
Net carrying amount as at 31.03.2023	-	-
For the period ended 31.03.2022		
Gross Carrying Amount		
Opening Balance	-	-
Additions during the year	-	-
Disposals during the year	-	-
Gross carrying value as at 31.03.2021	-	-
Accumulated amortisation and impairment		
Opening Balance	-	-
Amortisation Expenses for the year	-	-
Disposals during the year	-	-
Accumulated amortisation and impairment as of 31.03.2023	-	-
Net carrying amount as at 31.03.2021	-	-

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Note : 12 Other Non - Financial Assets

(₹ in Lakh)

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

Note : 13 Payables

(₹ in Lakh)

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

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

13.1 Trade Payable Ageing Schedule.

Outstanding for following periods from due date of payment

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

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

Note : 14 Other Financial Liabilities

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory Dues Payable	97.36	41.08
Other Payables - Employees	1.19	0.00
Current Liabilities for Expenses	322.52	78.41
Other Payables - PRP (Employees - Director)	7.97	0.00
Total	429.04	121.49

Note : 15 Current Tax Liabilities (net)

(₹ in Lakh)

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

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Note : 16 - Provisions (₹ in Lakh)

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





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Note - 17 Equity Share Capital

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Authorised Share Capital		
10,00,000 Equity Shares of ₹ 100 each	1,000	1,000
Total	**1,000**	**1,000**
(b) Issued, Subscribed & Paid-up-Share Capital		
6,00,000 Equity Shares of ₹ 100 each	600	600
Total	**600**	**600**

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

(₹ in Lakh)

Particulars	As at 31.03.2023		As at 31.03.2022	
	No of Shares		No of Shares	
Balance at the beginning of the year	6,00,000	600	6,00,000	600
Add/(less) : Issued during the year	-	-	-	-
Balance at the end of the year	**6,00,000**	**600**	**6,00,000**	**600**

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

Particulars	As at 31.03.2023		As at 31.03.2022	
	No of Shares	% of Total Paid up Equity Share Capital	No of Shares	% of Total Paid up Equity Share Capital
The National Small Industries Corporation Limited (NSIC)	600000*	100	600000*	100
Total	**600000**	**100**	**600000**	**100**

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

(e) Details of shares held by holding company

Particulars	As at 31.03.2023	As at 31.03.2022
	No of Shares	No of Shares
The National Small Industries Corporation Limited (NSIC)	600000*	600000*
Total	**600000**	**600000**

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

(f) Terms and rights attached to equity shares :

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

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

(g) Bonus Shares :

There are no bonus shares issued since inception.

(h) Details of promoter and promoters group:

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

Name of the Promoter & promoters group	No of shares	Percentage of total shares	No of shares	Percentage of total shares	No of shares	Percentage of change during
	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	
The National Small Industries Corporation Limited (NSIC)	6,00,000	100%	6,00,000	100%	6,00,000	0%
Total	**6,00,000**	**100%**	**6,00,000**	**100%**	**6,00,000**	**0%**

Note - 18 Other Equity (₹ in Lakh)

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

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Note : 19 Revenue from Operations

(₹ in Lakh)

Particulars	For the period ended 31.03.2023	For the period ended 31.03.2022
Management Fee from SRI Fund	386.66	178.24
Interest income	26.46	23.36
Total	**413.12**	**201.60**

Note : 20 Other Income

(₹ in Lakh)

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

Note No 21

Employees Benefit Expenses

(₹ in Lakh)

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

NSIC VENTURE CAPITAL FUND LIMITED

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NOTE 22: DEPRECIATION & AMORTIZATION (₹ in Lakh)

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

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Note : 23 Other Expenses

(₹ in Lakh)

Particulars	For the period ended 31.03.2023	For the period ended 31.03.2022
Manpower Support Cost #	0.00	31.32
Recruitment Expenses	0.47	4.21
Interest /fees/Penatlty/for Statutory Dues	7.03	0.00
Legal & Professional Fees	1.98	1.20
Travelling, Conveyance & Vehicle Charges #	0.27	0.77
Payment to auditors - statutory audit Fees*	0.50	0.51
Entertainment #	1.10	0.50
Printing & Stationery Expenses #	0.87	0.46
Website and Webportal expenses	0.00	0.29
Rent Paid #	0.00	0.14
Communication Expenses#	0.05	0.11
Miscellaneous Expenses	0.69	0.20
Repairs & Mnaintenance Computers	1.04	0.00
Directors other expenses	2.54	0.00
*** No other payment made to Statutory Auditor other than Atatutory Audit Fees**	**16.54**	**39.71**

 # Refer note 29

Note : 24 Tax Expenses

(₹ in Lakh)

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

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

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Note : 24.1 Reconciliation of estimated tax expense at statutory rate to income tax expense reported in statement of profit and loss

(₹ in Lakh)

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

Note : 25 Earning Per Share

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

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

NSIC Venture Capital Fund Limited

Notes forming an integral part of the Financial Statements for the year ended 31 March 2023

Note – 1: Company Information & Basis of Accounting

A. Company Information

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

B. Basis of Accounting

I. Statement of compliance

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

II. Basis of Preparation and Presentation

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

Though, the Company has been exempted from registration with the Reserve Bank of India as a Non-Banking Finance Companies (NBFC) vide Master Direction – Exemption from provisions of RBI Act, 1934, as updated from time to time, the Company has followed Division III of Schedule III to the Companies Act, 2013 while preparing its financial statements for the period ended 31 March 2023. Division III is applicable to NBFCs as defined in Companies (Indian Accounting Standards Rules), 2015 which includes venture capital fund companies and the Company had been setup as a venture capital fund company with the specific purpose of establishing an AIF.

III. Use of Judgement and Estimates

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

IV. Critical Accounting Estimates and Management Judgements

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

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

- **Income Taxes:** Estimates are involved in determining the provisions for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Judgements are made in respect of expected future profitability to assess deferred tax asset.
- **Impairment of Financial assets:** The impairment assessment of financial instruments comprising of trade receivables and Loans & Advances is carried out based on assumptions about risk of default and expected loss. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward-looking estimates at the end of each reporting date.
- **Impairment of Non-financial Assets (PPE):** The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement.
- **Defined Benefit Plans and Other long-term employee benefits:** Currently, there is only one employee in the company, the cost of defined benefit plan and other long term employee benefits and present value of such obligation are determined by independent actuarial Valuer. An actuarial valuation involves making various assumptions that may differ from actual. Management believes that the assumption used by the actuary in determination of discount rate, future salary increases, mortality rate and attrition rates are reasonable.
- **Fair value measurement of financial instruments:** When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses other valuation techniques to determine its fair value. The inputs to apply these techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Provisions and contingencies:** The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.
- **Reimbursement of Expenditure by the Fund:** An amount reimbursed by the Fund for fund expenses which are incurred by the company on behalf of the Fund.

as per the fund documents the Fund will, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, NVCFL is duly reimbursed and it's adjusted in company books of accounts.

V. **Functional and presentation currency**

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

Note – 2: Significant Accounting Policies

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

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

2.1.1 Initial recognition and measurement

I. Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation, lease terminal adjustment and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use.

II. When parts of an item of PPE have different useful lives, they are recognized separately by identifying such components.

III. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use. Borrowing costs (after deducting income on temporary investment of borrowed funds, if any) directly attributable to the specified item of property, plant and equipment, are capitalized to such items.

2.1.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the property, plant and equipment when it is probable that future economic benefits deriving

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

2.1.3 De-recognition

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

2.1.4 Impairment of Property, Plant & Equipment

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

2.1.5 Depreciation on Tangible Assets

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

S No.	Nature of Assets	Useful Life	Rate	Residual Value
1	Computers, Laptops & Processing Units	3 Years	31.67%	5% of original cost
2	Mobile Phone Instruments	3 Years	33.33%	₹. 1/-
3	Office Equipments	10 Years	9.50%	5% of original cost

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

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

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

2.2 Intangible Assets

2.2.1 Initial recognition and measurement

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

2.2.2 Subsequent Costs

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

2.2.3 Intangible Assets Under Development

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

been capitalised and disclosed as intangible assets under development and such asset shall be amortised from the date of receipt of SEBI approval. Further, if any amount incurred by the Company is reimbursed by any entity, the cost of intangible assets under development is adjusted with the amount reimbursed in the books of accounts.

2.2.4 Derecognition

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

2.3 Revenue Recognition

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

2.3.1 Interest Income

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

2.3.2 Management Fee

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

2.3.3 Reimbursement of Expenditure

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

2.3.4 Allocation of Expenses

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

2.4 Employee Benefits:-

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

(a) Short Term Employee Benefits

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

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

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

(i) Defined Contribution plan

A defined contribution is a post-employment benefit plan where Corporation pays fixed contributions into different organizations and will have no legal or constructive obligation to pay further amounts. Contributions to Provident Fund, Pension Fund & Post-retirement medical benefits (PRMB) made by the Corporation are considered as defined contribution plan. Such contributions paid/ payable during the year are recognized as an employee benefit expense in the statement of profit and loss for the year in which the related services are rendered.

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

(ii) Defined benefits plan

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

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

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

Plan Liability

(₹ in Lakh)

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

Service Cost

(₹ in Lakh)

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

Net Interest Cost

(₹ in Lakh)

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

Change in benefit Obligation

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Present value of obligation as at the beginning of the period	CY	0	0	0	0
	PY	0	0	0	0
Interest Cost	CY	0	0	0	0
	PY	0	0	0	0
Service Cost	CY	0.53	1.06	0.28	-
	PY	0	0	0	0
Past Service Cost including curtailment Gains/ Losses	CY	0	0	0	0
	PY	0	0	0	0
Benefits Paid	CY	0	0	0	0
	PY	0	0	0	0
Total Actuarial (Gain)/ Loss on Obligation	CY	0	0	0	0
	PY	0	0	0	0
Present value of obligation as at the end of the period	CY	0.53	1.06	0.28	-
	PY	0	0	0	0

Bifurcation of Actuarial Gain/ Loss on Obligation

(₹ in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Actuarial (Gain)/ Loss on arising from	CY	0	0	0	0

Change in Demographic Assumption	PY	0	0	0	0
Actuarial (Gain)/ Loss on arising from Change in Financial Assumption	CY	0	0	0	0
	PY	0	0	0	0
Actuarial (Gain)/ Loss on arising from Experience Adjustment	CY	0	0	0	0
	PY	0	0	0	0

Balance Sheet and related analysis

(₹ in Lakh)

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

The amounts recognized in the Income statement

(₹.in Lakh)

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

Other Comprehensive Income (OCI)

(₹.in Lakh)

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

Change in Net Defined Benefit Obligation

(₹.in Lakh)

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

Net defined benefit liability at the end of the period	CY	0.53	1.06	0.28	-
	PY	0	0	0	0

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

(₹.in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Current Liability (Amount due within one year)	CY	0.005	0.07	.04	0
	PY	0	0	0	0
Non-Current Liability (Amount due over one year)	CY	0.52	0.99	0.24	-
	PY	0	0	0	0
Total PBO at the end of the year	CY	0.53	1.06	0.28	-
	PY	0	0	0	0

Expected contribution for the next Annual reporting period

(₹.in Lakh)

Particulars	CY/PY	Gratuity	EL	Sick Leave	TA on Retirement
Service Cost	CY	1.31	2.57	0.68	-
	PY	0	0	0	0
Net Interest Cost	CY	.04	.08	0.02	-
	PY	0	0	0	0
Expected Expense for the next annual reporting period	CY	1.35	2.65	0.70	-
	PY	0	0	0	0

Principal assumptions used for actuarial valuation are:

Particulars	2022-23	2021-22
Method used	Projected Unit Credit Method	Projected Units Credit Method
Discount Rate	7.38%	NA
Expected Rate of Return on Plan Asset	0	NA

Future Salary Increase	5.50%	NA
Mortality Rate	100%IALM (2012-14)	NA
Ages (withdrawal Rate (%))		NA
Upto 30 years	3	NA
From 31 to 44 years	2	NA
Above 44 years	1	NA

Sensitivity of the defined benefit obligation

(₹ in Lakh)

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

Maturity Profile of Defined Benefit Obligation

(₹.in Lakh)

Particulars	Gratuity	EL	Sick Leave	TA on Retirement
0 to 1 year	.005	.007	.004	0
1 to 2 years	.005	.002	.005	0
2 to 3 years	.005	.002	.005	0
3 to 4 years	.003	0.79	0.20	0

4 to 5 years	0.46	0.06	0.002	0
5 to 6 years	0.001	0.03	0.01	0
6 year onwards	.003	0.09	0.01	0

2.5 Taxation

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

2.5.1 Current Tax

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

2.5.2 Deferred Tax

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

I. Deferred tax liabilities are generally recognized for all taxable temporary differences.

II. Deferred tax assets are generally recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

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

2.6 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equities shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of

equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Parent Company.

2.7 Cash and Cash Equivalents

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

2.8 Cash Flow Statement

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

2.9 Provisions and Contingencies

2.9.1 Provisions

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

2.9.2 Contingent Liabilities & Contingent Assets

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

discloses its existence in the financial statements unless the probability of outflow of resources is remote.

II. Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.

III. Provisions, Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.10 Financial Instruments

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

2.10.1 Initial Recognition and Measurement

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

2.10.2 Financial Assets

I. Subsequent Measurement

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

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

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





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

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

   a) Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.

   b) Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

   a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and

   b) The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

   c) Fair value movements are recognized in the OCI and accumulated in reserve Currently, there are no instruments to classify to FVTOCI.

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

II. Impairment in Financial Assets

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

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

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

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

III. Derecognition of Financial Assets

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

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

2.10.3 Financial Liabilities and Equity Instruments

2.10.3.1 Equity Instruments

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

2.10.3.2 Financial Liabilities

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

I. **Subsequent Measurement**

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

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

II. **Derecognition of Financial liabilities**

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

2.11 Leases

Company as a Lessor

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

Company as a Lessee

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

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

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

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

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

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

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

Note – 26 Segment Reporting

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

Note – 27 Contingent Liabilities & Commitments

(A) The company does not have any Contingent liability as on 31 March 2023.

(B) Commitments towards legal advisor expense for future period is ₹. 120.66 Lac, the same commitment till 31.03.2022 was ₹. 175.89 Lac.

NSIC Venture Capital Fund Limited

Notes forming an integral part of the Financial Statements for the year ended 31 March 2023

Note – 28 Events after Reporting Date

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

Note – 29 Related Party Disclosure

A. Names of related parties and nature of relationship:	
Description of relationship	**Name of the related party**
Holding Company	The National Small Industries Corporation Limited
1st AIF Scheme of NVCFL	Self-Reliant India (SRI) Fund
Key Management Personnel (KMP)	Smt. Mercy Epao (Chairperson from 02.01.2023 till 31.03.2023) Shri Gaurang Dixit (Chairperson from 01.04.2022 till 31.12.2022)
	Shri Saravana Kumar Ananthan (Director & CEO)
	Smt. Nishtha Goyal (Company Secretary)

Transaction during the year with Key Managerial Personnel of the Company

(₹ in Lakh)

S. No.	Nature of Transaction	Key Managerial Personnel	
		2022-23	2021-22
1.	**Expenditure:**		
a)	Salary and allowances	17.38	NA
b)	Leave/LTC Encashment	-	NA
c)	Provident Fund Contribution	1.43	NA
d)	Contribution to Pension Scheme	1.19	NA
e)	Other Expenses	2.54	NA
f)	Medical Expenses	0.37	NA

g)	Provision for Terminal Benefits	1.87	NA
2.	**Balance Outstanding:**		NA
a)	Loan & interest Outstanding	0.12	NA
b)	Travelling Advance		
c)	Provision for Terminal Benefits as per Actuarial Valuation	1.87	NA
3.	**Other Payments :**	–	NA

Note:-

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

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

		₹ in Lakh	
Name of the Related Party	**Nature of Transactions**	**Period ended 31.03.2023**	**Period ended 31.03.2022**
Holding Company	Reimbursement made for expenses incurred by related party on behalf of the Company		
	Manpower Support Cost	60.26	28.57
	Rent Paid	5.93	0.12
	Travelling, Conveyance & Vehicle Charges	3.83	0.05
	Reimbursement received for payment made by company on behalf of the related party	0	1.78
SRI Fund	Advance given	0.00	1.25
	Expenses incurred on behalf of Fund/Reimbursement Received	551.53	304.39

B. Names of related parties and nature of transaction during the year:			
		₹ in Lakh	
Name of the Related Party	Nature of Transactions	Period ended 31.03.2023	Period ended 31.03.2022
	Investment made	19.45	8.91
	Management Fee charged	386.66	178.24

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

D. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. All values above (Note No. 29 [B]) are without GST where applicable.

E. Major Terms & Conditions of Transactions of Related Parties:-

1. Remuneration of key management person are in line with the service rules

2. An amount of ₹ 0.12 Lakh is outstanding in the name of Shri Saravana Kumar Ananthan – CEO & Director, which is 63% of the total loans & advances of ₹ 0.19 Lakh

Note – 30 Leases

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

Amount recognized in the Statement of Profit & Loss

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

Note – 31 Financial Instruments – Fair Value

I. Capital Management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The primary objectives of the company's capital management are safety and security of share capital and maximize the shareholder wealth. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the company reviews the capital structure for return on capital to shareholders. The company does not have any debts as on 31.03.2023.

II. Financial Risk Management

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

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

(a) Market Risk

Market risk is the risk that fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of

risk currency risk, interest rate risk and equity price risk. The impact of equity price risk is not material. The company does not have any borrowings and foreign currency transaction, therefore not exposed to interest risk & currency risk as well.

(b) Credit Risk Management

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

(c) Liquidity Risk Management

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

Note No 32:-The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted payments.

(₹ in Lakh)

Contractual maturities of financial liabilities 31.03.2023	1 Year or Less	1 – 3 years	More than 3 Years	Total
Borrowings	0.00	0.00	0.00	0.00
Trade Payables	0.00	0.00	0.00	0.00
Other Financial Liabilities	429.04	0.00	0.00	429.04

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

(₹ in Lakh)

Contractual maturities of financial liabilities 31.03.2022	1 Year or Less	1 – 3 years	More than 3 Years	Total
Other Financial Liabilities	121.49	0.00	0.00	121.49
Contractual maturities of financial Assets 31.03.2022	**1 Year or Less**	**1 – 3 years**	**More than 3 Years**	**Total**
Cash and Cash Equivalents	329.48	0.00	0.00	329.48
Bank Balances Other Than Cash and Cash Equivalents	433.82	0.00	0.00	433.82
Loans & Advances	1.25	0.00	0.00	1.25
Trade Receivable	0	0.00	0.00	0
Investment	0.00	0	8.91	8.91
Other Financial Assets	116.80	0.00	0.00	116.80

Note 33 Classification of Financial Assets and Financial Liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair

value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lakh)

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

(₹ in Lakh)

Financial Assets and Liabilities as at 31.03.2022	Note No.	Carrying Amount			Total
		Fair value through profit and loss account	Fair value through other comprehensive Income	Amortized Cost	
Financial Assets					
Cash and cash equivalents	3	-	-	329.48	329.48
Bank balances other than cash and cash equivalents	4	-	-	433.82	433.82
Loans & Advances	5	-	-	1.25	1.25
Trade Receivable	6	-	-	0	0
Investment	7	-	-	8.91	8.91
Other Financials Assets	8	-	-	116.80	116.80

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Notes forming an integral part of the Financial Statements for the year ended 31 March 2023

Financial Assets and Liabilities as at 31.03.2022	Note No.	Carrying Amount			Total
		Fair value through profit and loss account	Fair value through other comprehensive Income	Amortized Cost	
Financial Liabilities					
Payables					
Trade Payables	13	-	-	0	0
Other Financials Liabilities	14	-	-	121.49	121.49

(₹ in lakh)

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

Financial Assets and Liabilities as at 31.03.2022	Note No.	Fair Value			Total
		Level - 1	Level - 2	Level – 3	
Financial Assets					
Cash and cash equivalents	3	-	-	329.48	329.48
Bank balances other than cash and cash equivalents	4	-	-	433.82	433.82
Loans & Advances	5			1.25	1.25
Trade Receivable	6			0	0

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Investment	7			8.91	8.91
Other Financials Assets	8	-	-	116.80	116.80
Financial Liabilities					
Payables					
Trade Payables	13	-	-	0	0
Other Financials Liabilities	14			121.49	121.49

A. Fair Value Hierarchy

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

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

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

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

B. Financial instruments valued at carrying value

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

Note – 34 Non-current Assets Held for Sale

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

Note – 35 Establishment of SRI Fund

The Company had been setup for implementing the Government of India's scheme for developing the MSME sector – the Self Reliant India Fund. While the Company obtained approval from SEBI as a Category-II Alternate Investment Fund, the SRI fund was always intended to be a scheme which was only to be administered by the Company but had a distinct identity of its own. After deliberations with its legal advisors, the Company was advised to setup SRI Fund as an 'Association of Persons' as per the provisions of the Income-tax Act, 1961 whereby the contributors to the fund i.e. the Government of India, NSIC and the Company shall be the members in accordance with the terms of the contribution agreement dated 12 October 2021.

In the previous year i.e. FY 2021-22 , while the Company was in the process of executing this regulatory structure, the Govt. of India transferred an amount of ₹ 18034.58 Lac (Including remittance in Transit of ₹ 2500.00 Lac) during the year ended 31 March 2022 (previous year NIL) in a separate bank account maintained by the Company for SRI Fund as their contribution to SRI Fund. An amount of ₹ 1.78 Lac and ₹ 8.91 Lac was also transferred by NSIC and the Company to such separate bank account as their respective contribution to SRI Fund. Since the amount was received in the bank account of the Company but was intended solely for SRI Fund which is a separate entity, the balance amount of ₹ 15234.37 Lac (after adjustment of expenditure of SRI Fund) is considered to be held in trust by the Company on behalf of SRI Fund . Accordingly, the funds held in trust on behalf of SRI Fund have been netted off against cash and cash equivalents of the Company and not presented as a separate liability. The Company intends to transfer the entire balance to a separate bank account of SRI Fund once such account is setup.

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

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

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

During the year FY 2022-23, an interest on Fixed Deposit amounting to ₹. 76.89 Lac out of which ₹. 50.43 Lac pertains to SRI Fund and the same has been accounted for in the books of SRI Fund.

SRI Fund was audited separately in FY 2021-22 by Statutory Auditor and will also be audited separately in FY 2022-23.

Note 36:--Amount expected to be recovered/settled within 12 months and beyond for each line item under asset and liabilities:

(₹ in lakh)

Particulars		As on 31st March 2023			As on 31st March 2022		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
Assets							
1	**Financial Assets**						
a	Cash and cash equivalents	352.79	0	352.79	329.48	0	329.48
b	Bank balances other than cash and cash equivalents	328.39	0	328.39	433.82	0	433.82
c	Trade Receivable	0	0	0	0	0	0
d	Loans & Advances	0.19	0	0.19	1.25	0	1.25
e	Investment	0	28.36	28.36	0	8.91	8.91
f	Other Financial Assets	621.09	0	621.09	116.80	0	116.80

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Notes forming an integral part of the Financial Statements for the year ended 31 March 2023

Particulars		As on 31st March 2023			As on 31st March 2022		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
Total Financial Assets (1)		1302.46	28.36	1330.82	881.35	8.91	890.26
2	**Non Financial Assets**						
a	Inventories	0	0	0	0	0	0
b	Current Tax Assets (Net)	61.11	0	61.11	0	0	0
c	Deferred Tax Assets (Net)	0	11.28	11.28	0	11.80	11.80
d	Property, Plant & Equipment	0	3.45	3.45	0	0.68	0.68
e	Capital Work in Progress	0	0	0	0	0	0
f	Intangible Assets under development	0	0	0	0	0	0
g	Other Intangible Assets	0	0	0	0	0	0
h	Right to Use Assets	0	0	0	0	0	0
i	Assets Classified as Held for Sale	0	0	0	0	0	0
j	Other Non Financial Assets	0	0	0	0.83	0	0.83
Total Non Financial Assets (2)		61.11	14.73	103.58	0.83	12.48	13.31
Total Assets (1 + 2)		**1363.57**	**43.09**	**1406.66**	**882.18**	21.39	903.57
Liabilities							
1	**Financial Liabilities**						
a	Trade Payables	0	0	0	0	0	0
b	Borrowings	0	0	0	0	0	0
c	Liabilities associated with Assets held for Sale	0	0	0	0	0	0
d	Other Financial Liabilities	429.04	0	429.04	121.49	0	121.49
Total Financial Liabilities (1)		429.04	0	429.04	121.49	0	121.49
2	**Non-Financial Liabilities**						
a	Current Tax Liabilities (Net)	0	0	0	52.91	0	52.91
b	Provisions	0	1.87	1.87	0	0	0
c	Deferred Tax Liabilities (Net)	0	0	0	0	0	0
d	Other Non Financial Liabilities	0	0	0	0	0	0
Total Non-Financial Liabilities (2)		0	1.87	1.87	52.91	0	52.91
Total Liabilities (1 + 2)		429.04	1.87	430.91	174.40	0	174.40

Note 37 Proposed Dividend

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

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

Note 38 :-Performance Related Pay (PRP)

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

Note39 :- Additional Disclosures

Willful Defaulter

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

Relationship with struck off Companies

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

Details of benami property held

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

Compliance with number of layers of companies

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

Compliance with approved scheme(s) of arrangements

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

Utilization of Borrowed funds and Share premium

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

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Undisclosed Income

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

Details of crypto currency or virtual currency

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

Valuation of PP&E, intangible asset and investment property

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

Registration of charges or satisfaction with Registrar of Companies

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

Analytical ratios

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

Devinder K Jain & Associates

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To,
The Contributors of
Self-Reliant India Fund *[the first AIF scheme of NSIC Venture Capital Fund Limited ('NVCFL')]*

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Self-Reliant India Fund** ('the Fund'), which is the first AIF scheme of NVCFL, which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss and statement of cash flows 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 a true and fair view of the financial position of the entity as at 31 March 2023 and of its financial performance and its cash flows for the period then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI')

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. 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 Fund in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with 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 2 of the financial statements which explains the facts surrounding the establishment of SRI Fund and also explains the presentation in the financial statements of the funds received as contribution to SRI Fund by the respective contributors (including remittance in transit) in the bank account maintained by NSIC Venture Capital Fund Limited, which has floated the SRI Fund pursuant to receiving approval from the Securities and Exchange Board of India as a Category-II Alternative Investment Fund

Our opinion is not modified in respect of the above matters

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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.

- 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.

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

CA D.K Jain
Partner
Membership No.: 083417
UDIN : 23083417BGXHDG8647

Place: New Delhi
Date: 27 SEP 2023

Self Reliant India (SRI) Fund

(first AIF scheme of NSIC Venture Capital Fund Limited)

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

Balance Sheet as at 31 March 2023

(Amount in ₹)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
EQUITY AND LIABILITIES			
Unitholders' Funds			
(a) Unit Capital	4	5,73,46,95,973	1,80,45,27,544
(b) Reserves and Surplus	5	-11,33,25,461	-4,22,08,446
		5,62,13,70,512	**1,76,23,19,098**
Current Liabilities			
(a) Other Current Liabilities	6	6,55,74,945	1,11,17,551
Total		**5,68,69,45,457**	**1,77,34,36,649**
ASSETS			
Non Current Assets			
(a) Non-current investments	7	4,61,41,13,698	-
(b) Long-term loans and advances	8	5,04,907	-
(c) Other non-current assets	9	2,09,42,214	-
Current Assets			
(a) Cash and Cash Equivalent	10	95,65,65,085	1,77,34,36,649
(b) Current Investment	11	9,48,19,553	-
			-
Total		**5,68,69,45,457**	**1,77,34,36,649**

Accompanying notes are integral part of the financial statements — 1 to 18

In terms of our report of even date attached

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

CA D.K Jain
Partner
Membership No.: 083417
UDIN: 23083417BGXHDQ8647
Place : New Delhi
Date : 27 SEP 2023

For and on behalf of the Fund
Self Reliant India (SRI) Fund
(First AIF scheme of NSIC Venture Capital Fund Limited

Saravana Kumar Ananthan
Director & CEO
NVCFL

Rajesh Madan
General Manager
NVCFL

Adarsh Kansal
Chief Manager (F&A)
NVCFL

Nishtha Goyal
Company Secretary
NVCFL

Self Reliant India (SRI) Fund

(first AIF scheme of NSIC Venture Capital Fund Limited)

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

Statement of profit and loss for the year ended 31.03.2023

(Amount in ₹)

Particulars	Note No.	For the period ended 31.03.2023	For the period ended 31.03.2022
INCOME			
Income from operations	12	4,59,72,904	-
Total Income		**4,59,72,904**	-
EXPENSES			
Investment Management fee expenses	13	9,51,43,546	2,52,43,869
Other Expenses	14	2,19,46,373	1,69,64,577
Total Expenses		**11,70,89,919**	**4,22,08,446**
Profit/Loss for the Year before extraordinary items and tax		**-7,11,17,015**	**-4,22,08,446**
Extraordinary items			-
Loss for the Year before tax		**-7,11,17,015**	**-4,22,08,446**
Tax Expense:	-		
-Current tax		-	-
-Deferred tax		-	-
		-	-
Loss for the Year after tax		**-7,11,17,015**	**-4,22,08,446**
Accompanying notes are integral part of the financial statements	1 to 18		

In terms of our report of even date attached

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

CA D.K Jain
Partner
Membership No.: 083417

Place : New Delhi
Date : 27 SEP 2023

For and on behalf of the Fund
Self Reliant India (SRI) Fund
(First AIF scheme of NSIC Venture Capital Fund Limited

Saravana Kumar Ananthan
Director & CEO
NVCFL

Rajesh Madan
General Manager (NVCFL)

Adarsh Kansal
Chief Manager (F&A)
NVCFL

Nishtha Goyal
Company Secretary
NVCFL

Self Reliant India (SRI) Fund

(a first scheme of NSIC Venture Capital Fund Limited)

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Phase - III, New Delhi - 110020

Cash Flow Statement for the period 01.04.2022 to 31.03.2023

(Amount in ₹)

Particulars	For the period ended 31.03.2023	For the period ended 31.03.2022
A. Cash Flow from Operating Activities		
Deficit before tax	-7,11,17,015	-4,22,08,446
Adjustments for:		
Income accrued but not received	-2,09,42,214	
Operating loss before Working Capital changes	-9,20,59,229	-4,22,08,446
Changes in Working Capital		
Increase / (decrease) in other current liablities	5,44,57,394	1,11,17,551
Cash Utilised in Operations	-37601835.00	**-3,10,90,895**
Income Tax Paid	-5,04,907	-
Net Cash (Utilised in) / Generated from Operating Activities	**-3,81,06,742**	**-3,10,90,895**
B. Cash Flow from Investing Activities		-
Purchase of short term investment	-9,48,19,553	-
Purchase of long-term investments	-4,61,41,13,698	-
Net Cash (Utilised in) / Generated from Investing Activities	**-4,70,89,33,251**	-
C. Cash Flow from Financing Activities		
Contributions received towards unit capital	3,93,01,68,429	1,80,45,27,544
Net Cash (Utilised in) / Generated from Financing Activities	**3,93,01,68,429**	**1,80,45,27,544**
Net (Decrease)/ Increase in Cash and Cash Equivalents (A+B+C)	**-81,68,71,564**	**1,77,34,36,649**
Cash and Cash Equivalents at the beginning of the period	**1,77,34,36,649**	-
Cash and Cash Equivalents at end of the period	**95,65,65,085**	**1,77,34,36,649**
Details of Cash and Cash Equivalents at the end of the year -		
(a) Balance with Banks		
In Current Account	95,65,65,085	1,77,34,36,649
In Term Deposits	-	-
(b) Cheques/Draft in Hand	-	-
Total Cash and Cash Equivalents at the end of the year	**95,65,65,085**	**1,77,34,36,649**

- The above statement has been prepared using the 'indirect method' as prescribed in AS 3 - Cash flow Statement.
- Components of cash and cash equivalents are disclosed in Note - 10.

Accompanying notes are integral part of the financial statements 1 to 18.

In terms of our report of even date attached

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

CA D.K Jain
Partner
Membership No.: 083417

Place : New Delhi
Date : 27 SEP 2023

For and on behalf of the Fund
Self Reliant India (SRI) Fund

Saravana Kumar Ananthan
Director & CEO
NVCFL

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General Manager
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Chief Manager (F&A)
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Company Secretary
NVCFL

Self Reliant India (SRI) Fund
(a first scheme of NSIC Venture Capital Fund Limited)
Office Address: NSIC Bhawan, Okhla Industrial Estate,
Phase - III, New Delhi - 110020

Note : 4 Unit Capital

(Amount in ₹)

Details of Units Issued

Particulars	As at 31.03.2023		As at 31.03.2022	
	Units	Amount	Units	Amount
(i) Issued units (Class A) of face value INR 1 crore each: (Ministry of MSME)				
Units issued at the beginning of the period	180.35	1,80,34,58,088	-	-
Add: Issued during the period	392.78	3,92,78,50,000	180.35	1,80,34,58,088
Total	573.13	5,73,13,08,088	180.35	1,80,34,58,088
Issued units outstanding at end of the year	573.13	5,73,13,08,088	180.35	1,80,34,58,088
(i) Issued units (Class B) of face value INR 1 crore each:				
Units issued at the beginning of the period	0.110	10,69,456	-	-
Add: Issued during the period	0.232	23,18,429	0.110	10,69,456
Total	0.342	33,87,885	0.110	10,69,456
Units outstanding/paid up at end of the year	0.342	33,87,885	0.110	10,69,456
(i) Issued units (Class B) of face value INR 1 crore each: (NVCFL)				
Units issued at the beginning of the period	0.089	8,91,213	0.00	0
Add: Issued during the period	0.195	19,45,003	0.089	8,91,213
Total	0.284	28,36,216	0.089	8,91,213
Units outstanding/paid up at end of the year	0.284	28,36,216	0.089	8,91,213
(i) Issued units (Class B) of face value INR 1 crore each: (NSIC)				
Units issued at the beginning of the period	0.02	178243.00	0.00	0
Add: Issued during the period	0.04	373426.00	0.018	1,78,243
Total	0.055	5,51,669	0.018	1,78,243
Units outstanding/paid up at end of the year	0.055	5,51,669	0.018	1,78,243

(B) Details of Unit-holders

(Amount in ₹)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Units	Amount	Units	Amount
Class A units (face value INR 1 crore each)				
Ministry of Micro, Small & Medium Enterprises, GOI (Anchor Investor)	573.13	5,73,13,08,088	180.35	1,80,34,58,088
Class B units (face value INR 1 crore each)				
NSIC Venture Capital Fund Ltd.	0.284	28,36,216	0.089	8,91,213
The National Small Industries Corporation Ltd. (Sponsor)	0.055	5,51,669	0.018	1,78,243

(C) Details of Unit Contributors/ Drawdown

(Amount in ₹)

Name of the Contributors	Drawable Corpus	Amount Drawn upto 31.03.2023	Balance Drawable Corpus	Amount Drawn upto 31.03.2022	Balance Drawable Corpus
Ministry of Micro, Small & Medium Enterprises, GOI (Class - A)	10,00,00,00,000	5,73,13,08,088	92,46,52,33,824	0	98,19,65,41,912
NSIC Venture Capital Fund Ltd. (Class - B)	5,00,00,000	28,36,216	4,62,72,571	8,91,213	4,91,08,787
The National Small Industries Corporation Ltd. (Class - B)	1,00,00,000	5,51,669	92,70,088	1,78,243	98,21,757
Total	**10,06,00,00,000**	**5,73,46,95,973**	**92,52,07,76,483**	**10,69,456**	**98,25,54,72,456**

(D) The beneficial interest and rights of the unitholders are specified in the contribution agreement entered into with the unitholders.

Self Reliant India (SRI) Fund
(a first scheme of NSIC Venture Capital Fund Limited)
Office Address: NSIC Bhawan, Okhla Industrial Estate,
Phase - III, New Delhi - 110020

Note : 5 Reserve & Surplus

(Amount in ₹)

Particulars	As at 31.03.2023	As at 31.03.2022
Opening balance	-42,208,446	
Deficit in the statement of profit and loss for the period	-71,117,015	-42,208,446
Total	-113,325,461	-42,208,446

Note : 6 Other Current Liabilities

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory dues payable	2,972,647	5,000
Current Liabilities for Expenses	1,234,245	45,000
Payable to NVCFL (refer note 15)	61,368,053	11,067,551
Total	65,574,945	11,117,551

The Trade Payable has been re-grouped and the balance of previous year i.e. FY 2021-22 amounting to ₹ 1,00,87,551/- has been re-grouped to Payable to NVCFL.

Self Reliant India (SRI) Fund
(a first scheme of NSIC Venture Capital Fund Limited)
Office Address: NSIC Bhawan, Okhla Industrial Estate,
Phase - III, New Delhi - 110020

Note : 7 Non-current investment

(Amount in ₹)

	No of units	For the period ended 31.03.2023	Type of Units Issued	For the period ended 31.03.2022
(Unquoted, at cost)				
Investment in Daughter Funds:				
Aavishkaar India Fund VI			partly paid up	
Avaana Sustainability Fund	1116540.00	225,298,346	₹193.2995/unit	
	48654.39	98,654,389	fully paid up	
Banyan Tree India Growth Capital Fund			fully paid up	
			(unallocated fi	
Cactus Partners Fund I	452.00	45,399,890	99,890)	
	768.60	131,482,269	fully paid up	
Carpediem Capital Partners Fund II				
			partly paid up	
Cornerstone Venture Partners Fund	42469.00	44,007,851	₹1,036.23 per unit	
Enzia Investment Trust	1060.00	107,926,340	fully paid up	
	535.18	53,518,377	fully paid up	
Equanimity Ventures Trust II			partly paid up	
	2434646.76	36,264,037	₹15/unit	
Exfinity Technology Fund- Series III			partly paid up	
	5005.00	112,288,717		
Fireside Ventures Investment Fund III	0.49	81,528,938	fully paid up	
Gaja Capital India Fund 2020 LLP	4388.40	439,840,392	fully paid up	
Grand Anicut Fund 3	58141.00	58,140,952	fully paid up	
GVFL Emerging Enterprises Venture Capital Fund	4396.40	71,578,169	fully paid up	
India Advantage Fund SS I	1776131.00	177,617,100	fully paid up	
IvyCap Ventures Trust Fund III	4023078.93	402,307,893	fully paid up	
Kae Capital Fund III	686.10	68,609,703	fully paid up	
Maharashtra Defence and Aerospace Venture Fund	3666.70	348,093,373	fully paid up	
NABVENTURES Fund I	1358756.41	163,302,259	fully paid up	
Paragon Partners Growth Fund II			partly paid up	
	1988.65	188,864,795	₹58.94/unit	
Pavestone Technology Fund	1349.40	134,940,376	fully paid up	
Pontaq – NextGen Technology Fund-1	274629.00	27,462,858	fully paid up	
Roots Ventures-II Fund	559133.17	55,913,317	fully paid up	
Sabre Partners Fund – 2019	2537822.96	253,782,296	fully paid up	
Singularity Growth Opportunities Fund I	1170859.66	206,546,756	fully paid up	
Stakeboat Capital Fund II	1015.72	101,570,824	fully paid up	
SVAS Winning Businesses	803471.64	103,993,140	fully paid up	
SVL-SML Fund (Navi II)	390424.88	390,424,872	fully paid up	
			partly paid up	
Tata Capital Healthcare Fund II	600000.00	196,368,055	₹327.2801/unit	
TrueScale Venture Growth Fund I	831865.00	32,299,458	fully paid up	
Ubharte Sitaare Fund	179300.49	179,300,486	fully paid up	
Zephyr Peacock India Growth Fund	10468.40	80,742,565	fully paid up	
Total		**4,614,113,698**		
Aggregate carrying value of unquoted investments		**4,614,113,698**		

*Note: It is to be noted that the PFMS (MoMSME's contribution) were debited from Axis account of SRI Fund in April 2023, but was debited on PFMS Portal on 30th and 31st March 2023 for the following funds -

Cactus Partners Fund I	54,822,437
Fireside Ventures Investment Fund III	81,480,021
NABVENTURES Fund I	27,426,618
SVAS Winning Businesses	23,731,728
Singularity Growth Opportunities Fund I	89,457,098
Exfinity Technology Fund- Series III	112,216,347

Self Reliant India (SRI) Fund
(a first scheme of NSIC Venture Capital Fund Limited)
Office Address: NSIC Bhawan, Okhla Industrial Estate,
Phase - III, New Delhi - 110020

Note : 8 Long term loans and advances

(Amount in ₹)

Particulars	As at 31.03.2023	As at 31.03.2022
Income tax refundable	504,907	-
Total	504,907	-

Note : 9 Other non-current assets

(Amount in ₹)

Particulars	As at 31.03.2023	As at 31.03.2022
Income accrued on non-current investment but not due	20,942,214	-
	20,942,214	-

Note : 10 Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance in current account (refer note 2)	956,565,085	1,773,436,649
Total	956,565,085	1,773,436,649

Note: Balance in Current Account as on 31.03.2022 included an amount of ₹ 25.00 cr on account of remittance in transit.

Note : 11 Current Investment

(Unquoted, at cost)

Fixed deposits with maturity more than three months	94,819,553	-
Total	94,819,553	-

Aggregate carrying value of unquoted investments 94,819,553

Note : 12 Income from Operations

(Amount in ₹)

Particulars	For the period ended 31.03.2023	For the period ended 31.03.2022
Short term capital Gain	30,106,376	-
Interest on investment made in daughter funds	9,133,824	-
Long term Capital Gain on investment made in daughter funds	1,688,459	-
Dividend Received from investment in daughter funds	1,030	-
Interest income on fixed Deposit	5,043,215	-
Total Income	45,972,904	-

Note : 13 Investment Management Fees Expense

(Amount in ₹)

Particulars	For the period ended 31.03.2023	For the period ended 31.03.2022
Management Fees expense (Refer Note 15.1.b)	45,626,451	21,032,620
Fund Manager Operating fee expense (Refer Note 15.1.b)	49,517,095	4,211,249
Total	95,143,546	25,243,869

Note : 14 Other Expenses

Particulars	For the period ended 31.03.2023	For the period ended 31.03.2022
Legal & Professional fees (Refer Note 15.1.b)	6,838,980	4,130,150
Advertisement expenditure (Refer Note 15.1.b)	254,607	239,524
Auditor remuneration	79,000	50,000
Meeting & conference expenses (Refer Note 15.1.b)	289,432	111,629
Fund Expenses (Refer Note 15.1.b)	4,686,706	12,433,139
Manpower (Refer Note 15.1.b)	6,199,203	-
Stamp Duty Paid on Units Issued	190,008	-
Traveling & Conveyance (Refer Note 15.1.b)	632,643	-
Rent Paid (Refer Note 15.1.b)	699,231	-
Expenses on Security and Allied Services (Refer Note 15.1.b)	911,514	-
Valuation Expenses	1,147,000	-
Bank Charges	6,249	135
Miscellaneous expenses	11,800	-
Total	21,946,373	16,964,577

Self Reliant India (SRI) Fund (first Scheme of NSIC Venture Capital Fund Limited) forming part of the Balance Sheet as at 31.03.2023 and the Income & Expenditure Account for the period from 01.04.2022 to 31.03.2023

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1. General Information

Self Reliant India (SRI) Fund ('the Fund') is registered separately as an Association of Person, and is the first scheme of NSIC Venture Capital Fund Limited (NVCFL). NVCFL is registered with Securities and Exchange Board of India ('SEBI') with registration no. IN/AIF2/21-22/0924 as Category II AIF from 1st September, 2021. SRI Fund (The Fund) is a close ended fund established to invest in other Alternative Investment Funds ('AIF') registered as a Category I or II AIF under SEBI Regulations ('Daughter Fund'). The Term of the Fund will be 15 (fifteen) years from the date of Final Closing, extendable 2 (two) years additional 1 (one) year by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value) in accordance with the AIF Regulations. The Fund shall terminate upon the expiry of the term based or on occurrence of events described in the contribution agreement. SBICAP Ventures Limited ('SVL') is the Investment Manager of the Fund.

The investment objective of the Fund is to support Daughter Funds for onward investment in MSMEs as growth capital, through equity, quasi-equity and debt, as permitted under the AIF Regulations.

Final closing of the Fund was held on 12th October, 2021. The investment period for the Fund will commence from the date of Final Closing and will end on the date that is 13 (thirteen) years from the date of Final Closing. Each unit holder will be allotted such number of units as correspond to capital commitment of such unit holder divided by INR 1 crore (Rupees one crore only) and capital contributions of such unit holder shall evidence its beneficial interest. The Fund has received commitments INR 10,006 crore (Rupees Ten Thousand and Six crore only).

The Fund has two classes of units viz. Class – A and Class - B having a par value of INR 1 crore each.

2. Establishment of SRI Fund

NSIC Venture Capital Fund Limited ('NVCFL') was incorporated as a company and 100% subsidiary of The National Small Industries Corporation Limited (NSIC) for implementing the Government of India's Fund of Fund scheme for developing the MSME sector – the SRI Fund. While was registered with SEBI as Category-II Alternate Investment Fund, the SRI fund is a scheme administered by NVCFL with a distinct identity of its own. After deliberations with its legal advisors, NVCFL was advised to setup SRI Fund as an 'Association of Persons' as per the provisions of the Income-tax Act, 1961 whereby the contributors to the fund i.e. the Government of India, NSIC and the NVCFL shall be the members in accordance with the terms of the contribution agreement dated 12 October 2021. While NVCFL was in the process of executing this regulatory structure, the Govt. of India transferred an amount of INR 18,034.58 Lakh (Including remittance in Transit of ₹ 2500.00 Lakh for FY 2021-22) during the year ended 31 March 2022 in a separate bank account maintained by NVCFL for SRI Fund as their contribution to SRI Fund. An amount of ₹ 1.78 Lakh and ₹ 8.91 Lakh was also transferred by NSIC and NVCFL to such separate bank account as their respective contribution to SRI Fund.

Since the amount had been received in the bank account of NVCFL but has been intended solely for SRI Fund which is a separate entity, the balance amount of ₹ 17,734.37 Lakh (after adjustment of expenditure of SRI Fund) was considered to be held in trust by NVCFL on behalf of SRI Fund. Accordingly, the funds held in Company bank account on behalf of SRI Fund have been presented in books of account as a cash and cash equivalents in SRI fund books. NVCFL intends to transfer the entire balance to a separate bank account of SRI Fund once such account is setup.

During FY 2022-23, GOI transferred ₹ 392,78,50,000/- to SRI Fund, ₹ 19,45,003/- was transferred by NVCFL and ₹ 3,73,426/- was transferred by NSIC as respective contribution.

3. Significant Accounting Policies

3.1 Basis of preparation

The financial statements have been prepared to comply in all material respects with Accounting Standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI) and generally accepted accounting principles in India, to the extent applicable. These financial statements have been prepared under the historical cost convention on an accrual basis. The significant accounting policies are in accordance with the accounting principles generally accepted in India and have been adopted by the Self Reliant India (SRI) Fund and have been consistently applied by the Fund.

3.2 Use of Estimate

The preparation of the financial statements requires the SRI Fund to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses during the reporting period. Actual result may be differ from the estimates and assumptions used in preparing the accompanying financial statements. Such differences are recognized in future periods.

3.3 Contributions

Unit capital contribution from beneficiaries represents amount contributed by the investors in terms of the Contribution Agreement for the allotment of units of the Fund.

Out of the amounts committed by Unit holders (beneficiaries), the amount contributed by unit holders in terms of Contribution Agreements till the balance sheet date, is reflected accordingly in the balance sheet.

The Fund has issued Class A and Class B Units to qualifying investors, each having a face value of INR 1 crore (Rupees one crore only) which are fully paid up to the extent of contributions and will be issued to the investors.

3.4 Cash and Cash Equivalent

Cash and cash equivalent comprise cash on hand, demand deposits with banks and remittance in transit. Cash equivalent are short term deposits (with original maturity of three months or less from the date of acquisition) and highly liquid investment that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

3.5 Cash Flow Statement

Cash flow are reported using the indirect method, whereby surplus / (deficit) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipt or payments. The cash flow from operating, investing and financing activities of the fund are segregated based on the available information.

3.6 Investments

Recording of Investments

Purchase of Investments is accounted, on disbursal of funds, at the cost of acquisition including brokerage, commission and stamp duty, other incidental expenses, if any. Investment transactions are recorded when commitment is funded.

Subsequent Measurement

Valuation of Investments

All Portfolio investments are carried at cost. If there is a decline, other than temporary in the value of such investments, a provision is made for the resultant reduction in the carrying amount by charging it to the revenue account for the year.

Impairment

The Fund assesses at each reporting date whether there is any objective evidence of a decline other than temporary in the carrying value of the Portfolio Investments and whether such Investments are impaired. Portfolio Investments are deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after their initial recognition (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the Portfolio Investments, that can be reliably estimated. Objective evidence could also include a 'significant' or 'prolonged' decline in the carrying value of the Portfolio Investments, below their respective costs and the Investment Manager, in its best judgment expects that the cost is not likely to be recovered on their disposal. Where there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the carrying value, less any impairment loss on that investment previously recognized in the Revenue Account), is removed from the cost and recognized in the Revenue Account.

Current Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current investments are valued at cost or market / fair value whichever is lower.

3.7 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

Income from Units in underlying Funds are recognized when the right to receive payment is established.

Interest income on fixed deposits is accrued proportionately based on period for which the same is placed. Any return realized on temporary investment shall be deemed to be investment proceeds and shall be available for utilization by the fund for its purpose.

Realized Gains or losses on Investment are dealt with in the Income & Expenditure Account.

3.8 Expenses

3.8.a Management Fee and Operating Fee

In accordance with the operating guidelines issued by the Government of India and Contribution Agreement signed with the contributors, an investment management fee ('Management Fee') is payable to NVCFL and Operating Fee is also payable to SVL, Investment Manager as per the Investment Management Agreement between the SVL, Investment Manager and the NVCFL (Self Reliant India (SRI) Fund), a Management Fee and Operating Fee is payable as follows:

Management Fee payable to NVCFL:

(a) Management Fee payable to NVCFL as a percentage as specified in the contribution agreement, of the corpus actually placed at the disposal of the fund.

(b) Operating Fee payable to SVL:

Operating Fee payable to SVL, as a percentage specified in the contribution agreement, of the contributor's commitment and outstanding commitments made by the Fund to the Daughter Fund (i.e. funds committed but not yet deployed).

(c) After the funds contributed/ deployed by the Fund to the Daughter Funds and

3.8.b Allocation of Expenses

Fund expenses (in nature of recurring and non – recurring) and Establishment expenses are accrued in accordance with the Contribution Agreement and Private Place Memorandum (PPM).

3.9 Income taxes

The Fund is registered with SEBI as a Category II AIF in accordance with the AIF Regulations and hence its taxability is governed by section 10(23FBA), 10(23FBB) and section 115UB of the Income-tax Act, 1961 ('Act'), as discussed below –

Tax on income of an AIF (other than business income) is eligible for pass through exemption under provisions of section 10(23FBA) of the Act. Accordingly, any income of the Fund other than income chargeable under the head "Profits and Gains of Business and Profession" is exempt from income tax in the hands of the Fund. Further, as per the provisions of Section 115UB of the Act, this income distributed to the investors of the Fund shall be chargeable to income-tax in the hands of the respective investors, in the same and like manner, as if it were the income accruing and arising to, or received by, such investor had the investments been made directly by such investor. The Fund is of the view that it has not earned any business income during the year and hence no tax is payable at the entity level.

Further, as per section 194LBB of the Act, the Fund is required to deduct tax at 10% on all income (other than business income) payable to resident unit holders, and at the rates in force (i.e. provisions of the Act or the relevant Double Taxation Avoidance Agreement, whichever is more beneficial) on all income payable to non-resident unit holders at the time of credit or payment, whichever is earlier. Further, no tax deduction at source is required on income payable to a non-resident unit holder if the said income is not chargeable to tax under the provisions of the Act. The unit holders are entitled to claim credit with respect to taxes so deducted in their respective return of income in India.

Further, pursuant to CBDT Notification No. 51/2015, dated 25th June 2015, since Category II AIFs have been awarded 'pass through status' for tax on income, no deduction of tax under Chapter XVII of the Act shall be made on the payments of the nature specified in clause (23FBA) of Section 10 of the said Act received by any Fund as defined in clause (a) of the Explanation 1 of section 115UB of the said Act.

Additionally, loss other than business loss incurred by Category II AIF shall be passed on to the unit holders, only where units are held by the respective unit holder for a period of at least 12 months. However, any business loss incurred by a Category II AIF can be carried forward and set-off by the AIF, and cannot be passed on to the unit holders.

3.10 Deferred Tax

Deferred tax asset / liability is recognised on timing differences between the income accounted in financial statements and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date in accordance with AS-22 issued by the Institute of Chartered Accountants of India. Deferred tax asset relating to unabsorbed depreciation/business losses/losses under the head "capital gains" or any other timing difference is recognised and carried forward only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

3.11 Provisions and contingencies

A provision is recognized when the Fund has a present obligation as a result of past event and it is probable that an outflow of economic resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are not recognized in the financial statement. However, they are assessed continually, and if it has become virtually certain that inflow of economic benefits will arise, the asset and related income are recognized in the financial statements.

15 Related Party Disclosures

Disclosure as required by Accounting Standards (AS) – 18 on 'Related Party Disclosures' detailed below:

15.1.a Names of the related parties and description of the relationship during the year:

Name of Related Party	Nature of Relationship
NSIC Venture Capital Fund Limited ("NVCFL")	Contributor
Ministry of MSME, GOI ("MSME") (Anchor Investor)	Contributor
SBICAP Ventures Limited ("SVL")	Investment Manager
The National Small Industries Corporation Limited ("NSIC") (Sponsor)	Contributor

15.1.b Transactions with related parties:

The following table provides the total amount of transactions that have been entered into with related parties for the period from 01.04.2022 to 31.03.2023:

Name of the related party	Nature of transaction	Year ended 31st March, 2023 (₹)	Year ended 31st March, 2022 (₹)
NVCFL	Unit capital contributed	19,45,003/-	8,91,213/-
MSME	Unit capital contributed	392,78,50,000/-	1,80,34,58,088/-
NSIC	Unit capital contributed	3,73,426/-	1,78,243/-
NVCFL	Management Fee	4,56,26,451/-	2,10,32,620/-
NVCFL	Fund Expenses	46,86,706/-	1,24,33,139/-
NVCFL	Operating Fee to SVL	4,95,17,095/-	42,11,249/-
NVCFL	Legal & Professional Fees	67,38,626/-	41,30,150/-
NVCFL	IC Meeting Expenses	1,73,556/-	1,11,629/-
NVCFL	Advertisement Expenses	2,54,607/-	2,39,524/-
NVCFL	Advance Received	-	1,25,000/-
NVCFL	Manpower	61,99,203/-	-
NVCFL	Traveling & Conveyance	4,51,726/-	-
NVCFL	Rent Paid	6,99,231/-	-
NVCFL	Expenses on Securities & Allied Services	9,11,514/-	-

15.1.c Balance outstanding with related parties as at year end:

The following table provides the balance of transactions with related parties at balance sheet date:

Name of the related party	Nature of balance	Year ended 31st March, 2023 (₹)	Year ended 31st March, 2022 (₹)
NVCFL	Unit capital contributed	28,36,216/-	8,91,213/-
MSME	Unit capital contributed	573,13,08,088/-	1,80,34,58,088/-
NSIC	Unit capital contributed	5,51,669/-	1,78,243/-
NVCFL	Amount Payable	6,13,68,053.32/-	1,08,28,026/76

16. During the Financial Year 2022-23 SRI Fund has Invested an amount of ₹ 422,49,65,201/- (₹ 422.50 cr.) in 31 daughters funds, fair value of the investment as on 31-03-2023 is ₹ 535,44,07,731/- (₹ 535.44 cr.) as per valuation done by an independent Valuer. The Fund has not recognised any unrealised loss or gain in the Books of Accounts being temporary in the nature as it's the first year of operation of the Fund.

During the year ended 31 March 2023, two daughter funds (Nabventures Fund and Maharashtra Defence Aerospace Venture Fund) exited from investee units and extended

an income of ₹ 2,07,10,802/- in the form of Short /long term Capital Gain and interest on investment made (Please Refer Note 12).

Note:

The financial statements show investment in daughter funds as at 31 March 2023 to be ₹ 461,41,13,698/- (₹ 461.41 cr.) while the amount invested as per valuation report issued by the appointed Valuer shows the amount to be ₹ 422,49,65,201/- {fair market value of investment as on 31.03.2023 as per the valuation report of the appointed Valuer is ₹ 535,44,07,731/- (₹ 535.44 cr.)}. The difference of ₹ 38,98,71,824/- (₹ 38.99 cr.) is due to fund released to daughter funds through PFMS portal by SRI Fund in last two days of March 2023 was received by daughter funds in April 2023.

17. During the year FY 2022-23, TDS ₹ 5,04,907/- on interest income of ₹ 50,43,215/- has been deducted by the Bank on the PAN of NVCFL. Since the income pertains to SRI Fund, the TDS will be claimed by SRI Fund in its return.

18. The Fund has no dues to suppliers registered under Micro, Small and Medium Enterprises development Act, 2006 (Amended from time to time).

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

CA D.K Jain

Partner

Membership No.: 083417

Place : New Delhi
Date : 27 SEP 2023

For and on behalf of the Fund

Self Reliant India (SRI) Fund
(First AIF scheme of NSIC Venture Capital Fund Limited ['NVCFL'])

Saravana Kumar Ananthan
Director & CEO
(NVCFL)

Rajesh Madan
General Manager
(NVCFL)

Adarsh Kansal
Chief Manager (F&A)
(NVCFL)

Nishtha Goyal
Company Secretary
(NVCFL)

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

[For private circulation only]

SELF RELIANT INDIA (SRI) FUND

(A Category II Alternative Investment Fund registered with the Securities and Exchange Board of India by NVCFL, a company organised in India)

Registration Number: IN/AIF2/21-22/0924

March 2024

INVESTMENT MANAGER
SBICAP Ventures Limited

SPONSOR
The National Small Industries Corporation Limited

ANCHOR INVESTOR
Government of India

Name of the Investor: **Copy No:**

DISCLAIMER AND IMPORTANT NOTICE

This private placement memorandum is being furnished to the Contributors on a confidential basis for them to consider investing in the units of **Self Reliant India (SRI) Fund** (the "**Fund**" or "**SRI Fund**"), and may not be used for any other purpose. The Fund is the first scheme of NSIC Venture Capital Fund Limited ("**NVCFL**") and is established with the object of supporting certain Daughter Funds (as defined below) which will in turn provide growth capital to Micro, Small and Medium Enterprises (MSMEs).

The information contained in this Memorandum may not be provided to others who are not directly concerned with your decision regarding such investment. This Memorandum may not be reproduced or provided to others without the prior written consent of the Investment Manager. By accepting delivery of this Memorandum, you agree to the foregoing, and to return this Memorandum if you do not purchase the Units (as defined herein) of the Fund, as the case may be. The information contained in this Memorandum is not open to public circulation and if the same were to fall into the hands of an unauthorised person, the offer made in this Memorandum shall not be valid to them; however, such person shall be bound by the confidentiality of this Memorandum.

Name of investor: _____ Copy No: _____

DISCLAIMER

THIS MEMORANDUM IS ISSUED IN CONNECTION WITH AND RELATES TO AN INVESTMENT IN THE FUND OPERATING TO ASSISTAND SUPPORT THE DAUGHTER FUNDS (AS DEFINED BELOW), ORGANIZED AS A PUBLIC LIMITED COMPANY UNDER THE COMPANIES ACT, 2013AND IS REGISTERED WITH SEBI AS A CATEGORY II AIF UNDER THE AIF REGULATIONS.

NO PERSON HAS BEEN AUTHORISED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN AS CONTAINED IN THIS MEMORANDUM. IF GIVEN OR MADE, SUCH ADDITIONAL INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE UNITS OF THE FUND DESCRIBED HEREIN IN ANY STATE OR OTHER JURISDICTION WHERE, OR TO ANY PERSON OR ENTITY TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

THE UNITS MENTIONED HEREIN ARE NOT BEING OFFERED FOR SALE OR SUBSCRIPTION,BUT ARE BEING PRIVATELY PLACED WITH A LIMITED NUMBER OF INVESTORS IN INDIA.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF PERSONS INTERESTED IN A POSSIBLE INVESTMENT IN THE FUND, AND ANY REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS WITHOUT THE PRIOR WRITTEN CONSENT OF THE INVESTMENT MANAGER IS STRICTLY PROHIBITED. THE INFORMATION CONTAINED IN THIS MEMORANDUM OR ANY PART THEREOF MAY NOT BE DISCLOSED IN ANY MANNER TO OTHER PERSON WHO IS NOT DIRECTLY AND IMMEDIATELY RESPONSIBLE FOR OR ASSISTING THE PROSPECTIVE INVESTORS WITH THEIR DECISION REGARDING AN INVESTMENT IN THE FUND, AND PROSPECTIVE INVESTORS WILL ENSURE THAT ANY PERSON TO WHOM INFORMATION CONTAINED IN THIS MEMORANDUM IS DISCLOSED BY THEM IN ACCORDANCE WITH THE ABOVE WILL ALSO MAINTAIN CONFIDENTIALITY OF SUCH INFORMATION. BY ACCEPTING DELIVERY OF THIS MEMORANDUM, EACH RECIPIENT AGREES TO THE FOREGOING AND TO RETURN THIS MEMORANDUM AND ANY COPIES THEREOF (INCLUDING ANY SOFT COPIES IF ANY) IF THEY DO NOT PURCHASE AN INTEREST IN THE FUND.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE UNITS DESCRIBED HEREIN FROM ANY PERSON OTHER THAN THE PERSON WHOSE NAME APPEARS ON THE COVER PAGE OF THIS MEMORANDUM. NO PERSON, OTHER THAN SUCH PERSON, RECEIVING A COPY OF THIS MEMORANDUM MAY TREAT THE SAME AS CONSTITUTING AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE UNITS OF THE FUND DESCRIBED HEREIN.

THE INVESTMENT MANAGER HAS TAKEN ALL REASONABLE CARE TO ENSURE THAT THE INFORMATION IN THIS MEMORANDUM IS TRUEAND ACCURATE IN ALL MATERIAL RESPECTS AND THAT THERE ARE NO MATERIAL FACTS, THE OMISSION OF WHICH WOULD MAKE MISLEADING ANY STATEMENT IN THIS MEMORANDUM, WHETHER OF FACT OR OPINION. NO OTHER REPRESENTATION, WARRANTY OR UNDERTAKING IS GIVEN IN RESPECT OF THE INFORMATION IN THIS MEMORANDUM BY THE INVESTMENT MANAGER OR BY ANY OTHER PERSON ANDNEITHER THE INVESTMENT MANAGER NOR ANY OTHER PERSON TAKES RESPONSIBILITY FOR THE CONSEQUENCES OF RELIANCE UPON ANY STATEMENT OR INFORMATION CONTAINED IN, OR ANY OMISSIONS FROM, THIS MEMORANDUM. INVESTORS SHOULD REVIEW THE FUND DOCUMENTS CAREFULLY. NOTHINGIN THIS MEMORANDUM, THE INFORMATION CONTAINED IN IT OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE FUND (OTHER THAN THE FUND DOCUMENTS, THE TERMS SET OUT IN THE SUMMARY OF PRINCIPAL TERMS SECTION OF THIS MEMORANDUM TO THE EXTENT INCORPORATED IN THE FUND

DOCUMENTS BY REFERENCE, AND THE CONFIDENTIALITY UNDERSTANDING CONTAINED HEREIN) SHALL FORM THE BASIS OF ANY CONTRACT.

THE INFORMATION IN THIS MEMORANDUM IS CURRENT AS AT THE DATE OF THIS MEMORANDUM, AND MAY BE SUPPLEMENTED, AMENDED OR MODIFIED FROM TIME TO TIME BY ANY FURTHER INFORMATION IN A SUPPLEMENTAL INFORMATION MEMORANDUM IN WHICH EVENT THE INFORMATION IN THIS MEMORANDUM SHALL BE READ AS SUPPLEMENTED, AMENDED OR MODIFIED BY SUCH ADDITIONAL INFORMATION, AS THE CASE MAY BE.

PAST PERFORMANCE OF INVESTMENTS MADE BY THE AFFILIATES, DIRECTORS OR EMPLOYEES OF THE INVESTMENT MANAGER IS NOT AN ASSURANCE OF THE RESULTS OF FUTURE INVESTMENTS. THROUGHOUT THIS MEMORANDUM, EXCEPT AS OTHERWISE NOTED, THE PERFORMANCE INFORMATION PRIMARILY RELATES TO THE PERFORMANCE OF THE OTHER FUNDS MANAGED BY THE INVESTMENT MANAGER. THE INFORMATION RELATING TO CERTAIN PRIOR INVESTMENTS MADE BY SUCH OTHER FUNDS IS INCLUDED TO HELP ILLUSTRATE THE PROPOSED INVESTMENT APPROACH OF THE FUND. THE FUND MAY OR MAY NOT PARTICIPATE IN ANY OF THESE INVESTMENTS, AND THERE CAN BE NO ASSURANCE THAT COMPARABLE INVESTMENTS WILL BE AVAILABLE TO THE FUND. IT SHOULD NOT BE ASSUMED THAT INVESTMENTS MADE BY THE FUND IN THE FUTURE WILL BE PROFITABLE OR WILL EQUAL THE PERFORMANCE OF THE INVESTMENTS INCLUDED IN ANY SUCH LIST.

THE FUND ALSO RESERVES THE RIGHT TO CLOSE THE CONTRIBUTION BOOKS BEFORE THE INDICATED AMOUNT OF CAPITAL HAS BEEN CONTRIBUTED AND MAY CONTINUE TO SOLICIT CAPITAL COMMITMENTS AFTER THE CLOSING OF THE CONTRIBUTION BOOKS.

INVESTORS IN THE FUND ARE NOT BEING OFFERED ANY GUARANTEED OR ASSURED RETURNS. INVESTMENTS BY THE FUND ARE SUBJECT TO MARKET RISKS AND THERE IS NO ASSURANCE OR GUARANTEE THAT THE OBJECTIVES OF THE FUND WILL BE ACHIEVED. HOWEVER, INVESTMENT MANAGER SHALL TAKE ADEQUATE EFFORTS TOWARDS ENSURING THE INVESTMENT OBJECTIVE OF THE FUND. AS WITH ANY SECURITIES INVESTMENT, THE NET ASSET VALUE OF THE UNITS CAN GO UP OR DOWN ON ACCOUNT OF FACTORS AND FORCES AFFECTING THE VALUES AND INCOME GENERATED BY THE FUND'S PORTFOLIO OF SECURITIES SUCH AS ANY CHANGE IN CAPITAL AND MONEY MARKETS, INTEREST RATES, TRADING VOLUMES, GOVERNMENT AND / OR RESERVE BANK OF INDIA POLICY, TAXATION, POLITICAL, ECONOMIC OR OTHER DEVELOPMENTS. THE FUND IS NOT ASSURING THAT IT WILL MAKE PERIODICAL DISTRIBUTIONS, THOUGH IT COULD HAVE AN INTENTION OF DOING SO. ALL DISTRIBUTIONS BY THE FUND ARE DEPENDENT ON THE RETURNS ACHIEVED AND SUBJECT TO AVAILABILITY OF DISTRIBUTABLE SURPLUS IN THE FUND.

INVESTMENT IN UNITS OF THE FUND IS BEING OFFERED TO INVESTORS WHO ARE BASED IN INDIA AND INVOLVES SIGNIFICANT RISKS. SEE **"SECTION VIII:RISK FACTORS AND CONFLICTS OF INTEREST"** FOR A DISCUSSION OF SOME OF THE RISK FACTORS THAT SHOULD BE CONSIDERED BY THE PROSPECTIVE INVESTORS. CONTRIBUTORS (AS DEFINED HEREIN) SHOULD HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE RISKS AND LACK OF LIQUIDITY, WHICH ARE CHARACTERISTICS OF THE INVESTMENTS DESCRIBED HEREIN. THERE WILL BE NO PUBLIC MARKET FOR THE OWNERSHIP INTERESTS IN THE FUND AND SUCH INTERESTS WILL NOT, SUBJECT TO CERTAIN LIMITED EXCEPTIONS, BE TRANSFERABLE.

IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND DOCUMENTS (AS DEFINED HEREIN) AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE UNITS HAVE NOT BEEN RECOMMENDED BY ANY SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, NO AUTHORITY HAS CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY

REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INFORMATION ON TAXATION CONTAINED IN THIS MEMORANDUM IS A SUMMARY OF CERTAIN TAX CONSIDERATIONS BUT IS NOT INTENDED TO BE A COMPLETE DISCUSSION OF ALL TAX IMPLICATIONS. THE CONTENTS OF THIS MEMORANDUM ARE NOT TO BE CONSTRUED AS INVESTMENT, LEGAL, OR TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN COUNSEL, ACCOUNTANT, OR INVESTMENT MANAGER AS TO LEGAL, TAX, AND RELATED MATTERS CONCERNING THEIR INVESTMENT. THIS MEMORANDUM IS QUALIFIED IN ITS ENTIRETY BY THE FORMS OF CONTRIBUTION AGREEMENT AND THE INVESTMENT MANAGEMENT AGREEMENT,(AS AMENDED FROM TIME TO TIME) AS APPLICABLE, PROVIDED HEREWITH AND ANY CONFLICT BETWEEN ANY STATEMENT MADE HEREIN AND ANY PROVISION OF THE CONTRIBUTION AGREEMENT OR THE INVESTMENT MANAGEMENT AGREEMENT, AS THE CASE MAY BE, SHALL BE RESOLVED IN FAVOUR OF THE LATTER THREE DOCUMENTS.

UNITS THAT ARE ACQUIRED BY ANY PERSON, OR IN ANY TRANSACTION, IN VIOLATION OF APPLICABLE LAW OR THIS MEMORANDUM, AS DETERMINED BY THE INVESTMENT MANAGER IN ITS SOLE DISCRETION OR BY LAW OR OTHERWISE, MAY BE REQUIRED TO BE MANDATORILY REDEEMED.

CERTAIN ECONOMIC AND FINANCIAL MARKET INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM PUBLISHED SOURCES PREPARED BY OTHER PARTIES. WHILE SUCH SOURCES ARE BELIEVED TO BE RELIABLE, NEITHER THE INVESTMENT MANAGER,SPONSOR,THE FUND NOR ANY OF THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES ASSUMEANY RESPONSIBILITY FOR ACCURACY OF SUCH INFORMATION.

WE HAVE INCLUDED STATEMENTS IN THIS MEMORANDUM THAT CONTAIN WORDS OR PHRASES SUCH AS “WILL”, “AIM”, “WILL LIKELY RESULT”, “BELIEVE”, “EXPECT”, “WILL CONTINUE”, “ANTICIPATE”, “ESTIMATE”, “INTEND”, “PLAN”, “CONTEMPLATE”, “SEEK TO”, “FUTURE”, “OBJECTIVE”, “GOAL”, “PROJECT”, “SHOULD”, “WILL PURSUE” AND SIMILAR EXPRESSIONS OR VARIATIONS OF SUCH EXPRESSIONS, THAT ARE FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS, UNCERTAINTIES AND ASSUMPTIONS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THE RELEVANT FORWARD-LOOKING STATEMENT. IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER ARE DISCUSSED UNDER “**SECTION VIII: RISK FACTORS AND CONFLICTS OF INTEREST**” IN THIS MEMORANDUM.THE INFORMATION CONTAINED HEREIN IS SUBJECT TO CHANGE PRIOR TO CLOSING WITHOUT ANY PRIOR NOTICE AND THE INVESTMENT MANAGER DOES NOT ASSUME ANY RESPONSIBILITY TO UPDATE THE SAME.

CONTRIBUTORS WHO DESIRE ADDITIONAL INFORMATION MAY CONTACT:

Name: Mr. Rajesh Madan, General Manager, NVCFL
Board Line:011-26924510 and 26926275 (Ext: 542)
Email: osd@nvcfl.co.in;

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SECTION I: EXECUTIVE SUMMARY

Introduction

The **'Self Reliant India (SRI) Fund'** ("**Fund**" or "**SRI Fund**") is organised as the first scheme of NSIC Venture Capital Fund Limited ("**NVCFL**"), a wholly owned subsidiary of NSIC, which is registered with SEBI as a Category II AIF vide registration number IN/AIF2/21-22/0924 and is organised as a public limited company under the Companies Act, 2013. SBICAP Ventures Limited ("**Investment Manager**"), will act as the investment manager to the Fund which shall operate with the objective of supporting Daughter Funds (as defined below) which will in turn provide growth capital to the MSME sectors. This will facilitate them in becoming 'National and International Champions' by growing beyond the bracket of MSMEs.

The objective of the Fund is to provide funding support to the Daughter Funds for onward provision to MSMEs as growth capital, through equity, quasi-equityand debt,as may be permitted under relevant SEBI guidelinesto achieve the following objectives:

(i) Enhancing equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines, to MSMEs;

(ii) supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities;

(iii) supporting enterprises which have the potential to graduate beyond the MSME bracket and become National / International champions; and

(iv) supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services.

The Fund has been sponsored by the National Small Industries Corporation Ltd. (the "**Sponsor**" or "**NSIC**"), a mini-Ratna Corporation of the Government of India under the Ministry of Micro, Small and Medium Enterprises. The principal office of the Fund is located at "NSIC Bhawan", Okhla Industrial Estate,New Delhi-110020.

Offer

The Fund is targeting to raise a corpus of INR 10,006 crores (Indian Rupees Ten Thousand and Six Crores).

The target group of the Fund's funding, through the Daughter Funds would be MSMEs, as defined under the Micro, Small & Medium Enterprises Development Act 2006 ("**MSMED Act**"), who have a marked potential to grow, but are unable to do so because their requirement for growth capital remains unfulfilled. Non-profit institutions, NBFCs, financial inclusion sector, micro credit sector, SHGs and other financial intermediaries shall, however, not be eligible for consideration. The Fund will invest in other Daughter Funds, which may be Category I or II AIFs, registered with SEBI, who, in turn, will be investing in MSME units. The Fund will invest into the Daughter Fundsby following due process, as laid down under this Memorandum.

Board of Directors of NVCFL

NVCFLwill have an independent board with CMD NSIC as its Chairman, 2 (two) Government nominated

Directors, 1 (one) NSIC nominated Director and a professional CEO ("**Board**"). Pursuant to the Investment Management Agreement, the investment management of the Fund and its investments in Daughter Funds will be carried out by the Investment Manager, as approved by the Board.

The Management Team

The Fund will be managed by the Investment Manager. The Investment Manager's team ("**Management Team**") has extensive experience in asset management business.

The principals of the Management Team are professionals with more than 70(seventy) years of collective experience in banking, capital markets and private equity. In addition, the principals of the Management Team expect to engage seasoned operating executives to help provide managerial expertise and operating guidance to Daughter Funds as may be needed.

Please refer to "**SECTION VI: MANAGEMENT AND ADMINISTRATION**" for detailed profiles of the present members of the Management Team.

Investment Committee

The Investment Manager has constituted an Investment Committee comprising of experienced professionals including investment professionals, risk managers etc. during first close. The Investment Committee is chaired by an eminent professional with adequate and rich experience in finance/banking and/or capital markets. The Investment Manager proposes the investments in Daughter Funds to the Investment Committee which evaluates the same and give its preliminary recommendation by way of unanimous receipt of consent from the members present in the meeting. Post receipt of the preliminary recommendation from the Investment Committee, the due diligence process is conducted by the Investment Manager. Post conducting due diligence, the detailed proposal is put up to the Investment Committee for their final approval. Any other material decision, in relation to the portfolio of the Fund, including material matters arising at the Daughter Fund level, which requires an approval of the Fud is taken by the Investment Manager or the Investment Committee as required under the procedure laid down by the Board from time to time. All investment proposals approved by the Investment Committee are in accordance with the Investment Guidelines laid down in the Fund Documents including the Operating Guidelines.

The Investment Committee comprise of at least 5 (five) members. The decisions of the Investment Committee would be taken on the basis of unanimous approval of the members present at the meeting of the Investment Committee. Participation in the proceedings of the Investment Committee may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing. Any member participating through such modes shall be counted towards quorum. The quorum for a valid meeting of the Investment Committee will be any 4 (four) members of the Investment Committee. However, the presence of the nominees of both NVCFL and the Sponsor shall be mandatory. It is clarified that the Investment Committee will at all times be in compliance with the provisions as stated under Regulation 20(8) of the AIF Regulations. Further, subject to any change in the Applicable Law, it is clarified that the Investment Committee shall not have members who are *not* resident Indian citizens.

Advisory Board

Government of India, the Anchor Investor, has constituted an Advisory Board of eminent domain specialists in the field of private equity and venture capital, and senior government officials from Government of India. The Advisory Board is chaired by the Secretary (MSME), Government of India.

The Advisory Board formulates broad guidelines for investment from the Fund, including empanelment of Daughter Funds, investment guidelines including return on investment and tenure, exit options, sectoral focus and segmental focus, etc. The Advisory Board also monitors the progress of the Fund periodically. The Advisory Board shall comprise of at least 7(seven) members. Participation in the proceedings of the Advisory Board may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing.

Reporting and Governance

The Board of NVCFL maintains oversight over the operations of the Fund to ensure that all the decisions of the Fund including those by the Investment Manager and Investment Committee, are in compliance with the AIF Regulations, the terms of this Memorandum, agreements made with the investors, other Fund Documents and Applicable Law.

The Fund adopts high standards of corporate governance and investor reporting to ensure complete transparency and timely information to all investors. It endeavours to ensure that any conflict of interest with the Sponsor or the Investment Manager is mitigated appropriately. Please refer to paragraph titled 'Reporting' given under '**SECTION VII: SUMMARY OF PRINCIPAL** TERMS' of this Memorandum for detailed reporting obligations of the Fund.

Overview of the Principal Terms

The principal terms are summarized in the following table. The information in this table is subject to more detailed information provided elsewhere in this Memorandum. Investors should read the entire Memorandum before making an investment.

Fund Capital Structure	**:**	The capital of the Fund is divided into 2 (two) classes of Units as follows: i) Class A Units of face value of INR 1,00,00,000 (Rupees One Crore) per Unit to be allocated to the Anchor Investor; and ii) Class B Units of face value of INR 1,00,00,000 (Rupees One Crore) per Unit to be allocated to the Sponsor. The Fund issue Units in dematerialised form subject to the conditions specified by SEBI from time to time. For more details, please refer to paragraph titled 'Fund Capital Structure' given under '**SECTION VII: SUMMARY OF PRINCIPAL** TERMS' of this Memorandum.
Term of Fund	:	The Fund is a close ended fund and the term of the Fund will be a period of 15 (Fifteen) years from the date of the Closing ("**Term**"), which may be extended for a period of 2 (two) additional 1 (one) year periods by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value) in accordance with the AIF Regulations. The Term may be further extended by any

		additional period, subject to the provisions of the AIF Regulations, by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value).
Sponsor Commitment	**:**	A minimum of 2.5% of the aggregate Capital Commitments or of INR 5,00,00,000 (Rupees Five Crores), whichever is lower as required under the AIF Regulations.
Commitment Period	:	The commitment period of the Fund begins from the date of Closing and terminate upon the expiry of 13 (Thirteen) years from the date of Closing.
Closing	:	The closing of the Fund shall be held on such date as may be determined by the Investment Manager and the Sponsor, subject to the Fund having obtained Capital Commitments of INR 10,000 crore (Indian Rupees Ten thousand crore) from the Anchor Investor. First and Final close was announced on 12th October 2021.
Drawdown Notice Period	**:**	A Drawdown is a Capital Contribution made by a Contributor to the Fund pursuant to the issuance of a notice. NVCFL while issuing the Drawdown Notice to the Contributors shall include the period/date by which the Contributors will be obligated to make the Capital Contributions, which period shall be no less than 15 (Fifteen) Business Days from the date of the Drawdown Notice.
Drawdown	**:**	The Capital Commitments of the Contributors shall be drawn down by NVCFL on an "as needed" basis, by issuing a Drawdown Notice to the Contributors. For more details, please refer to paragraph titled 'Drawdown' given under '**SECTION VII: SUMMARY OF PRINCIPAL** TERMS**'** of this Memorandum.
Expenses	**:**	The following are the list of expenses associated with the Fund: ▪ ***Recurring Annual Operating Expenses***: The Fund shall bear the Recurring Annual Operating Expenses. ▪ ***Non-recurring Operating Expenses***: Charged at actuals and borne by the Fund. ▪ ***Establishment Expenses***:Charged at actuals and borne by the Fund. ▪ ***Investment Manager Expenses***: The Investment Manager will be responsible for and bear all its expenses

in connection with the management of the Fund as laid down in the AMC Agreement.

For more details, please refer to paragraphs titled 'Expenses charged to the Fund' and 'Investment Manager Expenses' given under **'SECTION VII: SUMMARY OF PRINCIPAL TERMS**' and '**SCHEDULE III: ILLUSTRATION OF EXPENSES**' of this Memorandum.

Management Fee	**:**	NVCFL shall be entitled to charge a management fee at the rate of 1% (one percent) of the corpus actually placed at the disposal of the Fund. For more details, please refer to paragraph titled 'Fees to be charged to the Fund' given under '**SECTION VII: SUMMARY OF PRINCIPAL TERMS**' of this Memorandum.
Operating Fees	**:**	The Investment Manager shall be entitled to receive operating fees at 0.10% per annum of the commitments and outstanding capital commitments made by the Fund to the Daughter Funds (i.e. funds committed but not yet deployed) and 0.29% per annum of the funds contributed/deployed by the Fund to the Daughter Funds and outstanding thereof (i.e. funds deployed and outstanding). For more details, please refer to paragraph titled 'Fees to be charged to the Fund' given under '**SECTION VII: SUMMARY OF PRINCIPAL TERMS**' of this Memorandum.
Auditor	**:**	M/s K Prasad & Co (DE0432)having its registered office at G-1, Ground Floor, South Extension Part-II, New Delhi 110049 will be the Auditor of NVCFL for FY 2023-2024.
Custodian	**:**	SBI-SG Global Securities Services Pvt. Ltd., (A Joint Venture of State Bank of India & Société General) having its registered office at B Wing, "Jeevan Seva" Annexe Bldg., Ground Floor, S.V. Road, Santacruz (W), Mumbai – 400054 India bearing registration number IN/CUS/022 will be the Custodian of NVCFL.
Registrar and Transfer Agent	**:**	NSDL Database Management Limited (NDML), a wholly owned subsidiary of National Securities Depository Limited (NSDL) having registered office at Trade World, A Wing Kamala Mills Compound, Lower Parel Mumbai – 400013
Legal and Tax Advisor	**:**	Khaitan & Co.
Merchant Banker	**:**	**Name**: Keynote Financial Services Limited **Address**: The Ruby, 9th Floor, Senapati Bapat Marg, Dadar, Mumbai – 400028

SECTION II: ECONOMY AND FOCUSED SECTOR OPPORTUNITY

The Micro, Small & Medium Enterprises ("**MSME**") sector is very important for the Indian economy in terms of contribution to India's GDP and employment generation. India has over 6 (six) crore MSMEs across manufacturing and service sectors which employ over 11 (eleven) crore people. MSMEs also contribute immensely in exports from the country. The MSMEs are spread in every nook and corner of the country. However, one of the biggest challenges faced by MSMEs in India is the inadequate availability of capital. MSMEs have limited access to external equity primarily because only a handful of players provide early stage equity capital.

Even if such equity is made available, the uptake would remain low due to:

- Legal structure of MSMEs which prevents infusion of external equity;
- Smaller investment size per enterprise tends to increase transaction cost and management costs for equity investors making this segment relatively less attractive;
- Information asymmetry between promoters, investors and other stakeholders;
- Entrepreneur's concern regarding control and management; and
- Low probability of non-linear return discouraging the VC funding.

The current venture capital ("**VC**") ecosystem seeks technology driven enterprises and have exponential exit stipulations. It is also noted that VCs generally offer early stage funding but very few VCs are available to provide growth funding stage. It is believed that this is one among the primary reasons that MSMEs have not grown beyond a limit. Also, while listing on an exchange provides lot of benefits to MSMEs and their stakeholders, but MSMEs often shy away from listing due to increased disclosure requirements and compliance burden. Listing can help the MSMEs grow faster and more sustainably over the long term.

It is believed that setting up an MSME-focused fund would squarely address these challenges, give them a thrust to break their barriers, encourage corporatization and allow them to grow to their full inherent potential. The SRI Fund would be able to channelize diverse variety of funds into underserved MSMEs and address the growth needs of viable and high growth MSMEs.

Promoting the MSME Investment Ecosystem

MSMEs are dispersed across the country and have structures which are quite different than startup and VC investing. It would thus be important to create and cultivate new set of institutions & entities who can help setup MSME investing ecosystem by contributing to Daughter Funds.

Banks/Insurance Companies/Pension Funds/Central & State PSUs/Financial Institutions/Industrial Development Institutions can work to promote MSMEs they are already dealing with or promoting. These entities can identify the MSMEs and promote them in following ways:

(a) PSUs/Financial Institutions/Industrial Development Institutions may function as mentors to these MSMEs for growth and scale;

(b) PSUs/Financial Institutions/Industrial Development Institutions which have already established teams for investing in respective sectors (Oil, PSUs, EIL etc.) can contribute by investing in the MSMEs and can thus act both as a mentor and an investor; and

PSUs/Financial Institutions/Industrial Institutions may invest in Daughter Funds as well.

INDIAN ECONOMY OVERVIEW

1. The India Growth Story

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. The factors contributing to India's high growth rate include a large and growing middle class, growing incomes and increasing consumption, improved demographics including reducing size of families and a young workforce, entrepreneurship, healthy inflows of capital from external sources and continued investments in industry and infrastructure.

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. The sectors that are likely to have a low impact include power, healthcare, pharmaceuticals and food & agriculture.

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[1] 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.

2. 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. It has been contributing significantly to the expansion of entrepreneurial endeavours through business innovations. The MSMEs are widening their domain across sectors of the economy,

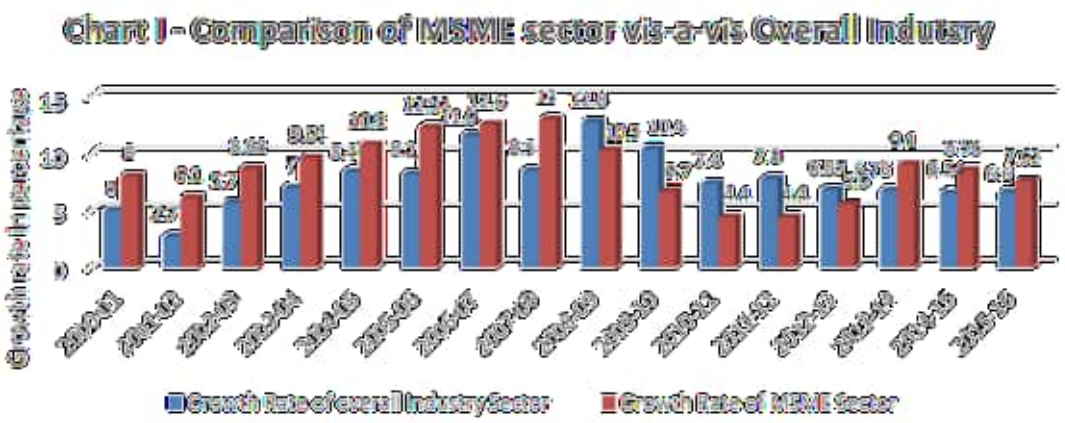
1https://www.businesstoday.in/current/corporate/govt-announces-atmanirbhar-bharat-30-covid-stimulus-worth-rs-29-lakh-crore/story/421809.html

producing diverse range of products and services to meet demands of domestic as well as global markets. MSME's have grown rapidly, visibly so, creating wealth and generating employment, especially in the past twenty years.

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[2].

Taking cognisance 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[3].

MSMEs have been consistently growing at faster rate compared to overall industry:

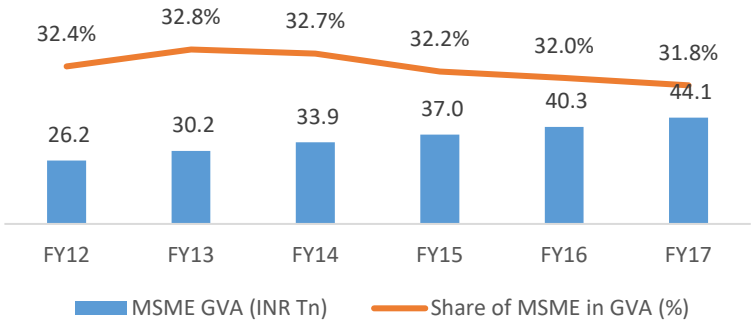


Source: Report of the Expert Committee on Micro, Small and Medium Enterprises dated 25 June 2019

Below is a snapshot of the MSME sectors' contribution to the Gross Value Added (GVA).

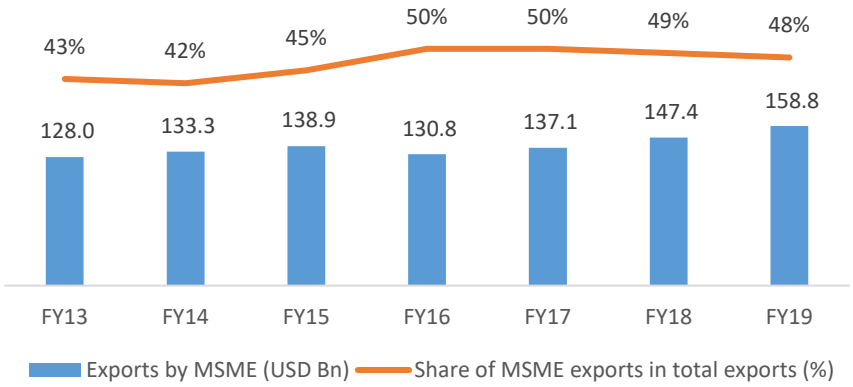
2Report of the Expert Committee on Micro, Small and Medium Enterprises dated June 2019

3https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1652664



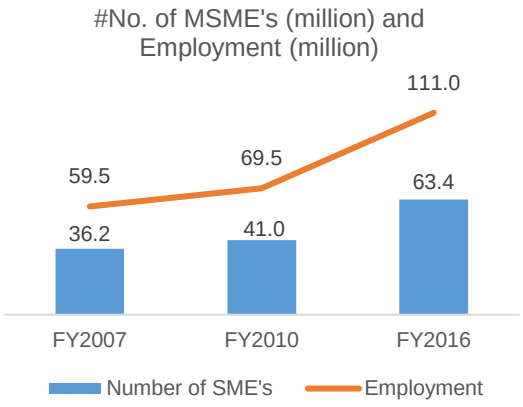
Source: MSME Annual Report released by Ministry of MSME

The share of MSME sector in India's merchandise exports stood at around 48% in 2018-19. This signifies that Indian MSMEs are becoming globally competitive and their products/services are being accepted overseas.



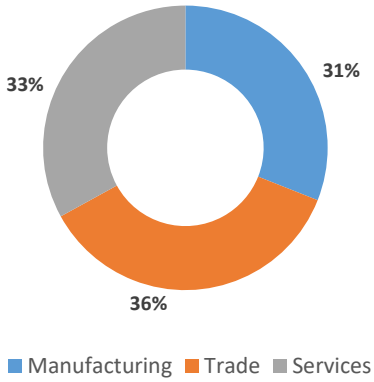
Source: Report of the Expert Committee on Micro, Small and Medium Enterprises dated 25 June 2019, PIB press release on Exports from India dated 18 March 2020 and PIB press release on Export of MSME Products dated 19 March 2020

The increase in number of SMEs over the years, has led to an increase in employment as depicted below:



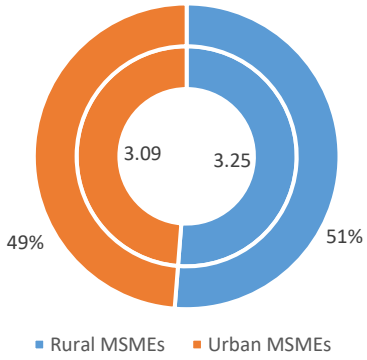
Source: MSME Annual report released by Ministry of MSME

Within MSME sector, each of the three sub-sectors, namely, trade, manufacturing and other services accounted for about a third of total employment.



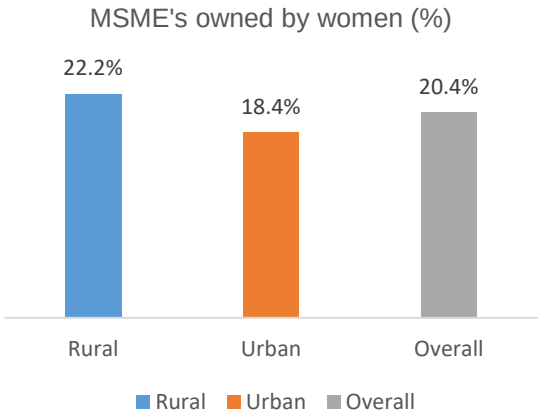
Source: MSME Annual report released by Ministry of MSME

Around 51% of the total MSMEs operate in rural areas and provide 45% of total employment.

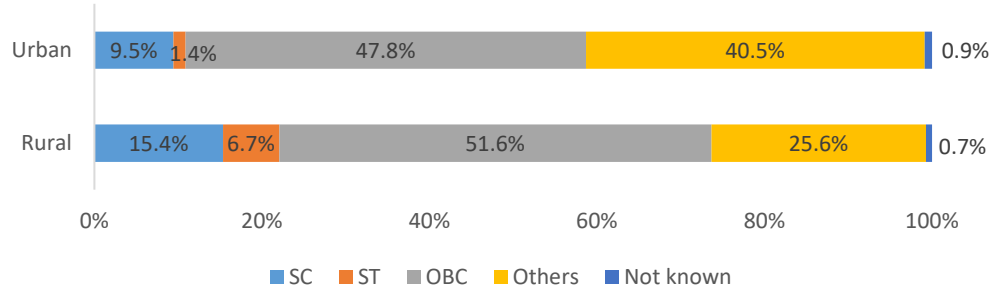


Source: *MSME Annual report released by Ministry of MSME (Number of MSME's in crores)*

More than 20% MSME's are owned by women in rural areas. Further, MSME's provide employment to 26.5 million women in rural and urban area.

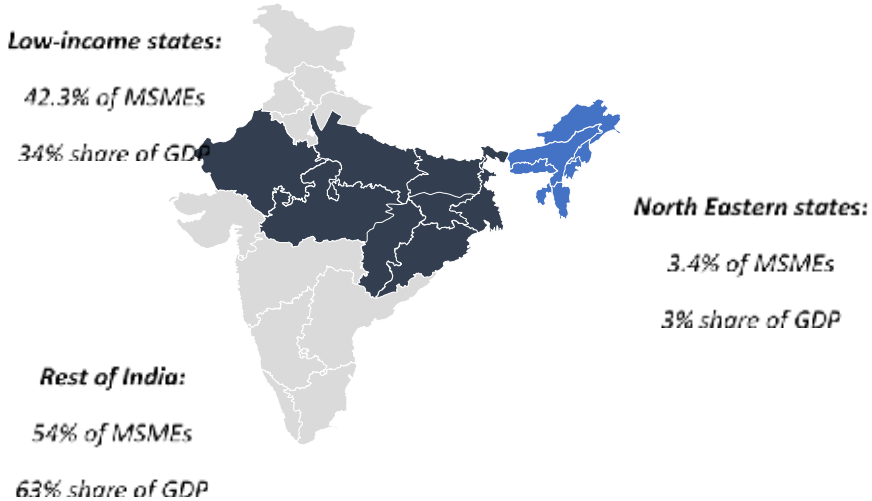


Source: *MSME Annual report released by Ministry of MSME*
Also, MSME sectors supports a high percentage of people from socially backward classes, with almost 66.27% of MSMEs owned by socially backward groups.



Source: *MSME Annual report released by Ministry of MSME*

Further, significant number of MSMEs originate from low-income states



Source: IFC report dated November 2018: Financing India's MSMEs

Key Challenges faced by MSMEs

(a) **Funding:** Timely and adequate access to funding has been one of the major barriers for growth and development of MSMEs. The primary source of funding for MSMEs has been the seed capital brought in by the entrepreneur and/or relatives and there is a limit to the capital an entrepreneur can bring in.

(b) **Working capital management:** MSME's face problems of delayed payments due to low bargaining power with larger corporates, and other counterparties. It is estimated that average debtor days for MSME's is over 90 (ninety) days while the working capital cycle is extremely high with over 300 (three hundred) days. This causes significant strain on the cash flow of the business.

(c) **Policy and institutional interventions:** There are various institutions such as Ministry of MSME, SIDBI, RBI and SEBI that are involved in the growth of MSME. However, these institutions operate independently of each other and hence the implementation of policies is time consuming and challenging.

(d) **Lack of knowledge:** There is a general lack of awareness among MSME's about various government schemes, equity capital, stock markets and funding options, other than banks

limits the growth of MSME's.

(e) **Availability of skilled workers:** Due to financial constraints, MSME struggle to get skilled workers leading to operational inefficiency and cost overruns.

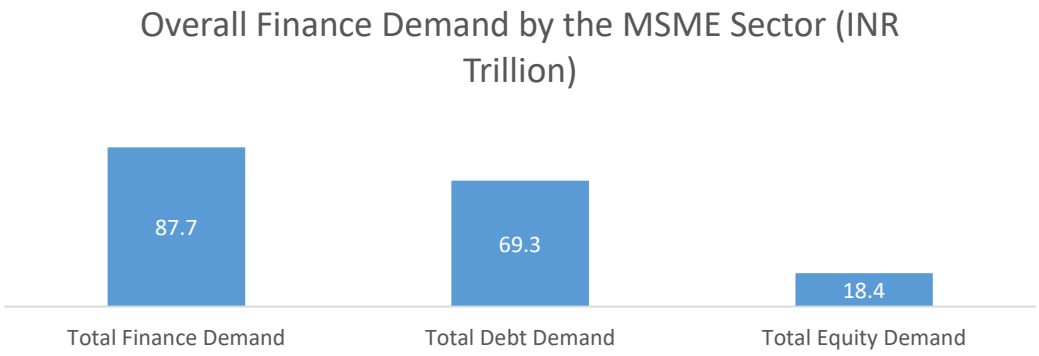
(f) **Addressing Infrastructure bottlenecks:** Limited access to infrastructure such as power, water and roads increases operational costs for MSMEs and makes their businesses uncompetitive.

(g) **Limited business experience:** Lot of entrepreneurs especially amongst micro and small enterprises are first generation entrepreneurs and have limited track record and experience in managing businesses.

(h) **Obsolete technology:** The MSME sector are usually laggards when it comes to adoption of technology, which negatively impacts the sector's competitiveness.

Funding gap in MSME space

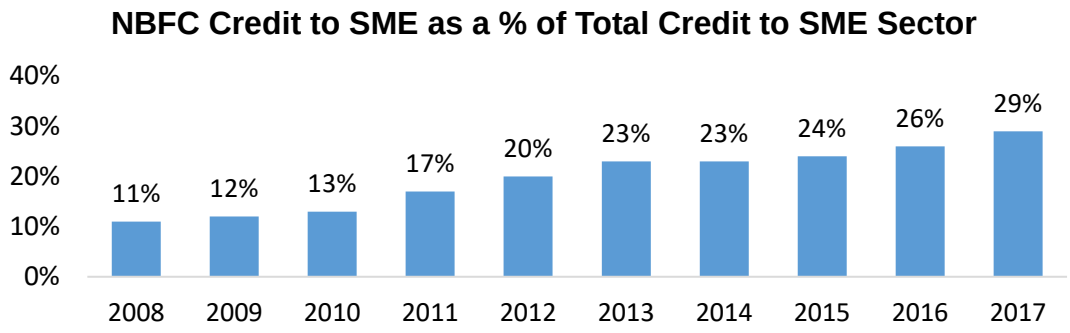
The MSME sector in India is essential to achieving the targeted growth rate. The growth and development of MSME is linked to access to capital at the right time. The capital gap to be addressed is for equity more than debt as the number of players providing debt products are currently more than equity providers. As per an 6 report titled, "Financing India's MSMEs" published in November 2018, the total finance demand in India is estimated to be INR 87.7 trillion. Out of INR 87.7 trillion, the total debt demand is estimated to be INR 69.3 trillion, whereas the balance INR 18.4 trillion is the equity demand. Below is the graphical representation of the total funding demand by MSME's in India.



Source: IFC report dated November 2018: Financing India's MSMEs

(a) Debt Gap Funding for SME's

The debt gap is increasingly being bridged by NBFCs. The trend of NBFC credit to MSMEs is as below:



Source: IFC report dated November 2018: Financing India's MSMEs

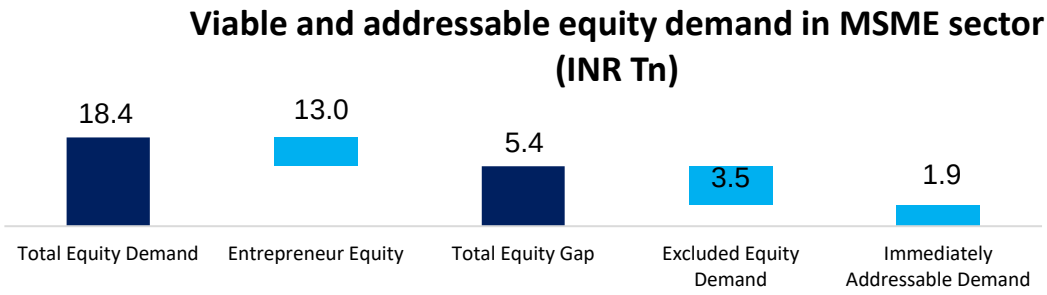
However, certain challenges exist, namely:

- Large component of bank loans are collateral backed and not cash flow based lending which is due to lack of timely and error-free balance sheet statements from MSMEs
- This lack of representative data incentivizes the MSMEs to provide collateral for obtaining credit and precludes reliance and inspection of balance sheets by lenders
- Lending has been in the form of 'Loan Against Property', requiring borrower to pledge own property (for example: residence) to borrow
- Asset and Collateral based lending is an 'across the board' feature for all lenders, including private sector banks, NBFCs and public sector banks due to the above situation

(b) Equity Demand for MSME's

The small and medium businesses are more receptive for private equity capital compared to earlier as the funds can bring in expertise of running a business in structured manner, improve corporate governance and open up new markets for expansion. It also endeavours to provide mentoring support and other value addition to enable funded companies to achieve rapid growth and achieve and maintain their competitive edge in domestic and international markets. There is a general lack of awareness among MSMEs about equity capital, stock markets and funding options, other than banks. So far, there have been only debt-financing options, without any access to alternative equity options. There exists an opportunity for MSME focussed Private Equity funds to bridge the equity shortfall at attractive return propositions.

As per IFC report titled "Micro, Small and Medium Enterprise Finance in India" published in 2012, entrepreneurs fund ~70% of the total equity demand through own funds, internal accruals and borrowings from relative, while the balance 30% is the equity gap which remains unfunded. The report further states that out of the total equity gap which remains unfunded only 30% of the equity gap can be funded as there are demand-side challenges such as the legal structures of enterprises and lack of reliable data. Extrapolating the 2012 report findings, out of the current total equity demand of INR 18.4 trillion, the total equity gap is expected to be INR 5.4 trillion (30% of INR 18.4 trillion). Out of total equity gap of INR 5.4 trillion, immediately addressable equity demand (demand that can be met in a time frame of 1-2 year) is expected to be INR 1.9 trillion. Below is the graphical representation of the estimated total funding gap for the SME sector



Source: IFC report dated November 2018: Financing India's MSMEs

While globally, MSMEs are well capitalized, in India MSMEs remain capital starved despite their significant contribution to the economy. Given MSMEs inclusive impact, it is essential to mobilize large investment in MSMEs to help them catapult into large companies.

Private Equity/ Venture Capital (PE/ VC) funding can play a critical role in bridging this investment gap. In order to create a multiplier effect the Government of India has planned a Fund to invest in PE/ VC funds (to be empanelled as Daughter Funds) who would in-turn raise additional capital from other investors like insurance companies, pension funds, banking institutions, family offices, etc. These Daughter Funds will focus on investing in companies in the MSME space.

Benefits of PE/ VC funding

(a) **Key Growth Driver and Employment Generation:** Funding from private equity funds help companies spend on capital expenditure, research and development, employment, working capital requirements, technological development driving demand for products and services leading to a multiplier effect on the economy.

(b) **Long term capital:** Private equity fund provide patient capital with an average holding period of 4-7 years depending on the sector and size of the company. The long-term nature of the capital helps the promoter put his plan to work effectively in a sustainable manner.

(c) **Access to debt:** Post funding from private equity players, it becomes easier for MSME's to raise capital from banks and financial institutions at attractive interest rates as systems and processes are established and the information asymmetry is minimized to a large extent. Further, with private equity funding, the MSME's can raise anywhere between 2-3 times the amount funded by private equity, thus helping in rapid expansion.

(d) **Value creation:** Private equity funds through its deep expertise and skills can unlock value by working with the companies to help the owners understand the efficient capital structure, fine tune business plans, identify SBU's, forming strategic relationships, negotiating contracts, characteristics of the market demand, as well as pricing, human resources and marketing and strong corporate governance policies thus leading to value creation.

(e) **Capital allocation:** The management of the company is usually faced with a challenge on which projects to invest into. The funds ideate with the management for allocating capital that generates strong financial returns and creates a long-term sustainable value.

(f) **Export Competitiveness:** The implementation of transparent financial planning, ERP systems and integration of strong corporate governance policies in combination with a comprehensive business plan promote firms' access to finance and also its potential to integrate into export markets and strengthen their competitiveness.

Recent initiatives by the Government

MSMEs have been inordinately affected by the COVID induced lockdown, transport disruptions, severance of supply chains, social distancing measures owing to their dominant presence in economic sectors like retail, trading and services. 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.

A major structural reform, in this direction, has been undertaken by the Government of India by adopting a new composite formula of classification for manufacturing and service units in MSME sector with effect from 1st July 2020.

Under the new definition, an enterprise qualifies as a micro, small or a medium enterprise depending upon the broadened thresholds of amount of investment made with respect to (i) plant and machinery in case it undertakes manufacturing; or (ii) equipment in case it provides services. In addition to this existing investment conditionality, a new criterion for turnover has been introduced.

Enterprise Size	Investment criteria (in plant & machinery or equipment)	Turnover criteria
Micro	INR 0 – 10 (millions)	INR 0 – 50 (millions)
Small	INR 10-100(millions)	INR 50 – 500 (millions)
Medium	INR 100 – 500(millions)	INR 500 – 2500 (millions)

The change in the definition of MSME is one of the most significant enabling changes made to the legal regime governing MSMEs. The expanded ambit of the MSME Act has now allowed the larger pool of enterprises, both manufacturing and service enterprises, to avail the benefits of the Act as well as of the reforms introduced by the Government for the MSME sector during the pandemic, without any additional tax liability. It is likely to improve the ease of doing business in operation for MSMEs, and in the process, make it easier for them to attract investments and create more jobs.

Additionally, the Government has undertaken an array of initiatives in various sectors, to unshackle the growth of MSMEs:

Segments/ Sectors	Initiatives and Associated Opportunities
Ease of Doing Business for MSMEs	New Registration of MSMEs through 'Udyam Registration' with link to:- (i) GeM portal for ensuring their participation in Government procurements, (ii) TreDS platform for helping the MSMEs in realizing their delayed payments

	Based on self-declaration with no requirement to upload documents, papers, certificates or proof. Hassle free transition from old system of Udyog Aadhaar Memorandum to Udyam Registration till 31.03.2021. Launch of CHAMPIONS portal to help the MSMEs in terms of finance, raw materials, labour, permissions, etc. The portal also seeks to help MSMEs to tap into new opportunities with a long-term view to identify the MSMEs with growth potential. SAMADHAAN portal to enable Micro & Small Enterprises (MSEs) to directly register their cases on the portal relating to delayed payments by Central Ministries / Departments/ CPSEs/ State Government & other buyers. PSUs directed to clear payment within 45 days of acceptance of goods/services. SAMBANDH Portal for monitoring the implementation of Public Procurement Policy for micro and small enterprises in the country. Global tenders in Government procurement schemes up to INR 200 crores will no longer be allowed.
Labour Market	Government has simplified, amalgamated and rationalised 44 central labour laws into broad four codes namely codes on wages, industrial relations, social security and operational safety, health and working conditions. These codes are set to promote ease of doing business and instigate investor confidence in MSME sector as it intends to reduce the burden of compliance of labour regulations. The drastic reductions in compliance stem from (i) 44 central labour laws being reduced to four, (ii) the number of sections falling by 60% from about 1200 to 480, (iii) the maze due to the number of minimum wages being reducing from about 2000 to 40, (iv) one registration instead of six, (v) one license instead of four, and (vi) de-criminalisation of several offences.
Credit Support	INR 3 trillion Emergency Working Capital Facility for Businesses including MSMEs. Loans worth INR 1.86 trillion have been sanctioned under 100% Emergency Credit Line Guarantee Scheme, of which INR 1.32 trillion has already been disbursed to 27.09 lakh borrowers, as on 29th September 2020. Distressed Assets Fund–Sub-ordinate Debt for MSMEs: Guarantee cover worth INR 20,000 crores to promoters who can take debt from the banks to further invest in their stressed MSMEs as equity – support around 2 lakh MSMEs and protect livelihoods of millions who depend on them. Funds of Funds for MSMEs: Infusion of INR 50,000 crores into equity benefiting around 25 lakh MSMEs (refer Investment Opportunity below).

Insolvency Framework	Minimum threshold to initiate insolvency proceedings raised to INR 1 crore from INR 1 lakh, which largely insulates MSMEs. Suspension of fresh initiation of insolvency proceedings up to one year depending upon the pandemic situation. Special insolvency resolution framework for MSMEs under section 240A of the Code to be notified soon.
Agriculture	The landmark reforms in Agriculture viz., The Farmers Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Service Act, 2020 and The Essential Commodities (Amendment) Act, 2020 open the window of opportunity for MSMEs in the form of processors, aggregators, large retailers and exporters who can now build long-term mutually rewarding relations with farmers. MSMEs can be leveraged towards establishing all essential linkages between the farmgate to the consumer, by way of creating food chains. An agro-MSME policy is under progress, with a focus on entrepreneurship development in rural, tribal agriculture and forest areas for manufacturing products using local raw materials.
Food Processing	Establishment of an efficient farm to fork supply chain by way of bolstering the MSMEs working in the food processing sector. The "Centrally Sponsored PM Formalisation of Micro food processing Enterprises (PM FME) scheme" to be implemented over a period of five years from 2020-21 to 2024-25 adopts 'One District One Product (ODOP)' approach to reap benefits of scale in terms of procurement of inputs, availing common services and marketing of products. Scheme provides micro food enterprises with modern technology & equipment, training, institutional credit, lack of awareness on quality control of products, and branding & marketing skills. Providing plug and play infrastructure on lease for agro-MSMEs (manufacturers and retailers) with all the included Basic Enabling Infrastructure by leveraging Mega Food Park Scheme. Entrepreneurial venture incubation centre- processing, testing and other related activities for entrepreneurs in incubation stage along with expert advice.

Source:Monthly Economic Review – September 2020, Department of economic affairs

INVESTMENT OPPORTUNITY

It is estimated that in advanced economies across Europe, Asia and Australian region anywhere between 25-50% of the public support programmes are targeted towards MSME's as they make important contributions in job creation, productivity and economic growth. Besides promoting economic growth and job creation, MSME's are expected to play a very vital role in achievement of the Sustainable Development Goals by promoting sustainable industrialisation and fostering innovation, and reducing income inequalities.

Indian start-ups and MSMEs in IT, Ites, Pharma, Fintech, e-commerce, etc. have attracted PE/ VC funds demonstrating their ability to compete with established businesses. However, these PE/ VCs are focused on limited sectors and there is a strong need to mobilize large capital to invigorate the traditional manufacturing and services business providing them with a level playing field. Data asymmetry, sub-par returns in the past and lack of exits by investing in small and mid-sized companies have also led to limited investments in MSMEs.

To address the ever-unresolved need of capital of MSMEs, India needs to identify pools of capital which can be further leveraged in order to create multiplier effect on the economy and therefore making our MSME more competitive in the global markets.

Based on the recommendations of the Report of the Expert Committee on Micro, Small and Medium Enterprises dated 25 June 2019, appointed by the Reserve Bank of India under the Chairmanship of Mr. U K Sinha, Government of India is setting up the Fund to support VC/PE firms investing in the MSME sector to encourage them to invest in the MSME segment. This Fund is part of the program which is of significant national and economic importance. This will support crowd funding from venture capital and private equity firms, which focus on investing in the MSME segment on modified term sheets. This would encourage innovation in term-sheets and product structures.

The Fund shall squarely address the aforementioned challenges, give them a thrust to break their barriers, encourage corporatisation and allow them to grow to their full inherent potential. With Government intervention, the Fund would be able to channelize diverse variety of funds into underserved MSMEs and address the growth needs of viable and high growth MSMEs.

The Fund will be oriented towards providing funding support to the Daughter Funds for onward provision to MSMEs as growth capital, in the form of equity, quasi-equity and debt, as permitted under SEBI guidelines.

Promoting the MSME Investment Ecosystem

MSMEs are dispersed across the country and have different structures compared to large corporates that are well funded/ addressed. It would thus be important to create and cultivate new set of institutions & entities who can help setup MSME investing ecosystem by contributing to Daughter Funds.

Banks/ Insurance Companies/ Pension Funds/ Central & State PSUs/ Financial Institutions/ Industrial Development Institutions can work to promote MSMEs they are already dealing with or promoting. These entities can identify the MSMEs and promote them in following ways:

(a) PSUs/ Financial Institutions/ Industrial Development Institutions may function as mentors to these MSMEs for growth and scale;

(b) PSUs/ Financial Institutions/ Industrial Development Institutions which have already established teams for investing in respective sectors (Oil, PSUs, EIL etc.) can contribute by investing in the MSMEs and can thus act both as a mentor and an investor; and

(c) PSUs/Financial Institutions/Industrial Institutions may invest in Daughter Funds as well.

SECTION III: INVESTMENT OBJECTIVE, STRATEGY AND PROCESS

The Fund has been created to provide growth capital to the Micro, Small and Medium Enterprises (MSMEs), so that they have access to growth capital through equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines. This will facilitate them in becoming 'National and International Champions' by growing beyond the bracket of MSME. The Fund will be a scheme of NVCFL. The Fund would be registered with SEBI as a Category II AIF. An Advisory Board will be constituted by the Anchor Investor, overarching the entire executive framework of the Fund.

The Fund will have a professional Investment Committee which, shall process and take final decisions with respect to all the investment proposals in line with the Investment Process laid down in this Memorandum and the Fund Documents and in accordance with Investment Guidelines laid down in this Memorandum and the Fund Documents. The target group of funding, through the Daughter Funds would be MSMEs, as defined under the Micro, Small & Medium Enterprises Development Act 2006 ("**MSMED Act**"), who have a marked potential to grow, but are unable to do so because their requirement for growth capital remains unfulfilled. Non-profit institutions, NBFCs, financial inclusion sector, micro credit sector, SHGs and other financial intermediaries shall, however, not be eligible for consideration. The Fund will invest in other Daughter Funds, which may be Category I or II AIFs, registered with SEBI, who, in turn, will be investing in MSME units. The Fund will invest into the Daughter Funds by following due process, as laid down under this Memorandum.

Investment Objectives of the Fund

The Fund shall operate with the object of supporting Daughter Funds for onward provision to MSMEs as growth capital, through equity, quasi-equity and debt,as permitted under SEBI guidelines, to achieve the following objectives:

i. Enhancing equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines, to MSMEs;
i. supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities;
ii. supporting enterprises which have the potential to graduate beyond the MSME bracket and become National / International champions; and
iii. supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services.

Scope and Target of the Fund

Given that MSMEs are spread all over the country, it is proposed to disperse funds to Daughter Funds in such a manner as to ensure that impact is created across India and MSMEs even in farthest regions of the country can access this funding.

The target group of the funding (via the Daughter Funds) would be those MSMEs which have marked potential to grow but are not able to grow because their requirement for growth capital remains unfulfilled. They do not have access to the market and debt funding is difficult to come by owing to borrowing cost, inability to provide security and over leveraging. To tackle the above obstacles, it is proposed that:

(a) The funding (via the Daughter Funds) would be aimed at all existing and interested MSMEs which, after assessment, are found viable, whose growth trajectory is positive, and who have a defined business plan for growth indicating positive funds flow. Previous 3 (three) years CAGR will be considered and due weightage will be given to potential for growth.

(b) MSMEs which are defined as per the MSMED Act, as amended from time to time, shall be eligible for consideration.

(c) Non-profit institutions, NBFCs, financial inclusion sector, micro credit sector, SHGs and other financial intermediaries shall not be eligible for consideration.

(d) The Fund will seek to actively encourage onboarding such entities which will have different term sheets with a view to ensuring non-linear returns envisaged from venture capital funding. The Fund will also factor in non-monetary aspects, in terms of employment, reduction in regional disparity, overall economic development and establishing supply chains with depth and resilience.

Investment Strategy of the Fund

The Fund will employ a 'Fund-of-Fund' investment strategy wherein the Fund shall be holding a portfolio of other investment funds, instead of investing directly into Portfolio Companies. Accordingly, the Fund-platform will be a combination of the Fund and various Daughter Funds which will effectively leverage private equity/ other funds and thus will multiply the impact of the corpus of the Fund. The Fund will provide capital only to the Daughter Funds for onward investment as growth capital, while the investment in MSMEs will be done by the Daughter Funds. The Daughter Funds will be duly required to be registered as Alternate Investment Funds with SEBI. With a view to providing flexibility to the Daughter Funds in providing both equity and debt funding to the MSMEs, the Daughter Funds would be Category I or Category II AIFs registered with SEBI.

Daughter Funds

There will be more than one such Daughter Fund. The Investment Committee shall give final approval for investment decisions, in accordance with the Investment Process laid down in this Memorandum and the Fund Documents in regard to proposals received, only in line with the business objectives of the respective Daughter Funds, as approved by the Fund at the time of empanelment. Additionally, any exit/divestment related decisions taken other than in respect of the ordinary course of investments in the Daughter Fund shall also be taken by the Investment Committee on the recommendation of the Investment Manager in accordance with the procedures laid down from time to time by the Board.Any other material decision, in relation to the portfolio of the Fund, including material matters arising at the Daughter Fund level, which requires an approval of the Fund shall be taken by the Investment Manager or the Investment Committee as required under the procedure laid down by the Board from time to time.

Investment Philosophy and Focus

The Fund is committed to strive for superior returns through investments in Daughter Funds seeking

to provide growth capital to MSMEs. The Fund will endeavour to add additional value to Daughter Funds by acting as their strategic partner. The Fund shall invest in Daughter Funds following the Investment Guidelines as provided below.

Investment Guidelines

The Fund's investments shall comply with the following guidelines ("**Investment Guidelines**") and any deviation from these guidelines shall require the approval of the Anchor Investor:

(a) Any Daughter Fund which is registered in India under the SEBI (Alternative Investment Funds) Regulations, 2012 (as Category I and II AIFs) and is set up to achieve the Fund's investment objectives and abides with relevant laws of India, rules and regulations will be eligible for support from the Fund;

(b) The minimum fund committed to a Daughter Fund would be INR 25 (twenty-five) crores and in multiples of INR 5 (five) crores thereafter;

(c) The investment objective of the Daughter fund should meet the overall objective of the Fund and the Daughter Fund should commit to invest atleast 5 (five) times that of Fund's Capital Commitment into MSME companies;

(d) The Daughter Funds should be professionally managed and the investment manager of the Daughter Funds/ fund manager should have a track record and investment experience in the relevant sector in which it proposes to make its investments. The experience should be commensurate with the activities of the proposed Daughter Fund;

(e) The key investment team of the fund manager of the Daughter Fund should fulfil such criteria as mandated by SEBI under the AIF Regulations;

(f) The exposure limit will be set for each Daughter Fund at the time of making an investment in a Daughter Fund. The maximum Exposure Limit of the Fund in respect of a Daughter Fund shall be 20% (twenty per cent) of the corpus of the Daughter Fund or INR 2000 crore, whichever is lower, i.e. no Daughter Fund can have an exposure limit of more than INR 2,000 crores ("**Exposure Limit**"). Empaneled Daughter Funds shall raise 80% additional funds from outside sources like Banks, financial institutions, high net worth individuals, VCs/Pes/Institutional Investors, PSUs, Pension Funds, Foreign Developmental Institutions etc. Daughter Funds, after being empaneled with the Fund, will mobilize funds and for each 4 units of funds so mobilized, they will be eligible to solicit 1 unit of fund, proportionately from the SRI Fund;

(g) The investment focus will be on traditional manufacturing and service MSMEs as they are facing deficiency to a greater degree because the existing venture capital and private equity funds have a bias towards I.T. and Technology based industries, which offer better control and high and faster returns;

(h) AIFs which have availed commitments from any of the Fund of Funds of Government of India, like the Fund of Funds for Startups, EDF of the Ministry of Communications and Information Technology, ASPIRE etc. shall be eligible for investment by this Fund provided that funding support received by the Daughter Funds from such other Fund of Funds of Government of India will not be included in the 80% fund to be mobilized by the Daughter Funds from other sources as per point (f) above. Further, investments that qualify as MSMEs for the purposes of complying with the requirement of this Fund shall be excluded from being counted in end use requirements of any other Government Fund of Fund scheme as mentioned above;

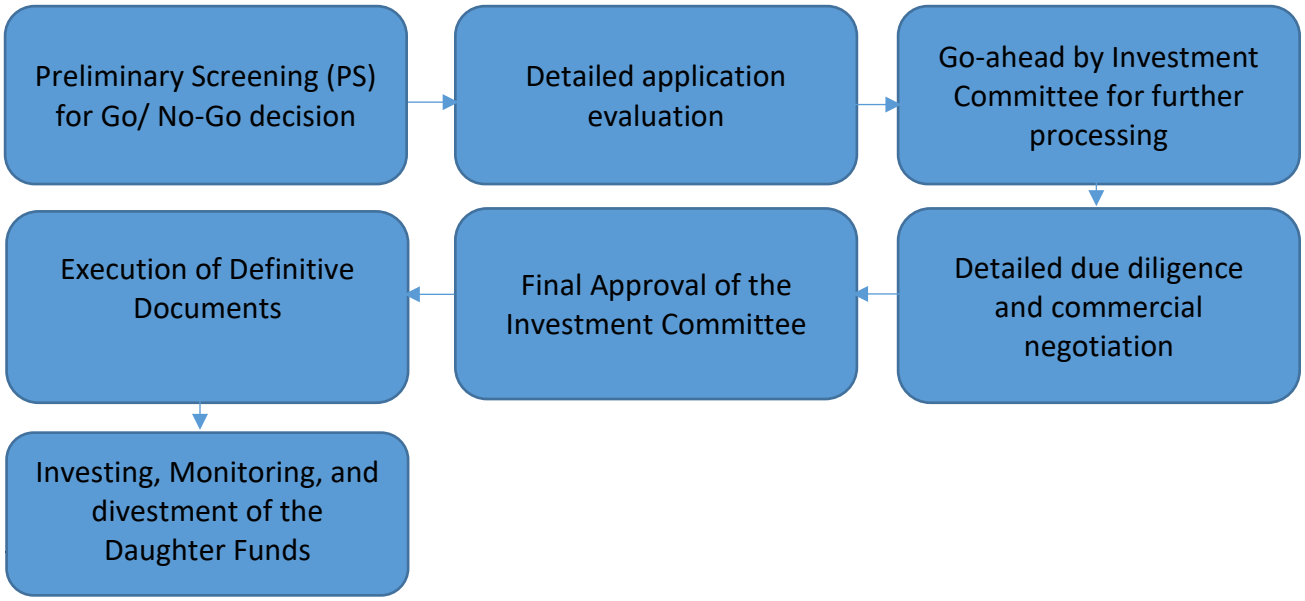
(i) The Daughter Funds shall not make portfolio investments in companies which are involved in gambling, creation of obscene content, any other illegal or unlawful activities; and

(j) Further, capital contributions made by the SRI Fund to any Daughter Fund shall not be used by such Daughter Fund for making investments/ funding any non-banking financial institutions (NBFC), non-profit organisations, micro credit sector, financial inclusion sector, self-help groups and other financial intermediaries.

Investment Process

During the investment period, the Fund will invest in Daughter Funds, in accordance with the investment objective and policies of the Fund after undertaking the investment process as detailed herein ("**Investment Process**"). The Investment Manager shall process the investment proposals of potential Daughter Funds in line with the investment process adopted by the Fund, illustrated below.

A flowchart depicting the broad investment process is as below. The steps are detailed out after the flowchart:



Step 1:

Conducting a Preliminary Screening ("**PS**") of the applications received to decide a basic Go/No-Go decision by the Investment Manager. The PS will seek information on basic qualification criteria from prospective Daughter Funds to filter out funds with mandates/ objectives which are not in line with the objectives of SRI Fund. Daughter Funds that qualify based on the basic criteria only to progress to next step.

Step 2:

The prospective Daughter Funds, satisfying the PS process shall be asked to submit a detailed application which shall typically include the following:

- Key fund relation information: category of fund, status of fund raising, existing commitments, investment policy/ strategy, target sectors, focus on MSME, exit strategy
- Key investment team, educational background and experience
- Fund terms: tenure, target returns, management fees, catch up, hurdle rates, etc.
- Track record of key personnel and the investment manager
- Ability to network and raise the balance funding from other resources.

The detailed application form submitted by prospective Daughter Funds will be evaluated by the Investment Manager, and further information (through presentations/ documents/ meetings etc.) will be requested, as required.

Step 3:

The Investment Manager shall prepare an investment proposal and submit to the Investment Committee. Presentations shall be made by the prospective Daughter Funds to the Investment Committee, if required. The Investment Committee shall review the investment proposal in line with the investment objectives of SRI Fund and provide its suggestions and recommendations. The investment proposal will have to be recommended unanimously by the members of the Investment Committee present in the meeting held by the Investment Committee. Upon receipt of go-ahead from the Investment Committee, the Investment Manager will carry out next stage screening, as per below

Step 4:

Detailed due diligence shall be carried out by the Investment Manager and Legal Advisor on the financial, KYC, Integrity, legal aspects and other assessment, as may be required. Due diligence inputs shall be analyzed and key findings shall be considered by the Investment Manager before negotiating commercial terms with the prospective Daughter Funds.

Step 5:

Post mutual agreement of the commercial terms, the detailed proposal shall be put up to the Investment Committee for its final approval. The Investment Committee shall provide its final approval

to investment proposals on a unanimous basis.

Post the approval of the Investment Committee, commitment letters shall be issued by the Investment Manager to the selected/ empanelled Daughter Funds. These letters shall contain the key investment terms and the Daughter Funds shall adhere to the same as a condition for receiving the investment from the Fund. The commitment given by the Fund will be valid for 18 (eighteen) months during which the eligible Daughter Funds are required to do the first closing. In the event of the Daughter Fund failing to achieve the same, the commitment of the Fund to the Daughter Fund shall be re-evaluated.

Step 6:

Definitive documents including contribution agreement, investment management agreement and other constitutive documents, etc. prepared/vetted by the Legal Advisor to be executed with the Daughter Funds capturing the detailed terms and conditions of the investment by SRI Fund in the Daughter Fund. The definitive agreements shall capture all the terms applicable to the investment by the Fund in the Daughter Fund in line with the Investment Policy.

Further to the execution of the definitive agreements, the Fund shall release on back-ended basis, the committed funds in proportion to the funds raised by the Daughter Funds individually. Daughter Fund shall raise the demand of drawing the funds from the Fund as per the requirements and terms of sanctioned assistance by them to portfolio companies. Daughter Funds will be required to invest the funds received from the Fund within 2 (two) months of the same being received from the Fund. In case they are unable to deploy the same, they may seek a further extension of 1 (one) month from the Fund, before the expiry of initial period of the 2 (two) months. In the event an extension is granted by the Fund after due deliberation, the funds should be deployed by the Daughter Fund within the extended period, failing which the Daughter Fund shall refund the amount to the Fund on the day next to the expiry of the extended period. In case extension is not permitted by the Fund, the Daughter Fund shall refund the amount to the Fund on the day next to the receipt of the communication from the Fund. The Fund may impose interest on any fund retained by the Daughter Fund beyond such communication.

Step 7:

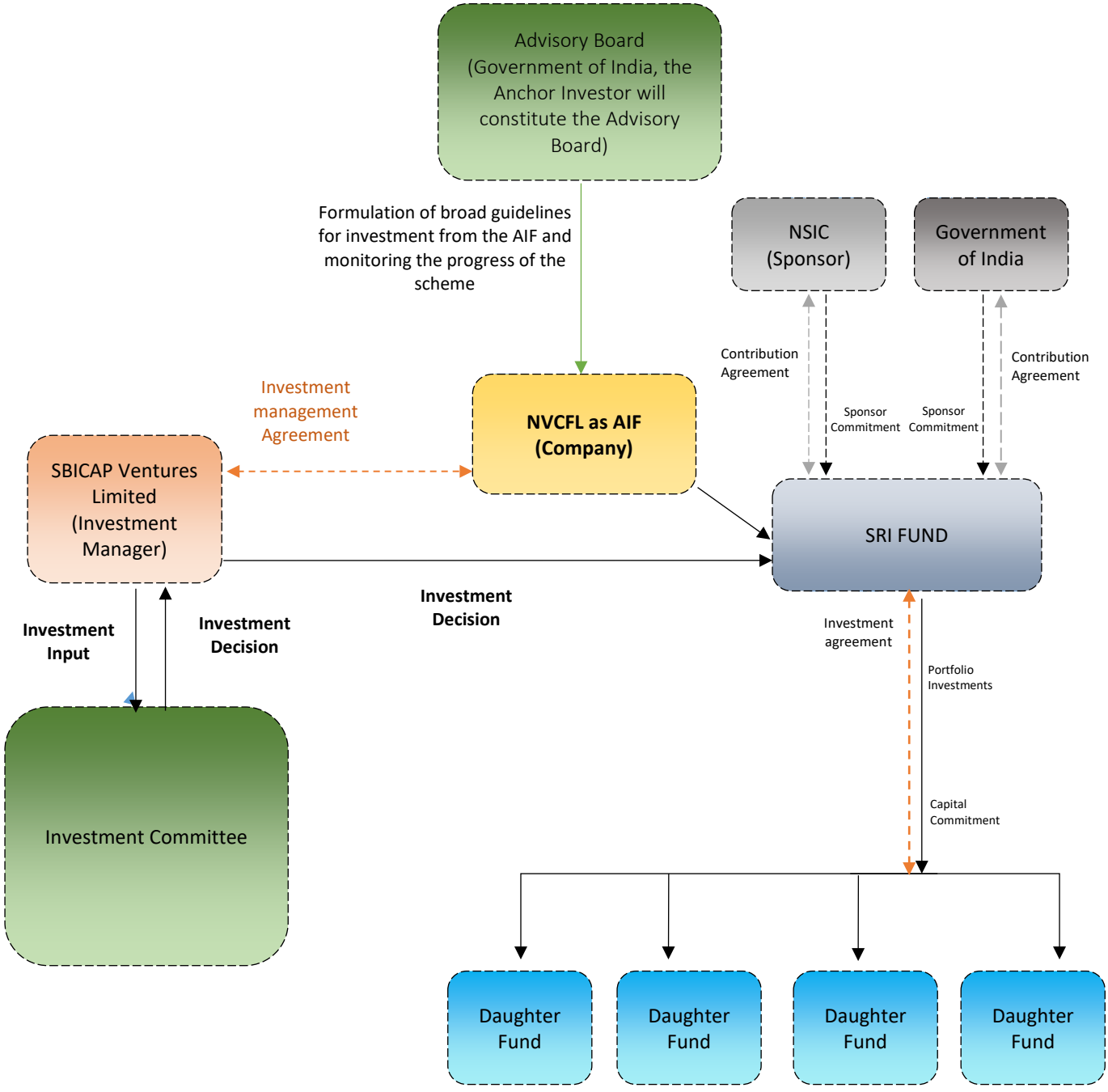
The Investment Manager shall monitor the performance of the Daughter Funds on regular basis and submit reports to the Investment Committee, the Advisory Board and/or the Board as may be required.

Exit from Daughter Funds

The Fund will exit its investments in the Daughter Funds when such a Daughter Fund makes distributions to its contributors after exiting/ liquidating its underlying portfolio investments.

SECTION IV: FUND STRUCTURE

The Fund is structured as per the structure chart, below:



The Fund is organised as the first scheme of NVCFL which is registered with SEBI as a Category II AIF – vide registration number IN/AIF2/21-22/0924 and is organised as a public limited company under the

Companies Act, 2013. SBICAP Ventures Limited will act as the investment manager to the Fund and Khaitan & Co. shall be the legal and tax advisor.

The Fund has been sponsored by The National Small Industries Corporation Ltd., a mini-Ratna Corporation of the Government of India under the Ministry of Micro, Small and Medium Enterprises.

The Fund shall operate with the objective of investing in certain Daughter Funds which will in turn provide growth capital to the MSME sectors.

Please refer to '**SECTION V: BRIEF OVERVIEW OF NVCFL, SPONSOR AND INVESTMENT MANAGER**' for further information on the Investment Manager and Sponsor.

Please refer to '**SCHEDULEII: DISCIPLINARY HISTORY**' for details regarding the disciplinary history of the Investment Manager and Sponsor.

SECTION V: BRIEF OVERVIEW OF NVCFL, SPONSOR AND INVESTMENT MANAGER

NVCFL has been constituted as a public limited company under the Indian Companies Act,2013 on 28 August 2020 and is registered with SEBI as Category II AIF vide Registration No. IN/AIF2/21-22/0924. The entire equity capital of NVCFL is held by NSIC which is also the 'Sponsor' of the Fund.

The board of directors of NVCFL currently comprises of the following individuals:

Sh. Vipul Goel, Chairman Cum Managining Director, NSIC and Chairperson NVCFL

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

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

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

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

Dr. lshita Ganguli Tripathy, Additional Development Commissioner, 0/o DC(MSME) is an officer of the Indian Economic Service 1999 batch. In the past 24 years, she has worked in Ministry of Finance, Planning Commission, Ministry of Road Transport & Ministry of Commerce and Industry in various capacities. She has a double post graduation in Economics and Population Studies and completed her PhD from IIT Delhi in Managerial Economics.

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

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

Mr. Saravana Kumar Ananthan is a Post graduate from IIM- Bangalore, holds degree in B.E., Risk management program from GARP- USA, CAIIB from Indian Institute of Bankers and attended Management Development Programme at Merrill Lynch Global Headquarters at New York. He has over 33 years of professional experience in Venture Capital, Private equity, AIF, AMC,

Insurance Industry, PMS, MSME sector, Finance & Accounts , Risk Management, Resource mobilisation, Treasury management and Corporate planning.

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

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

Mr. Ateesh Kumar Singh, Govt. Nominee Director

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

He has served in various capacities in different ministries of Government of India. He has handled issues in the Ministry of MSME, Government of India – policy formulation and execution for MSME credit, negotiations with World Bank, KFW and National Development Bank for financial assistance in the MSME sector in 4 Externally Aided Projects (EAP). He coordinated with the Finance Ministry and RBI to develop block chain processes on Trade Receivables Discounting System (TReDS). He has done innovative product development in fintech bodies in coordination with RBI, State Governments, private sector and Finance Ministry.

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

Mr. Gaurav Gulati, Director (Finance)

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

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

With his remarkable organizational skills and strategic planning acumen, Mr. Gulati in its present role has been instrumental in instituting vital improvements within NSIC especially

strengthening NBFC vertical of the company by formulating and fortifying policies and guidelines for schemes in addition to enhancing internal controls.

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

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

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

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

The Board of NVCFL maintains oversight over the operations of the Fund to ensure that all the decisions of the Fund including those by the Investment Manager and Investment Committee, are in compliance with the AIF Regulations, the terms of this Memorandum, agreements made with the investors, other Fund Documents and Applicable Law.

Following is the shareholding pattern of NVCFL:

NVCFL is a wholly owned subsidiary of NSIC. The shareholders of NVCFL are as follows:

Name of shareholder	Number of shares held
NSIC	5,99,994
*Shri Saravanakumar Ananthan, CEO, NVCFL	1
* Manoj Lal, CGM (CC), NSIC	1
*Shri Kartikeya Sinha Director (P&M), NSIC	1
*Shri. Navin Chopra, CGM SG, NSIC	1
*Shri. Kailash Kumar Sharma, GM-SG	1
*Shri. P Ravi Kumar	1
Total	6,00,000

*As nominee of NSIC

** Shri G. Dixit, former Director Finance and Chairman cum Managing Director (additional charge), NSIC has been relieved from the charge of Director (Finance) and additional charge of CMD, NSIC w.e.f 31st December 2022 on attaining age of superannuation. The transfer of shares shall take place in due course.

Profile of Investment Manager

SBICAP Ventures Limited("**SVL**") will act as the Investment Manager to the Fund. It is a wholly owned subsidiary of State Bank of India –one of the largest banks in India. SVL was incorporated in November 2005 for carrying on venture capital fund activities such as to act as an asset management company for venture capital funds.

Following is a brief write up on the board of directors of SBICAP Ventures Limited:

a) **Mr. Dinesh Kumar Khara (Director)**

Mr. Dinesh Khara is Chairman of the country's largest Bank – State Bank of India. Having joined the bank as a Probationary Officer in 1984, he has rich experience in all facets of Banking. Before assuming office as Chairman, Mr. Khara has held several key positions in SBI such as MD (Global Banking & Subsidiaries), MD (Associates & Subsidiaries), MD & CEO (SBI Mutual Funds) and Chief General Manager – Bhopal Circle. He was also posted at Chicago for an overseas assignment.
As Managing Director, he led the International Banking Group, Large Corporate and Treasury operations in addition to the non-banking subsidiaries of the Bank viz., SBI Cards, SBIMF, SBI Life, SBI General etc. He also seamlessly executed the merger of five erstwhile Associate Banks and Bhartiya Mahila Bank, with SBI. Additionally, he also headed the Risk, IT and Compliance functions of the bank at various points.

Mr. Khara is a postgraduate in commerce from Delhi School of Economics and an MBA from FMS, New Delhi. He is also a Certified Associate of Indian Institute of Bankers (CAIIB). Mr. Khara is passionate about reading and has travelled extensively across the world.

b) **Mr. Challa Sreenivasulu Setty- Nominee Director**

Challa Sreenivasulu Setty joined the Board of SBI as Managing Director in January 2020 and is currently heading International Banking, Global Markets & Technology wings of the Bank. Prior to the present assignment, Shri Setty headed Retail & Digital Banking vertical. He has also been heading various task forces/committees formed by the Government of India.
A Bachelor of Science in Agriculture and also, a Certified Associate of Indian Institute of Bankers, he started his career with State Bank of India in 1988 as a Probationary Officer. Across a career spanning over three decades, he has rich experience in corporate credit, Retail, Digital and International banking and banking in developed markets.
Shri Setty has held key assignments in State Bank of India in Stressed Assets Management, Corporate banking, Mid-Corporate banking and Syndications both in India and abroad.

c) **Mr. Anshuman Tripathi (Independent Director)**

Mr. Anshuman Tripathi joined SBICAP Ventures Limited (SVL) in January 2023 as an independent board member.He has a wide breadth of experience across international markets. Over the decades he has worked with emerging technologies, Fortune 500 companies and circular economy MSMEs. He has also been a project lead with Stanford University's elite Alumni Consulting Team (ACT). ACT focuses on strategy consulting for corporate boards in the San Francisco Bay area. Mr. Tripathi specializes in growing entrepreneurial ecosystems across sectors, worldwide. As an impact entrepreneur, he co-founded a circular economy startup in the United States and grew its operations internationally. He also has global consulting experience in defence, aerospace, semiconductors, public policy, entrepreneurship and social innovation. On the investment side, Mr. Tripathi focuses on startup and MSME investments from government grants to venture capital. Furthermore, Mr. Tripathi has been an advisor to large fund managers worldwide on emerging technologies. Mr. Tripathi is a Sloan Fellow from Stanford Graduate School of Business, California, with an extra certification in public policy and social innovation. He is also a graduate in Computer Science from University of California, Irvine, California.

d) **Mr. S V Sastry (Nominee Director)**

Shri S V Sastry, a graduate in Science from Government College, Anantapur (Andhra Pradesh) joined State Bank of India as a Probationary Officer on 01st October 1985. He retired from the services of the Bank on 30th September 2022 as Deputy Managing Director (Global Markets). During his career spanning 37 years, Shri Sastry held various assignments in the Bank-both in India and abroad.

Shri Sastry was MD & CEO of SBI DFHI Ltd., a subsidiary of the Bank and a Standalone Primary Dealer between November 2017 and May 2020. Thereafter he moved to head the domestic treasury operations of State Bank of India as DMD (Global Markets). For a major portion of his career in the Bank, he was associated with the markets both forex as well as Rupee.

e) **Mr. Shesh Ram Verma (Nominee Director)**

Mr. Shesh Verma has over 32 years of banking experience, having started his career as a Probationary Officer with State Bank of India in 1991. He has held various positions in India, across multiple functions viz., Retail Banking, Commercial Banking, Branch Banking, High Value Credit, Import Export Finance, Forex Operations, Retail Branch Head, Commercial Branch Head, Controllers of Commercial Banking Branches etc.,

Prior to assuming charge as President & Chief Operating Officer of SBICAP with effect from 23rd May 2023, his roles included General Manager at Pune with 4 corporate branches catering 200 corporate and non-corporate customers of entire Madya Pradesh and Maharashtra (ex-Mumbai), from May 2021 to May 2023.

He was DGM in Credit Management, SBI, Corporate Centre from July 2020 to April 2021,
DGM and Branch Head, CCG Branch, Nehru Place, New Delhi from June 2019 to June 2020.
He was RM at Overseas Branch, New Delhi from June 2018 to May 2019 with credit portfolio of 10 large corporate customers, including 4 large PSUs..

f) **Mr. Suresh Kozhikote (MD&CEO)**

Mr. Kozhikote has over 36 years' experience in banking, having started his career with the State Bank Group in 1987. Mr. Kozhikote has handled assignments both in India and overseas across various functions. He has been in treasury operations for more than 18 years – from a Forex dealer to Head – Treasury. His assignments include Vice President (Treasury) at SBI Central Treasury Hong Kong, Dy General Manager at State Bank of Patiala as Head of Treasury and then as Head of Retail Operations covering Delhi NCR, Haryana & Rajasthan. Also, as Dy. General Manager (Taxation), he was in charge of GST project in SBI. As General Manager-Private Equity, he managed SBI's portfolio of Private Equity, Strategic Investments and Investments in AIF.

Mr. Kozhikote is a Commerce Graduate, a Certified Associate of the Indian Institute of Bankers and has a Diploma in Treasury, Investment and Risk Management.

Past experience of the Investment Manager

SBICAP Ventures Limited currently manages the following SEBI-registered funds:

1. **Neev Fund, a SEBI registered Category I Infrastructure Fund having registration no. IN/AIF1/14-15/0114**

   Neev fund, sponsored and managed by SBICAP Ventures Limited, was launched by Hon. Prime Ministers of the two countries India viz. (Mr. Narendra Modi) and UK (Mr. David Cameron) in 2015 for making investments in 8 of the low-income states in India i.e Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Chhattisgarh, Jharkhand, Odisha and West Bengal. The primary objective of Neev Fund is to create sustainable development which will provide economic, social and environmental benefits and create jobs in the 8 (eight) low income states of India, while at the same time generating superior risk adjusted returnsfor the investors of Neev Fund. Neev Fund operates at arm's length with full autonomy. Neev fund investors' include marquee domestic and international investors such as SBI, SIDBI and DFID.

   Neev's corpus is fully committed and it has successfully made 10 portfolio investments across sectors such as renewable energy, cold chain logistics, dairy, skill development, agri infrastructure, healthcare, waste management, bio-mass and entrepreneur development. The Investment Manager has demonstrated a successful investment track record of investing in early and growth stage companies in India. The long professional experience, broad sectoral knowledge and complex deal structuring ability of the investment team enhances the team's ability to generate high quality deal flow. In 7 (seven) out of 10 (ten) portfolio investments made by Neev Fund, Neev Fund was the first institutional investor in the portfolio company, which has helped the Investment Manager in developing strong relationship with the company founders and key management. The experience of being closely associated with the companies have helped in improving operational, financial and governance aspects of the portfolio companies.

   Neev fund is one of the finest examples in India which integrated international environmental, social & governance principles with portfolio company's policies.

   - As on 31 March 2022, the invested corpus of INR 430.2 crore has been independently valued by a big-5 accounting firm at c. INR 696.5 crore. Amongst Neev Fund's portfolio:5 portfolio companies have raised capital from marquee domestic and foreign institutions
   - 2 portfolio companies are in advanced discussion for exit;
   - 2 portfolio companies have received term sheets and letter of intent

   Over 70% of the investments in value and 6 out of 10 investments are in sectors with a focus on climate and environment sectors, whereas the remaining 3 companies are focused on social infrastructure sectors that create a social impact amongst the weaker sections of the society and improve the livelihoods.

   The Investment Manager intends to develop on its strengths and continue its strategy of

identifying, investing and nurturing early and mid-size companies thereby providing Contributors an investment opportunity of participating in the Fund.

2. **Special Window for Affordable and Mid-Income Housing (SWAMIH) Fund, a SEBI registered Category II Fund having registration no: IN/AIF2/19-20/0747**

   The Investment Manager is also mandated by Government of India to manage one of India's largest real estate fund to provide last-mile funding to enable construction of stressed housing projects. SWAMIH has a fund size of INR 15,531crore.

3. **SVL SME Fund, a SEBI registered Category I AIF having registration no IN/AIF1/19-20/0730**

   An MSME focussed fund with a target corpus of INR 1,250 crore. Neev II SVL SME Fund has an objective to bridge the equity gap in the small and medium enterprises segment given the significant opportunity to create value through a well-diversified and high-quality portfolio. The fund will seek to invest across sectors by identifying opportunities that have the potential to grow as future market leaders with the right intervention of capital, market access and technological inputs while at the same time making significant positive social impact on lives and livelihoods of people. It is expected that the identified enterprises should be adequately positioned to explore the sector opportunities and bridge the sector constraints using private equity capital.

4. **SBICAP Ventures Affordable Housing AIF, a SEBI registeredCategory I AIF having registration no IN/AIF1/18-19/0658**

   The fund invests in housing projects that use at least 50% of the FAR/ FSI for dwelling units with carpet area of not more than 60 square meters and costing between Rs. 20-75 lakhs per unit. It has a geographical focus on 8 (eight) major cities and makes investment in the form of equity/equity linked instruments.This fund has now been closed w.e.f. 29th March 2022.

5. **UK India Development Cooperation Fund, a SEBI registered Category II AIF having registration no IN/AIF2/20-21/0849**

   The Investment Manager has also been selected by FCDO (previously known as DFID, UK) to manage its fund platform a Category II AIF UK India Development Cooperation Fund (UKIDC). The UKIDC with a target fund size of INR 5,000 crores will be the vehicle to route all the investments made by UK Government in India.

6. Trilateral Development Cooperation Fund'("TDC") a SEBI registered Category II Alternative Investment Fund (Large Value Fund for Accredited Investors) having registration number . IN/AIF2/22-23/1257

The InvestmentManager has recently announced first close of TDCF with an objective to be a platform for the Government of India (vide Ministry of External Affairs) to invest in Global Innovation Partnership ("GIP") Fund and Daughter Funds set up pursuant to sovereign partnerships between India and select other countries. The target corpus of the fund is Rs 700 Cr.

Set out below is a detailed disclosure in a tabular format on the previous funds managed by the Investment Manager:

Particulars	Neev Fund	SWAMIH Investment Fund I	SVL-SME Fund
Date of launch of the fund	July 16, 2014	November 21, 2019	September 25, 2019
Investment strategy of the fund	The Neev Fund has a primary mandate to invest in 8 low-income states/developing states in India (viz. Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal) focused on infrastructure sub-sectors such as urban infrastructure (e.g. water and sanitation, solid waste management etc.), renewable energy (e.g. solar, wind, hydro, bio-mass energy, etc.), agricultural supply chain (e.g. warehouses, cold storages etc.) and state/district roads.	The investment objective of the Fund is to complete construction of stalled / stressed residential development by investing in a portion of project(s) that satisfies the following criteria: ▪ Atleast 90% of the available FSI / FAR is being developed as Affordable Housing units or Mid-Income Housing units; where the residual portion exceeds 10%, the developer shall fund incremental expenses above 10%. ▪ Is networth positive – value of sold receivables plus unsold inventory is greater than cost to complete construction and to service the investment by the Fund; ▪ Has incurred at least 30% of the project costs ▪ Requires last mile funding – sufficient to complete the project ▪ Is a part of a RERA registered project(s). ▪ The capital provided by the Fund shall have a senior charge (except in cases where a	The Fund's investment philosophy is to achieve medium to long term capital appreciation by making investments in privately negotiated equity and equity-related investments in emerging unlisted companies and growth oriented small- and mid-size enterprises across India. In order to achieve this, the Fund will invest in small and medium enterprises ("SME") having turnover of less than INR 250 crores and investments in plant and machinery or equipment of less than INR 50 crores. The below investment guidelines shall be applicable to the Fund: (a) It shall invest in SME businesses with a focus on climate, environment and sustainability and social impact sectors; (b) It shall invest 60% (sixty percent) of its aggregate invested amounts into sectors such as waste management, water supply & sanitation, clean technology, energy efficiency, renewable energy, sustainable agriculture, urban mobility, that mitigate the impact of climate change and

Particulars	Neev Fund	SWAMIH Investment Fund I	SVL-SME Fund
		regulatory authority holds first charge) over the portion of the project for which the funding shall be used, while allowing existing lender to retain first charge on a portion of such assets and cash flows, and shall be repaid completely before servicing any other financial liabilities (excluding TDS / subvention costs/ RERA liabilities) in the project. This funding shall be used only for completion of the stalled / stressed project and for purposes as approved by the IC ▪ Affordable or Mid-income Housing units has been defined as any housing units that do not exceed 200sqm RERA carpet area and are priced as following: ▪ Less than INR 2crores in Mumbai Metropolitan Region; ▪ Less than INR 1.5crores in National Capital Region, Chennai, Kolkata, Pune, Hyderabad, Bangalore and Ahmedabad; or ▪ Less than INR 1crore in the rest of India; ▪ Provided that for these purposes, the price	promote clean environment, job creation, poverty alleviation, livelihood generation and social inclusion; IIt may on an ancillary basis and subject to item (b) above invest in other sectors, including manufacturing, financial services, healthcare, education, that have potential to generate livelihoods, promote innovations, creates access to infrastructure, promotes cross border trade; (d) It shall invest at least 40% of its Aggregate Capital Commitment in Portfolio Entities i) which have been incorporated within 10 (ten) years prior to the date of investment by the Fund; and (ii) whose turnovers have not exceeded INR 100crores for any financial year since incorporation of such Portfolio Entities;

Particulars	Neev Fund	SWAMIH Investment Fund I	SVL-SME Fund
		shall be exclusive of any additional charges for social amenities, parking, housing society, brokerage, deposits, registration and stamp duty charges. Equivalent norm for plotted developments will be permissible carpet area and cost of plot with potential construction ▪ The Fund expects to primarily structure its investments, subject to legal, regulatory or other considerations, in the form of NCDs ▪ The Portfolio Investments by the Fund shall be spread across India	
Size of the fund	524 crores .	INR 15,531 crores	INR 1000 crores with a green shoe option of upto INR 1000 crores
Investment Period	2 years from Initial closing + oneyear extension	3 years from Final closing + one year extension	5 years from Initial closing + one-year extension
Number of investments made by the fund as at 31 March 2024	10	117	5
Amounts drawn down as at 31 March 2024	INR 522.45 crores (including Class X)	INR 7,717.99 crores	INR 626.98 crores

Particulars	Neev Fund	SWAMIH Investment Fund I	SVL-SME Fund
Amounts deployed as at 31 March 2024	INR 450.1 crores (including Class X)	INR 6,769.85 crores	INR 570.49 crores
Internal rate of return of the fund	8.7% basis Sep-23 valuation data	8.7% basis Sep-23 valuation data	24.1% basis Sep-23 valuation data
Gross MOIC (Multiple on Invested Capital)	1.7x basis Sep-23 valuation data	Not applicable	1.3x basis Sep-23 valuation data
DPI (Distributed to Paid in)	0.3x basis Sep-23 valuation data	0.2x basis Sep-23 valuation data	Not applicable
RVPI (Residual Value in Multiple)	1.2x basis Sep-23 valuation data	0.9x basis Sep-23 valuation data	1.2x basis Sep-23 valuation data
TVPI (Total Value to Paid In)	1.5x basis Sep-23 valuation data	1.1x basis Sep-23 valuation data	1.2x basis Sep-23 valuation data
Description of exits from investment	Full exit from 2 portfolio company and partial exits from 3 portfolio companies as of Sep-23	Full exit from 20 portfolio company and partial exits from 15 portfolio companies	Not applicable

Particulars	SRI	UK INDIA Development Cooperation Fund
Date of launch of the fund	1 September 2021	17th June 2021
Investment strategy of the Fund	The Fund will employ a 'Fund-of-Fund' investment strategy wherein the Fund shall be holding a portfolio of other investment funds, instead of investing directly into Portfolio Companies. Accordingly, the Fund-platform will be a combination of the Fund and various Daughter Funds	The investment objective of the Fund will be to carry on the activity of a Category II AIF – fund of funds, as permissible under the AIF Regulations, for making one or more portfolio investments focussed on majorly achieving the United

Particulars	SRI	UK INDIA Development Cooperation Fund
	which will effectively leverage private equity/ other funds and thus will multiply the impact of the corpus of the Fund. The Fund will provide capital only to the Daughter Funds for onward investment as growth capital, while the investment in MSMEs will be done by the Daughter Funds. The Daughter Funds will be duly required to be registered as Alternate Investment Funds with SEBI. With a view to providing flexibility to the Daughter Funds in providing both equity and debt funding to the MSMEs, the Daughter Funds would be Category I or Category II AIFs registered with SEBI.	Kingdom - India bilateral development cooperation objectives. Subject to AIF Regulations and Applicable Law, the Fund shall seek to achieve its investment objectives by investing substantially all of its assets in permitted Portfolio Entities which seek to invest in, or are engaged in, sectors that promote sustainable economic development, help reduce poverty and contribute towards achievement
Size of the fund	INR 10,006 Crores	INR 7,500 Crores (INR 5,000 Crores + green shoe of INR 2,500 Crores). Shall not exceed GBP 750 million
Investment Period	13 (Thirteen) years from the date of Closing	7 (seven) years from the date of Final Closing
Number of investments made by the fund	55 (as on 31 March 2024)	3
Amounts drawn down	INR 1,153 Crores (as on 31 March 2024)	72.70 crores (as on 31 March 2024)
Amounts deployed	INR 1,139 Crores (as on 31 March 2024)	INR 66.33 crores (as on 31 March 2024)
Internal rate of return of the fund	8.4% basis Sep 23 valuation data	-5.1% basis Sep-23 valuation data
Gross MOIC (Multiple on Invested Capital)	1.1x basis Sep 23 valuation data	1.0x basis Sep-23 valuation data
DPI (Distributed to Paid in)	Not Applicable	Not applicable
RVPI (Residual Value in Multiple)	1.1x basis Sep 23 valuation data	1.0x basis Sep-23 valuation data
TVPI (Total Value to Paid In)	1.1x basis Sep 23 valuation data	1.0x basis Sep-23 valuation data
Description of exits from investment	Not Applicable	Not Applicable

In addition to the above, SBICAP Ventures Affordable Housing AIF has been filed for closure.

Profile of the Sponsor

The Fund has been sponsored by The National Small Industries Corporation Ltd., a Mini-Ratna Corporation of the Government of India under the Ministry of Micro, Small and Medium Enterprises.As required under the AIF Regulations, the Sponsor will make the Sponsor Commitment. The Sponsor Commitment will be made and maintained at all times in accordance with the AIF Regulations.

Following is a brief write up on the board of directors of the Sponsor:

Board of directors of the Sponsor:

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

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

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

d) Mr Kartikeya Sinha, Director (Planning & Marketing), NSIC

e) Mr. Gaurav Gulati, Director (Finance), NSIC

f) Ms. Mercy Epao, Government Nominee Director

g) Ms. Simmi Chaudhary, Government Nominee Director

h) Mr. Kalandi Charan Samal, Independent Director

i) Dr Ashok Ahirwar, Independent Director

Following is the shareholding pattern of NSIC:

Name of shareholder	Number of shares held
President of India	5,32,97,500
Secretary, MSME, Ministry of MSME, Government of India	400
Chairman and Managing Director, NSIC	400
Additional Secretary & Development Commissioner, MSME	200
Joint Secretary, Ministry of MSME, Government of India	100
Director, Ministry of MSME, Government of India	100

Economic Advisor, Ministry of MSME, Government of India	100
Total	5,32,98,800

SECTION VI: MANAGEMENT AND ADMINISTRATION

I. Investment Manager

SBICAP Ventures Limited will act as the investment manager to the Fund.

The Investment Manager has entered into an asset management agreement with NVCFL dated 25 November 2020 ("**AMC Agreement**") and will have an Investment Management Agreement in place, under the terms of which it will undertake the administration and management of the assets of the Fund, subject to the terms and upon the conditions set out in such agreement. The Investment Manager will act as an independent agent of the Fund and undertake the investment management of the Fund and its investments in Daughter Funds strictly in accordance with the powers delegated by Board under the AMC Agreement, Investment Management Agreement and SoPs,in compliance with

the AIF Regulations. The Investment Manager will be guided by the Investment Committee and the Board.

Please refer to '**SECTION V: BRIEF OVERVIEW OF NVCFL, SPONSOR AND INVESTMENT MANAGER**' for the profile of the Investment Manager and a brief write up on the board of directors of the Investment Manager.

The brief profiles of the initial members of the Key Investment Team are provided below.

1) **Name –** Suresh Kozhikote
Designation – MD & CEO
Role – Governance, oversight and investments

Mr Kozhikote is currently the MD & CEO with SVL. Mr Kozhikote has over 33 years' experience in banking, having started his career with the State Bank Group in 1987. Mr Kozhikote has handled assignments both in India and overseas across various functions. He has been in treasury operations for more than 18 years – from a Forex dealer to Head – Treasury. His assignments include Vice President (Treasury) at SBI Central Treasury Hong Kong, Dy General Manager at State Bank of Patiala as Head of Treasury and then as Head of Retail Operations covering Delhi NCR, Haryana & Rajasthan. Also, as Dy. General Manager (Taxation), he was in charge of GST project in SBI. As General Manager- Private Equity, he managed SBI's portfolio of Private Equity, Strategic Investments and Investments in AIF. Mr Kozhikote is a Commerce Graduate, a Certified Associate of the Indian Institute of Bankers and has a Diploma in Treasury, Investment and Risk Management.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	MD & CEO	2020 – Present	Private equity
2	State Bank of India	General Manager	2017 – 2020	Private equity, taxation
3	State Bank of Patiala	Deputy General Manager	2012 – 2017	Retail banking, treasury
4	State Bank of Travancore	Assistant General Manager	2009 – 2012	Fixed income and equity
5	State Bank of India	Vice President	2004 – 2009	Treasury
6	State Bank of Travancore	Foreign Exchange Dealer	1987 – 2004	Foreign exchange, business planning, strategy, performance analysis, retail operations

2) **Name - Akshay Panth**

Designation – Chief Investment Officer & Head – Fund Of Funds
Role – Investments and oversight

Akshay has close to 2 decades of experience in Private Equity, Principal Investments and Advisory roles with leading domestic and international investors. He started his career with the India Infrastructure Fund (a c.US$1Bn Infrastructure Fund managed by IDFC Alternatives) and has since worked with multiple private equity and principal investors. His previous experience includes working with CapAleph Private Equity, GMR Infrastructure, and MAPE Advisory Group.

At CapAleph, he handled the Infrastructure Support Services and Education & Skill Development segments for the Fund. At GMR Infrastructure, he was part of the Project Finance team working on the road sector where he submitted multiple bids to the NHAI. He has been part of teams that have invested over US$100Mn in the Indian infrastructure space.

Akshay holds a bachelor's degree in Commerce and PGDM/MBA.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	Chief Investment Officer & Head – Fund Of Funds	2018 – Present	Sourcing, structuring, execution of transactions and portfolio management. Mr Panth is also a Board Member on Neev portfolio companies and is actively involved in stakeholder management for Neev Fund.
2	P&C (Bangalore) Consulting Pvt. Ltd.	Director	2013 – 2018	Financial and strategic advisory for small and medium sized businesses. Advised multiple SME businesses and startups in their fund raise and in business process reorganisation. Managed fund raise processes and was responsible for business development.
3	CapAlephAdvisors	General Manager – Research & Business Development	2011 – 2013	Part of the investment team and was responsible for investments in the infrastructure support services space and in the education and skill development space. Played an active role in fund raise.
4	SNC	Associate – Investments	2010 – 2011	Part of the investment team that was responsible for

				making investments from the balance sheet.
5	GMR Infrastructure, Highways	Manager – Project Finance, Highways	2009 – 2010	Member of the team that led all bids in the highway sector. Responsible for fund raise for debt and equity at SPV and HoldCo levels.
6	MAPE Advisory Group Private Limited	Associate – Investment Banking	2008 – 2009	Member of the infrastructure investment banking team that was setup to source and advise clients on fund raise and M&A. Worked on mandates in roads, power, renewable energy, telecom and urban infrastructure
7	IDFC Project Equity Company Limited	Associate	2006 – 2009	Member of the investments team at India Infrastructure Fund (IIF) – IDFC's project equity fund. Responsible for building and owning the financial model for transactions and was also involved in negotiation and transaction structuring.

3) Name - Suken Shah
Designation – Principal Investment Officer
Role - Investments

Suken has over a decade of experience in fund raising investments and asset management across Infrastructure assets working with Private Equity, Principal Investments and Advisory firms.At SVL he is involved in Neev Fund, SVL SME Fund and SRI Fund. During his past experience he was also a part of a leading family office, where he was responsible for investing and managing mid-market opportunities. He has also been a part of Brescon Advisors, where he provided financial and strategic advisory to mid and large corporates; he was instrumental in striking a JV with Piramal group to setup a USD 1 billion special situations investment platform. Suken holds bachelor's degree in Commerce, MBA in Finance and CFA charter holder.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	Principal Investment Officer	2020 – Present	Sourcing, evaluation, negotiation, execution and portfolio management.
2	ART Special Situations Finance (India) Ltd	Vice President	2017 – 2020	Sourcing, investing and strategizing with portfolio companies in infrastructure/ real estate assets

3	Brescon Advisors Pvt. Ltd.	Assistant Vice President	2014 – 2017	Responsible for strategic partnerships/ JV's and corporate finance/ advisory role
4	Patel Realty (India) Ltd	Senior Manager	2013 – 2014	Investing in international and domestic infrastructure/ real estate projects
5	Welspun Group	Manager	2009 – 2013	Bidding, asset management and project financing for infrastructure assets
6	GVK Transportation	Assistant Manager	2009 – 2010	Business development, bidding and project financing for infrastructure assets

4) Name – Sangeeta Biby
Designation – Vice President
Role – Fund management, monitoring, reporting

Ms Biby is currently the Vice President ("**VP**") with SVL. Sangeeta has over 12 years of experience in managing finance operations, fund accounting, fund administration, compliance and audit requirements, following legal and regulatory processes and working with business intelligence reports in the Asset Management & Private Equity space. Sangeeta has a Masters in Commerce from MMK College and Masters in Management Studies from Mumbai University. At SVL she is involved in all Fund of Funds activities including UKIDCF & TDCF.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	Vice President	2021 – Present	Fund management, monitoring, reporting
2	Vistra ITCL (India) Limited	Senior Manager	2017 – 2021	Fund Administration
3	Bank Muscat SAOG, Oman	Assistant Manager	2007 – 2017	Fund & private equity operations, fund accounting and MIS reporting
4	Zoom Developers Private Limited	Senior Finance Executive	2005 – 2007	Finance

5) Name - Vivek Yadav
Designation - Associate
Role – Investments, monitoring

Mr Yadav is currently an Associate with SVL involved in Neev Fund, SVL SME Fund, and SRI Fund. Vivek has over 8 years of of work experience across Private Equity, Investment Banking, Business & Real Estate Valuation and M&A Restructuring Advisory roles. Prior experience includes advisory/ corporate finance roles in Ernst & Young and KPMG. Vivek is a Chartered Accountant from The Institute of Chartered Accountants of India and Bachelor of Commerce (Honours) from Delhi University.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	Associate	2020 – Present	Sourcing, evaluation, negotiation, execution and portfolio management.
2	KPMG India Private Limited	Senior Associate	2017 – 2020	Worked in advisory/corporate finance roles.
3	Ernst & Young LLP	Associate	2012 – 2017	Worked in advisory/corporate finance roles.

II. Investment Committee

The Investment Manager has constituted an Investment Committee comprising of experienced professionals including investment professionals, risk managers etc. on or before the Closing("**Investment Committee**"). The Investment Committee is chaired by an eminent professional with adequate and rich experience in finance/banking and/or capital markets. The Investment Manager shall recommend the investments in Daughter Funds to the Investment Committee which will then evaluate the same and give its preliminary recommendation by way of receipt of unanimous consent from the members present in the meeting. Post receipt of the preliminary recommendation by the Investment Committee, the due diligence process shall be conducted by the Investment Manager. Post conducting due diligence, the detailed proposal shall be put up to the Investment Committee for its final approval. Any other material decision in relation to the portfolio of the Fund, including material matters arising at the Daughter Fund level which requires an approval of the Fund shall be taken by the Investment Manager or the Investment Committee as required under the procedure laid down by the Board.

The Investment Committee comprises of at least 5 (five) members. The decisions of the Investment Committee would be taken on the basis of unanimous approval by members present at the meeting of the Investment Committee. Participation in the proceedings of the Investment Committee may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing. Any member participating through such modes shall be counted towards quorum. The quorum for a valid meeting of the Investment Committee will be any 4 (four) members of the Investment Committee. However, the presence of the nominees of both NVCFL and the Sponsor shall be mandatory. It is clarified that the Investment Committee will at all times be in compliance with the provisions as stated under Regulation 20(8) of the AIF Regulations. Further, subject to any change in the Applicable Law, it is clarified that the Investment Committee shall not have members who are *not* resident Indian citizens.

III. Advisory Board

Government of India, the Anchor Investor, will constitute an Advisory Board of eminent domain specialists in the field of private equity and venture capital, and senior government officials from Government of India ("**Advisory Board**"). The Advisory Board shall be chaired by the Secretary (MSME), Government of India.

The Advisory Board shall formulate broad guidelines for investment from the Fund, including empanelment of Daughter Funds, investment guidelines including return on investment and tenure, exit options sectoral focus and segmental focus, etc. The Advisory Board shall also

monitor the progress of the Fund periodically. The Advisory Board shall comprise of at least 7 (seven) members. Participation in the proceedings of the Advisory Board may be by either of the following methods: (i) physical presence; (ii) video or web conferencing.

IV. NVCFL

A profile of the General Manager and Officer on Special Duty of NVCFL (who is a key management personnel for the Fund) is provided below:

Name: Rajesh Madan

Designation: General Manager and OSD

Role: Responsible for all administrative functions relating to NVCFL and liasioning with various Government, Statutory Bod ies & Investment Manager and Legal Advisor for the purpose of setting up of SRI Fund.

Past experience: Worked in different capacities with NSIC in Finance & Accounts Division dealing in disbursement of funds under various schemes of the Corporation, Administration and Preparation of Final Accounts and also dealing with Auditors. Liasioning with various Government Bodies like Ministry of MSME, DPE, PESB, Banks etc.

CRISIL benchmarking report: Set out below is the latest benchmarking report available for Category II AIFs[4] on the CRISIL website[5]:

CRISL - BENCHMARKING REPORT

CRISIL AIF Benchmark – Cat II (INR) [6]

Vintage year	No. of schemes	Pooled IRR (%)	Investment multiples and ratios		
			DPI	RVPI	TVPI
FY14	13	10.3	1.2	0.1	1.3
FY15	12	6.7	1.0	0.3	1.3
FY16	16	13.9	0.8	1.0	1.7

[4] It is possible these Cat II AIFs may or may not have the same investment strategy

[5] CRISIL AIF Benchmarks, March 31, 2023

[6] All the funds considered for the purpose of this benchmarking report are the funds which are based out of India

FY17	38	11.9	0.7	0.9	1.5
FY18	48	16.6	0.6	1.1	1.7
FY19	59	23.3	0.5	1.2	1.6
FY20	56	15.0	0.4	0.9	1.3
FY21	34	13.8	0.5	0.7	1.2
FY22	92	9.2	0.1	1.0	1.1
FY23^	39	11.0	0.1	1.0	1.1
Total schemes	**407**				

CRISIL AIF Benchmark – Cat II (USD)

Vintage year	No. of schemes	Pooled IRR (%)	Investment multiples and ratios		
			DPI	RVPI	TVPI
FY14	13	7.5	1.2	0.1	1.2
FY15	12	3.8	0.9	0.3	1.2
FY16	16	10.6	0.7	0.8	1.5

FY17	38	7.9	0.6	0.7	1.3
FY18	48	12.2	0.6	0.9	1.5
FY19	59	18.6	0.4	1.1	1.5
FY20	56	10.3	0.4	0.8	1.2
FY21	34	8.8	0.5	0.7	1.1
FY22	92	3.9	0.1	1.0	1.0
FY23^	39	7.4	0.1	1.0	1.1
Total schemes	**407**				

*DPI: Distributions to paid-in capital, RVPI: Residual Value to paid-in capital, TVPI: Total Value to paid-in capital.

Notes:

(i) Values as on September 30, 2023.

(ii) Schemes that have completed at least one year since their first close as on September 30, 2023, have been considered.

(iii) DPI: Distributions to paid-in capital, RVPI: Residual Value to paid-in capital, TVPI: Total Value to paid-in capital.

(iv) Returns and ratios refer to post-expense, pre-carry, pre-tax values.

(v) Only those vintage years have been considered that have at least 3 schemes available. FY denotes financial year; for example, FY14 refers to period between April 2013 and March 2014.

(vi) ^ Data pertains to the first half of the year, i.e. only those schemes that had their first close between April and September 2022.

(vii) The total of DPI and RVPI may not add up to the TVPI number because of rounding off.

Disclaimer: The above-indicated disclosures in relation to the performance track record of the Manager may not necessarily be a representation of the expected performance of the Fund. The performance track record of such past investment funds managed and operated by the Manager may depend on various internal as well as external factors beyond the control of the Manager. Investors are requested to use their own independent assessment and judgement while attributing the credit of the past track record to the Manager.

Risk Factor: The performance track record of such past investment funds managed and operated by the Manager and/or the investment management team would be a function of the prevalent factors, including, inter alia, and not limited to, business, macro and micro economic, political conditions and the relevant economic cycle that may have been applicable to such investment funds. The Fund may not necessarily accrue an advantage/disadvantage from performance of previous investment funds as managed or operated by the Manager and/or the investment management team. Therefore, judgments of the Manager's expected performance cannot be extrapolated from the past performance of the Manager. Please refer to detailed risk factors under the section titled "**SECTION VIII: RISK FACTORS AND CONFLICTS OF INTEREST**" of this Memorandum.

SECTION VII: SUMMARY OF PRINCIPAL TERMS

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Memorandum, and the Fund Documents, which will be provided to each of the prospective investors upon request. If the terms described in this Summary or elsewhere in this Memorandum are inconsistent with or contrary to the terms described in the Contribution Agreement, the terms of the Contribution Agreement will prevail. Prospective investors should not rely solely on information contained in this Summary in making any investment decision and are encouraged to read the entire Memorandum, the Contribution Agreement, and the Investment Management Agreement. Prior to Closing, the terms hereof are subject to modification or withdrawal.

Structure	The **'Self Reliant India (SRI) Fund'** ("**Fund**" or "**SRI Fund**") is organised as the first scheme of NVCFL and is registered with SEBI as a Category II AIF vide registration number IN/AIF2/21-22/0924. NVCFL is organised as a public limited company under Companies Act, 2013 and is a wholly owned subsidiary of NSIC. The Fund shall operate with the object of supporting Daughter Fundsforonward provision to MSMEs as growth capital, through through equity, quasi-equity and debt,as permitted under SEBI guidelines to achieve the following objectives: i. Enhancing equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines financing to MSMEs; ii. supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities; iii. supporting enterprises which have the potential to graduate beyond the MSME bracket and become National / International champions; and iv. supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services. The Fund will be managed by the Investment Manager pursuant to the terms of the Investment Management Agreement and the Contribution Agreement. The investments in the Fund will be restricted to the Contributors. The Fund will raise monies from the Anchor Investor and the Sponsor. For more details please refer to "**SECTION IV: FUND STRUCTURE**".
Sponsor	The National Small Industries Corporation Limited, a public limited company having its registered office at NSIC BHAWAN, Okhla Industrial Estate, New Delhi- 110020, shall be the sponsor

	of the Fund. The Sponsor is a public sector undertaking incorporated with the main purpose of promoting growth and development of the small and medium scale enterprises in the country.
The Offering and Target Size of the Fund	The Fund is offering through private placement, Units for subscription aggregating to INR 10,006 crores (Indian Rupees Ten Thousand and Six Crores).
The Investment Manager	SBICAP Ventures Limited, a public company incorporated under the provisions of Companies Act, 1956, having its registered office at Marathon Futurex, 12th floor, A-wing, Mafatlal Mill Compound, N.M. Joshi Marg, Lower Parel Mumbai 400013 , India, shall act as the Investment Manager to the Fund pursuant to the Investment Management Agreement. Currently, the Investment Manager is 100% (hundred percent) owned by SBI. The Investment Manager has entered into an AMC Agreement and will have an Investment Management Agreement in place, under the terms of which it will undertake the administration and management of the assets of the Fund, subject to the terms and upon the conditions set out in such agreement. The Investment Manager will act as an independent agent of NVCFL and undertake the investment management of the Fund and its investments in Daughter Funds strictly in accordance with the powers delegated to it by the Board under the AMC Agreement, Investment Management Agreement and SoPs and in compliance with the AIF Regulations. The Investment Manager will be guided by the Investment Committee and the Board. For more details, please refer to "**SECTION VI: MANAGEMENT AND ADMINISTRATION**". **Investment Committee** The Investment Manager will constitute an Investment Committee that will comprise of experienced professionals including investment professionals, risk managers etc. on or before the Closing ("**Investment Committee**"). The Investment Committee will be chaired by an eminent professional with adequate and rich experience in finance/banking and/or capital markets. The Investment Manager shall recommend the investments in Daughter Funds to the Investment Committee which will then evaluate the same and give its preliminary recommendation by way of receipt of unanimous consent from the members present in such meeting. Post conducting due diligence, the detailed proposal shall be put up to the Investment Committee for their final approval. Any other material decision in

	relation to the portfolio of the Fund, including material matters arising at the Daughter Fund level which requires an approval of the Fund shall be taken by the Investment Manager or the Investment Committee as required under the procedure laid down by the Board from time to time. The Investment Committee shall comprise of at least 5(five) members. The decisions of the Investment Committee would be taken on the basis of unanimous approval of the Members present at the meeting of the Investment Committee. Participation in the proceedings of the Investment Committee may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing. Any member participating through such modes shall be counted towards quorum. The quorum for a valid meeting of the Investment Committee will be any 4 (four) members of the Investment Committee. However, the presence of the nominees of both NVCFL and the Sponsor shall be mandatory. It is clarified that the Investment Committee will at all times be in compliance with the provisions as stated under Regulation 20(8) of the AIF Regulations. Further, subject to any change in the Applicable Law, it is clarified that the Investment Committee shall not have members who are *not* resident Indian citizens. **Advisory Board** Government of India, the Anchor Investor, has constituted a Advisory Board of eminent domain specialists in the field of private equity and venture capital, and senior government officials from Government of India ("**Advisory Board**").The Advisory Board is chaired by the Secretary (MSME), Government of India. The Advisory Board shall formulate broad guidelines for investment from the Fund, including empanelment of Daughter Funds, investment guidelines including return on investment and tenure, exit options, sectoral focus and segmental focus, etc. The Advisory Board shall also monitor the progress of the Fund periodically. The Advisory Board shall comprise of at least 7 (seven) members. Participation in the proceedings of the Advisory Board may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing.
Anchor Investor	The anchor investor of the Fund is the Government of India ("**Anchor Investor**"). The Anchor Investor has decided to invest in the Fund in order to provide growth capital to the micro, small and medium enterprises ("**MSMEs**"), so that they have access to growth capital through equity,quasi-equity or debt instruments, as permitted under the relevant SEBI guidelines. It is currently

	envisaged that besides the Sponsor, Anchor Investor will currently be the only other investor in the Fund.
Sponsor Commitment	The Sponsor shall make a minimum Capital Commitment to the Fund of at least 2.5% of the aggregate Capital Commitments or of INR 6,00,00,000 (Rupees Six Crores), whichever is lower as required under the AIF Regulations ("**Sponsor Commitment**"). The Sponsor shall maintain its 'continuing interest' in the Fund and shall subscribe to Class B Units.
Schemes	NVCFL, in consultation with its Board, Anchor Investor and the Investment Manager may float additional schemes with different or similar investment focus from time to time and shall issue separate private placement memorandum for each scheme. NVCFL shall hold the assets of each scheme under separate bank and securities accounts and shall ensure that the assets and liabilities of each such scheme shall be segregated.
Fund Capital Structure	The capital of the Fund shall be represented through 2 (two)classes of Units as follows: • Class A Units representing a face value of INR 1,00,00,000 (Rupees One Crore) per Unit to be allocated to the Anchor Investor; and • Class B Units representing a face value of INR 1,00,00,000 (Rupees One Crore) per Unit to be allocated to the Sponsor. The Fund shall issue Units in dematerialised form subject to the conditions specified by SEBI from time to time. The interest of the Contributors in the Fund shall be represented through the Classes of Units held by them and such interest shall also include a fraction of a Unit. NVCFL shall not issue any additional Classes of Units without the express approval of the Anchor Investor. Any special rights attached to such additional Classes of Units so issued by the Fund (if any) shall not have any adverse impact on the economic or any other rights of other Contributors in the Fund.
Term	The Fund is a close ended fund and the term of the Fund ("**Term**") will be a period of 15 (Fifteen) years from the date of the Closing, which may be extended for a period of 2 (two) additional 1 (one) year periods by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value) in

	accordance with the AIF Regulations. The Term may be further extended by any additional period, subject to the provisions of the AIF Regulations, by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value). Subject to the AIF Regulations, the Board, in consultation with the Investment Manager and with the consent of the Anchor Investor may,terminate the Fund: • upon the expiration of the stated Term described above, unless the Term is extended as per the terms of this Memorandum; or • following the end of the Commitment Period, upon the Fund exiting from all investments and distribution of the Contribution Fund to the Contributors; or • if it is in the interest of the Contributors to wind up the Fund; or • upon the Fund facing any adverse tax consequences or upon any receipt of directions from any statutory authority. Additionally, the Fund may also be terminated prior to the completion of the Term if Super-Majority of the Contributors pass a resolution in that respect in the course of a duly convened meeting of such Contributors. Upon expiry of the Term or premature termination of the Fund, the Portfolio Investments shall be liquidated as per the AIF Regulations and the Fund will continue for such period as permitted under the AIF Regulations to liquidate the outstanding Portfolio Investments in an orderly manner. The Investment Manager may, in consultation with the Board undertake a valuation of the assets of the Fund and find a buyer to complete the liquidation of all Portfolio Investments of the Fund. Further, the Investment Manager shall make all necessary filings, obtain all approvals and take all such other actions as may be required under Applicable Laws. The proceeds from liquidation of the Fund shall be used to (i) satisfy the creditors of the Fund, if any; (ii) meet outstanding expenses (including any reimbursement of Management Fees and Operating Fees) of the Fund, including taxes and any expenses incurred in the process of liquidation; and (iii) establish Reserves for the future contingent liabilities of the Fund.

	Thereafter, the proceeds accruing to the Contributors shall be distributed to them in accordance with the Contribution Agreement. Notwithstanding anything contained in this paragraph above, the Fund will continue for such period as may be necessary to liquidate the Fund's investments in an orderly manner subject to the AIF Regulations. The Investment Manager shall make reasonable endeavours to liquidate the Fund's investments as soon as practicable subject to the authorisation of the Board and the approval of the Investment Committee.
Closing	The closing of the Fund shall be held on such date as may be determined by the Investment Manager and the Sponsor, subject to the Fund having obtained Capital Commitments of INR 10,000crore (Indian Rupees Ten thousand crore) from the Anchor Investor ("**Closing**").
Commitment Period	The commitment period of the Fund shall begin from the date of Closing and terminate upon the expiry of 13 (Thirteen) years from the date of Closing ("**Commitment Period**"). After the end of the Commitment Period, the Unitholders shall be released from the obligation of making any further Capital Contributions with respect to their Unfunded Capital Commitment except: (i) to fund existing commitments to Daughter Funds, including capital calls made by Daughter Funds; (ii) to the extent necessary, to pay Operating Fee, Management Fee, Fund Expenses (including indemnification obligations) and any liabilities of the Fund (including tax liabilities); (iii) to create reasonable reserves to provide for any of the above items;(iv) to effect any top-up/ follow-on investments in a Daughter Fund (if any); (v) for an amount reasonably necessary in the Investment Manager's discretion to meet contingent liabilities, if any; and (vi) for any other purpose approved of by the Anchor Investor.
Drawdown	A Drawdown is a Capital Contribution made by a Contributor to the Fund pursuant to the issuance of a notice ("**Drawdown Notice**"). *Drawdown* The Capital Commitments of the Contributors shall be drawn down by NVCFL on an "as needed" basis to make investments in Daughter Funds and to pay Management Fees, Operating Fees, Fund Expenses and Establishment Expenses, and such other purposes as provided under the Fund Documents, by issuing a Drawdown Notice to the Contributors.

	NVCFL while issuing the Drawdown Notice to the Contributors shall include the period/date by which the Contributors will be obligated to make the Capital Contributions, which period shall be no less than 15 (Fifteen) Business Days from the date of the Drawdown Notice. The manner of serving the Drawdown Notice shall be as specified in the Contribution Agreement. All Capital Contributions to the Fund shall be made through remittance of funds into the designated bank account of the Fund. Against each amount drawndown from the Contributors, the Company shall issue a statement of holding representing allocation of their respective Class of Units as committed by them under their respective Contribution Agreement. The amounts drawn down from the Contributors, if not utilised, the Company shall after consulting the Investment Manager, may return such amounts to the respective Contributors with the approval of the Board and marked to the Contributors as being available for draw down again, and such amounts shall be added to the Contributor's Unfunded Capital Commitments and shall thereby be available to be re-drawn in accordance with the Fund Documents. *Drawdown post Commitment Period* After the end of the Commitment Period, Contributors shall be released from the obligation of making any further Capital Contributions with respect to their unfunded Capital Commitment except: (i) to fund existing commitments to Daughter Funds, including capital calls made by Daughter Funds; (ii) to the extent necessary to pay Operating Fee, Management Fee, Fund Expenses (including indemnification obligations) and any liabilities of the Fund (including tax liabilities); (iii) to create reasonable reserves to provide for any of the above items;(iv) to effect any top-up/ follow-on investments in a Daughter Fund (if any); (v) for an amount reasonably necessary in the Investment Manager's discretion to meet contingent liabilities, if any; and (vi) for any other purpose approved of by the Anchor Investor.
Temporary Investment	The Investment Manager as per the delegation authorized by the Board and approved by the Investment Committee, may cause the Fund to invest any monies (a) drawn down from the Contributors pending utilization by Fund for making investments in Daughter Funds and/or (b) any monies received by the Fund from its underlying investment in Daughter Funds which are pending further re-deployment into other Daughter Funds, in Temporary Investment by way of Government securities and bank deposits in public sector banks. Any returns realized on such

	Temporary Investment shall be deemed to be Investment Proceeds and shall be available for utilization by the Fund for its purpose. Temporary Investments shall be held for a period not exceeding 1 (one) year from the date of making such Temporary Investment. The Company shall maintain books of accounts for the Capital Contributions drawn down from the Contributors, the Units issued and the Temporary Investments. "**Temporary Investments**" shall mean an investment in Government securities and bank deposits with public sector banks only, which are permitted under the AIF Regulations.
Transfer and Withdrawal of Units	The Contributors are not permitted to withdraw or Transfer any of their Units, interests, rights or obligations with regard to the Fund. However, in certain cases, subject to compliance by the transferor and transferee with (i) the AIF Regulations and Applicable Laws; and (ii) KYC norms as prescribed by SEBI from time to time to the satisfaction of the Investment Manager and approval of all other Contributors, a Contributor may Transfer its Units, interests, rights or obligations with regard to the Fund to any other Person. Any such transfer shall be undertaken in the manner specified by the Investment Manager and would be subject to restrictions, if any, contained in the AIF Regulations.. It is hereby clarified that the Contributors cannot create any third party rights with respect to the Units of the Fund save and except by way of sale or pledge of Units in accordance with the terms of the Contribution Agreement. "**Transfer**" shall mean a direct or indirect transfer, sale, assignment, pledge, hypothecation or other disposition of all or any interest with respect to the Units of the Fund. Further, any such Transfer shall also comply with any other conditions as may be imposed by the Board and would be subject to restrictions, if any, contained under Applicable Law. If a Contributor's continuing presence in the Fund would create or continue regulatory, tax, legal or other similar issues that are materially adverse to the interests of the Fund and/or any other Contributors or where NVCFL, on its own or as per the recommendation of the Investment Manager, determines in good faith, based upon an opinion received from a reputable law firm, that as a result of the application of any Applicable Law, rule, regulation in force, such Contributor's investment in the Fund

	shall have or be reasonably likely to have a materially adverse effect on the Fund or the Contributors as a whole, NVCFL may require such Contributor to withdraw either wholly or partially (as determined by NVCFL) from the Fund or to transfer its interest therein to a transferee designated by NVFCL. Any transfer of interest by a Contributor pursuant to this Clause shall be at the then market value of such interest.
Redemptions	Unless the prior written consent of the Anchor Investor has been obtained by the Board, the Fund shall not make any Distribution to the Contributors nor will it redeem any Units held by them. Subject to the above, in the event the Anchor Investor approves any Distribution from the Fund, then in such situation the Board may effectuate such Distribution either as distribution on the Units held by the Contributors or may effect such Distribution through redemption of Units held by the Contributors. Such redemption shall be effected either at par value or at the net asset value per Unit as determined by the Board in consultation with Investment Manager. The redemption at a price other than par value/ net asset value will require the approval of the Contributors to the Fund. Units not redeemed by the Investment Manager during the Term shall be redeemed as soon as practicable on or after the expiry of the life of the Fund as per the terms of the AIF Regulations.
Limitation of Liability of Contributor	Except to the extent of the Contributor's obligation to pay any Unfunded Capital Commitment or any other amounts as specifically set forth herein, the Contributor shall have no other liability whatsoever in his capacity as Contributor, whether to the Fund or to any of the other Contributors or to any creditors of the Fund, for the debts, liabilities, contracts or any other obligations of the Fund or for any losses of the Fund. Subject to the provisions of this Memorandum, the Contributor shall be liable only to pay the sum equivalent to the Contributor's Capital Commitment to the Fund and after the Contributor's Capital Commitment shall have been paid in full, the Contributor shall not be obligated to make any further Contribution to the Fund or to repay to the Fund, or to pay to any Contributor or any creditor of the Fund all or any fraction of any negative amount out of the Contributor's capital account or out of any distribution received or receivable by the Contributor from the Fund.
Limitation of Liability of the Investment Manager	The Board and the Investment Manager shall incur no liability in respect of any action taken or thing suffered by it in reliance upon any notice, resolution, direction, consent, certificate, affidavit,

	statement, certificate of stock, plan of reorganization or (without being limited in any way by the foregoing) other paper or document believed to be genuine and to have been passed, sealed or signed by appropriate authorities or entities other than in cases where such reliance constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal. Notwithstanding anything contained herein, the Board and the Investment Manager shall incur no liability for any act or omission, in good faith and with bona fide intentions except where such act or omission constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal. The Board and the Investment Manager shall incur no liability to the Contributors for doing or (as the case may be) failing to do any act or thing which by reason of (a) any provision of any present or future law or regulation made pursuant thereto; (b) any decree, order or judgment of any court;or (c) any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (legally or otherwise), it shall be directed or requested to do or perform or to forbear from doing or performing such act or thing. If for any reason it becomes impossible or impracticable to carry out any of the provisions mentioned herein and/or any other Fund Documents, the Investment Manager shall not be under any liability therefore or thereby, other than where such act or omission constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal. Notwithstanding anything to the contrary contained in the Fund Documents, the liability of the Investment Manager for any act or omission in relation to the Fund except in case of gross negligence, wilful misconduct or fraud or for breach of the Fund Documents including the representation and warranties provided by the Investment Manager, in each case as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal, shall not exceed the Operating Fees received by the Investment Manager. The Board and/or the Investment Manager shall not be liable to the Fund or to any Contributor for any act or omission by the Board and/or the Investment Manager or by any agent acting on its behalf provided that such agent was selected, engaged, and retained by the Board and the Investment Manager in good faith, that was taken in the good faith belief that it was in the best interests of the Fund; provided, however, that such act or omission does not constitute gross negligence, wilful misconduct

	or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal on the part of the Board or the Investment Manager. Other than in cases of gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal, the Investment Manager and/or the Board shall not be responsible to the Contributor for authenticity of any signature or of any seal affixed to any endorsement on any certificate or to any transfer or form of application endorsement or other document affecting the title to or transmission of Units or of any Portfolio Investments made by Fund or be in any way liable for any forged or unauthorised signature or seal, provided that reasonable care is exercised by the Investment Manager in this regard. The Investment Manager and/or the Board shall be entitled but not bound to require that the signature of the Contributor to any document required to be signed by him under or in connection with these provisions shall be verified to its reasonable satisfaction. If the Board and/or the Investment Manager is requested by any regulatory authority to provide it with any information regarding the Fund and /or the Contributor and the investments and income of the Fund and provisions mentioned herein, and complies with such request in good faith, whether or not it was in fact enforceable, the Board and / or the Investment Manager shall not incur any liability to the Contributor or to any other party as a result of such compliance or in connection with such compliance except where such compliance constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal. Other than in cases amounting to gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal, Board and/ or the Investment Manager shall not incur any liability by reason of any loss which the Contributor may suffer by reason of any depletion in the value of the Fund, which may result by reason of fluctuation in the rate of exchange or by fluctuation in the market price of any of the investments of the Fund. The Investment Manager and/or the Board shall not be liable to the Fund or to any Contributor for any tax or legal liability of the Fund and/or the Contributor except such liability arising as a result of conduct that constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal.

	Notwithstanding anything to the contrary contained in the Fund Documents, the Investment Manager shall not be liable to the Fund or to any Contributor for any act or omission by the Sponsor and/or NVCFL resulting in any loss to the Fund and/or the Contributor except in cases where the Investment Manager has engaged in conduct constituting gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal.
Contributor Giveback	To the extent that the assets of the Fund are insufficient to cover its indemnity obligations or any other obligations in relation to the costs, expenses and liabilities of the Fund, the Investment Manager, with the prior written consent of the Board, may require each Contributor to return any distributions made to such Contributor for the purpose of meeting such Contributor's pro rata share of such indemnity obligations, based on their respective Capital Commitments, equal to an amount necessary to pay for, meet and satisfy any liability or obligation of the Fund, including the foregoing indemnity obligations and liability for expenses. Provided that the aggregate amount that such Contributor may be required to return in respect of such obligation will be limited to the lower of (a) 25% of the Capital Commitments of the Contributor; or (b) 25% of the distributions made to the Contributor by the Fund. The Investment Manager may, with consent of the Board and the Anchor Investor, require the Contributor to return the distributions made to such Contributor in excess of cap as set out in this Clause for meeting the obligations as set out in paragraph above. Provided further that, no Contributor will be required to return a distribution after the 3rd (third) anniversary of the date of termination of the Fund, or the 7th (seventh) anniversary from the end of the financial year in which the Fund is terminated in case of any tax obligations.
Conflicts of Interests	The Investment Manager will formulate and adopt requisite corporate governance policies and guidelines designed to achieve, implement and maintain discipline and transparency in all investment processes and to avoid any potential or actual conflict of interest. These guidelines are applicable to any transaction entered into by the Fund. Upon the approval of the Investment Committee and authorisation of the Board, the Investment Manager may enter into a transaction or arrangement or any investment (a "**Conflicted Transaction**") notwithstanding that any of the

	Sponsor, the Investment Manager, their respective directors, officers, employees, agents, affiliates or committees established by and of the Investment Manager and the Advisory Board (each, an "**Interested Party**") has any direct or indirect interest or concern in such Conflicted Transaction so as to place the Interested Party in a position where such relationship conflicts with its fiduciary duty to the Fund, save that (i) such conflict of interest shall be disclosed in full to the Board and the Investment Committee; (ii) all Conflicted Transactions must be reviewed and approved unanimously by the the Board; (iii) such Interested Party shall not participate in any decision relating to such Conflicted Transaction; and (iv) if such conflict relates to investment in an "Associate" as defined under the AIF Regulations, the same shall require the approval of Super-Majority of the Contributors. For the purpose of (iv) above, Super-Majority of the Contributors' approval shall be deemed to have been obtained once the Board approves any such Conflicted Transaction as per (ii) hereinabove, since the Board comprises of members nominated by the Anchor Investor and Sponsor, and approved by the Government of India, the Anchor Investor. It is clarified that the Fund may invest in other AIFs managed by the Investment Manager or its affiliates subject to the above process being followed. For more details, please refer to "**SECTION VIII: RISK FACTORS AND CONFLICTS OF INTEREST**" of this Memorandum**.**
Distribution	The Fund will receive proceeds by way of interest, cash dividends or other forms of cash receivable as may be permitted by Applicable Laws from the Daughter Funds, returns / yield on Temporary Investments and cash proceeds realized from the disposition of the Portfolio Investments ("**Investment Proceeds**"). The Investment Proceeds shall be reinvested in accordance with the provisions of the paragraph titled 'Reinvestments' given under **SECTION VII: SUMMARY OF PRINCIPAL TERMS** of this Memorandum. The Investment Manager may with the consent of the Board recommend the Company to withhold reasonable amounts necessary to create appropriate reserves for tax and non-tax actual or contingent liabilities, investments, Fund Expenses and other liabilities of the Fund on the terms as may be mutually agreed with the Super-Majority of the Contributors, provided that such consent of the Super-Majority of the Contributors shall not be unreasonably withheld ("**Reserves**").

	The Company may retain the Reserves for such period as may be mutually agreed with the Super-Majority Contributors. Subject to the provisions on Re-investment as provided herein, the Investment Proceeds shall be distributed to the Contributors in proportion to their Capital Contributions.
Subsequent Fund	With respect to setting up of a subsequent fund by the Investment Manager, the Investment Manager shall abide by the provisions as contained under the Investment Management Agreement.
Investment Conditions and Restrictions	All investments made or to be made by the Fund shall be subject to the Investment Policy of the Fund, Investment Guidelines as laid out in "**SECTION III: INVESTMENT OBJECTIVE, STRATEGY AND PROCESS**"and the AIF Regulations. Any changes to the Investment Guidelines shall require the approval of the Advisory Board.
Fees to be charged to the Fund	In accordance with the guidelines issued by the Government of India for the purpose of establishment of the Fund, the following fees (in aggregate referred to as "**Fees**") shall be chargeable to the Fund: (a) Management Fee – NVCFL shall be entitled to charge a management fee at the rate of 1% (one percent) of the corpus actually placed at the disposal of the Fund ("**Management Fee**"). (b) Operating Fees – The Investment Manager shall be entitled to receive operating fees at 0.10% per annum of the commitments and outstanding commitments made by the Fund to the Daughter Funds (i.e. funds committed but not yet deployed) and 0.29% per annum of the funds contributed/deployed by the Fund to the Daughter Funds and outstanding thereof (i.e. funds deployed and outstanding) ("**Operating Fees**"). The Management Fee as well as Operating Fees as stated above shall form part of the Operating Expenses of the Fund and shall be charged to the Fund and shall be payable in arrears. Payment of Management Fee to NVCFL will be on receipt of Capital Contributions from the Contributors pursuant to drawdown and payment of Operating Fees to the Investment Manager and shall be on a half-yearly basis.

	The Management Fee shall be exclusive of all applicable taxes& levies and any other indirect tax/levy (together with surcharge or cess as may be applicable) leviable on such fees and shall be subject to withholding of tax, if any. The payment of the above Operating Fees to the Investment Manager shall accrue and commence from the date of commitment/deployment, as per the terms of the AMC Agreement dated 25 November 2020 and shall continue till the expiry of the Term of the Fund. In respect of the Operating Fees payable to the Investment Manager as stated above, the Investment Manager will be liable to pay taxes/ levies applicable as per Law, except goods and services tax including any surcharge and/or cess that may be applicable ("GST") which will be borne by NVCFL. Any additional tax liability arising out of higher tax rates or new taxes shall be the responsibility of the Investment Manager. The above Fees shall be paid from (i) Capital Contributions drawn down by the Fund from the Contributors, and/or (ii) from the income and receipts of the Fund. In the event that the Fund is unable to pay any amount of the Operating Fees when due for any reason whatsoever, NVCFL may issue a Drawdown Notice to fund such payment. The liability for such non-payment of such Fees will accrue in the books of accounts of the Fund and such liability would be first cleared from any proceeds from Portfolio Investments before determining the allocable surplus to the Contributors.

Expenses charged to the Fund	***Recurring Annual Operating Expenses*** The recurring annual operational expenses ("**Recurring Annual Operating Expenses**") of the Fund shall be borne by the Fund. For this purpose, the Recurring Annual Operating Expenses shall include: (i) all Fund audit, reporting, valuation and accounting costs, including expenses associated with maintenance of books of accounts and other records of the Fund; (ii) Management Fees; (iii) Operating Fees; (iv) the costs and expenses of all Fund meetings, meetings of the Contributors, Advisory Board meetings, Investment Committee meetings, or meetings of such other committee as may be appointed by the Board for the management and operations of the Fund (including the out-of-pocket expenses of the officers and any other

	committee or board of the Fund or any professional fees payable to such members as determined by the Board in consultation with the Advisory Board); (v) communications, travel, and other expenses, including expenses relating to meetings with the Contributors and printing of reports, annual reports, financial statements and newsletters; (vi) administration, communication, operating, and transactional expenses (including bank charges) incurred by the Fund; (vii) the costs of any liability, which are not attributed to any gross negligence, fraud or wilful misconduct as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal on part of the Investment Manager, to the extent indemnifiable as provided under the paragraph titled 'Indemnification and Restriction on Liabilities' under '**SECTION VII: SUMMARY OF PRINCIPAL TERMS**' of this Memorandum or similar insurance for the Investment Manager, the Investment Committee, the Board, the Advisory Board and any other Protected Persons; (viii) all filing and re-filing fees and any other levies on the Fund Documents and documents executed with Contributors and/or Daughter Funds to the extent not incurred by the Daughter Funds or Contributors; (ix) all fees, costs and expenses incurred in terminating the Fund and liquidating its assets; (x) expenses incurred in relation to banking, brokerage, abort costs, registration, qualification, finders, depositary and similar fees or commissions; (xi) expenses incurred in relation to any third party service provider like custodian, trustee, registrar, transfer agent, fund accounting services, valuers, auditors, of the Fund and their agents; (xii) Statutory, regulatory, legal and audit fees of the Fund; (xiii) all duties (including stamp duty payable in relation to issuance of units or duties incurred in respect of acquiring, holding, selling or otherwise disposing of the Fund's assets or other statutory expenses), including GST or any other indirect tax/levy (together with surcharge or cess as may be applicable), fees or other government or similar

	charges levied on the Fund in connection to any of the expenses; and (xiv) all reasonable, incidental or ancillary expenses relating to the above. (xv) Notwithstanding anything stated hereinabove, Investment Manager will have to bear all expenses incurred in complying with the scope of work, as per the AMC Agreement dated the 25th November, 2020 and the same shall not be borne by the Fund. ***Non-recurring Operating Expenses*** The non-recurring operational expenses ("**Non-recurring Operating Expenses**") of the Fund shall be charged at actuals and shall be borne by the Fund (including applicable taxes). For this purpose, the Non-recurring Operating Expenses shall include the following: (i) all litigation and / or arbitration cost connected to, or arising from the Fund's activities including expenses in relation to any litigation that may arise between the Fund and any Daughter Fund.; (ii) all indemnification obligation (contingent or otherwise) of the Fund (including fees, cost and expenses); (iii) all taxes including surcharge and cess (including transfer, capital and other taxes, duties incurred in acquiring, holding, selling or otherwise disposing of the Fund's assets); (iv) liquidation expenses or any other all reasonable expenses incurred in connection with the termination of the Fund; and (v) all extra-ordinary and non-recurring expenses related to the Fund's activities. The Recurring Operating Expenses and the Non-Recurring Operating Expenses shall be collectively called the Fund Expenses ("**Fund Expenses**") and such Fund Expenses shall be borne by the Fund and allocated to the Contributors pro rata to their Capital Commitments. To the extent that the Investment Manager or NVCFL incurs any of the Fund Expenses on behalf of the Fund, the Fund will, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, ensure that the Investment Manager or NVCFL is duly reimbursed. The Fund Expenses shall generally be met out of the following:

	(i) the income and receipts of the Fund; or (ii) from the Capital Contributions drawn down by the Fund. ***Establishment Expenses*** The Fund will bear at actuals all establishment expenses, including setting up costs (including travel and other expenses involved in marketing of the Fund), legal fees, registration expenses (including any stamp duty), any charges or fees paid to SEBI or cost incurred in relation to any third party service provider like custodian, registrar, fund accountant, valuers, auditors, legal advisor etc., legal and professional expenses incurred in relation to the preparation and negotiation of the Fund Documents or any other documents applicable to the Fund in relation to the offering of Units pursuant to this Memorandum, and such other costs directly attributable to the establishment of the Fund and obtaining various licenses, approvals and registrations ("**Establishment Expenses**") and allocated to the Contributors pro rata to their Capital Commitments. It is hereby clarified that in case any such expenses as mentioned above are incurred by the Sponsor or the Investment Manager on behalf of the Fund, the Sponsor and/or the Investment Manager, as the case may be, shall be entitled to claim reimbursement for such amount from the Fund. The Fund shall, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, ensure that the Sponsor and/or the Investment Manager, as the case may be is duly reimbursed. The Fund Expenses shall be borne by the Fund and in case of any shortfall in the income of the Fund to meet these expenses, the Fund may issue Drawdown Notices in accordance with paragraph titled 'Drawdown' under '**SECTION VII: SUMMARY OF PRINCIPAL TERMS'** of this Memorandum to meet the Fund Expenses.
Investment Manager Expenses	The Investment Manager will be responsible for and bear all its expenses in connection with organisation, operation and management of the Fund. The Investment Manager shall also bear all its operational and administrative expenses in relation to the Fund and make its own provision for the same, including the following: (i) office space, salary and personnel cost; (ii) office equipment; (iii) administration, communication, and other related costs; (iv) preparation of tax returns of the Investment Manager;

	(v) any expenses relating to investments by the Fund in Daughter Funds including but not limited to due diligence cost, travelling and lodging expenses or any other expenses incurred on any investment by the Fund as detailed in the AMC Agreement; and (vi) road show and publicity costs.
Reinvestment	During the Commitment Period, the Fund shall be entitled to reinvest any Investment Proceeds realised by it from its investments in the underlying Daughter Funds. No reinvestments shall be made by the Fund after the expiry of the Commitment Period unless prior authorisation of the Board, the Advisory Board and the approval of the Investment Committee has been obtained.
Removal of Investment Manager	The Board may remove the Investment Manager, by providing a written notice of not less than 30 (thirty) Business Days to the Investment Manager, upon occurrence of any of the following events: i. The Investment Manager fails to remedy any material breach of the Fund Documents within a period of 30 (thirty) Business Days from receipt of a written notice from the Board intimating it of the breach unless such breach is challenged within 30 (thirty) Business Days in a court of competent jurisdiction; ii. The Investment Manager becomes insolvent or bankrupt or enters into any agreement with its creditors for relief of debt or takes advantage of any law for the benefit of debtors or goes into liquidation or receivership whether compulsory or voluntary; iii. The Investment Manager fails to comply with any final decision reached as a result of arbitration proceedings under the Contribution Agreement within such timelines as set out in the final decision; iv. The Investment Manager submits any document, information, data or statement to NVCFL/the Contributors, which the Investment Manager knows to be false, materially incorrect or misleading, and which has a material adverse effect on the rights, obligations or interests of the Contributors; v. The Investment Manager's conduct or lack of conduct constituting fraud, wilful misconduct or gross negligence in relation to its activities in respect of the Fund, in each

	case determined by a court of competent jurisdiction or an arbitral tribunal; vi. The Investment Manager has not made timely renewal of bank guarantee given to NVCFL of INR 5 crores during the term of the Fund; or vii. The Investment Manager is unable to perform a material portion of the services under the Fund Documents or the AMC Agreement for a continuous period of more than 90 (ninety) days due to a Force Majeure event. Subject to compliance with the AIF Regulations and Applicable Law, the Investment Manager shall have the right to resign as the investment manager of the Fund by providing 30 (thirty) days prior written notice to the Company in the event of failure by the Fund to pay remuneration to the Investment Manager in accordance with the terms of the Fund Documents for a period exceeding 6 (six) months from the due date (unless such period is extended at sole discretion of the Investment Manager). Notwithstanding anything to the contrary contained in this paragraph, the Investment Manager shall continue to act as the Investment Manager of the Fund till a replacement investment manager is appointed by the Company in accordance with the Fund Documents and the AIF Regulations and shall be entitled to the Operating Fees and reimbursement of any out of pocket expenses incurred or suffered in connection with the services rendered by it to the Fund up to and including the date of appointment of the replacement investment manager. In the event that the appointment of the Investment Manager is terminated for any reason, the Investment Manager shall be entitled to receive any fees, accrued and not paid, up to the date of appointment of new investment manager and the Investment Manager is actually relieved from its services. Upon removal of the Investment Manager in terms of this paragraph, the Super-Majority of the Contributors may appoint a new investment manager in its place. Such appointment of new investment manager shall be effected by execution of a deed of appointment between NVCFL and the new investment manager. On such appointment, the new investment manager shall have the powers, authorities and discretion, and shall in all respects act and be liable as if originally appointed as an investment

	manager under the Investment Management Agreement. The liability of the new investment manager shall commence from the date of its appointment.
Reporting	Unless otherwise agreed to by the Contributor, the Company with the assistance of the Investment Manager shall adhere to the following: a) Maintain proper books of accounts, documents and records with respect to Fund, to give a true and accurate account of the investments, expenses, earnings and profits of Fund. The Company with the assistance of the Investment Manager shall also maintain any other reports as may be prescribed by SEBI from time to time. b) provide to the Contributors: (i) Statement of accounts, within 45 (Forty five) calendar days from the date of receipt of the Capital Contributions; (ii) Quarterly report within 60 (Sixty) calendar days from the end of the relevant quarter; (iii) Annual investor reports, within 180 (One Hundred and Eighty) calendar days from end of relevant financial year, briefly summarizing the portfolio of the Fund; (iv) Annually audited financial statements of the Fund, within 180 (One Hundred and Eighty) calendar days from end of relevant financial year; (v) Annual valuation report submitted by an independent valuer; (vi) Information regarding the income of the Fund, including information reasonably necessary for income tax purposes; and (vii) Any other reports or information as sought by the Anchor Investor from time to time. Unless otherwise agreed to by the Contributor, the Investment Manager shall adhere to the following: a) The Investment Manager shall inform the Contributor if it has received any statutory notice for liquidation or otherwise of any suit or other legal process initiated against the Investment Manager or if a receiver is appointed for any of its properties or business or undertaking; and b) The Investment Manager shall also maintain any other reports as may be prescribed by SEBI from time to time.

Valuation	The Investment Manager shall get the valuation of the Portfolio Investments made by the Fund by an independent valuer on an annual basis with the approval of all the Contributors and circulate a copy of the valuation report to the Contributors. The valuation shall be conducted in accordance with SEBI Circular No. SEBI/HO/AFD/PoD/CIR/2023/97 dated 21 June 2023. The independent valuer shall be appointed in accordance with SEBI Circular No. SEBI/HO/AFD/PoD/CIR/2023/97 dated 21 June 2023.
Indemnification and Restriction on Liabilities	*Indemnity* Upon execution of the Contribution Agreement, the Contributor expressly agrees that, the Investment Manager, the affiliates of the Investment Manager and their respective directors, employees agents, officers, shareholders and partners, the Sponsor, NVCFL and their respective directors, employees, and agents, members of any Advisory Board and/ or Investment Committee and any person who serves at the request of the Investment Manager and the Board on behalf of the Fund including in respect of a Portfolio Investment (each a "**Protected Person**"), shall be entitled to be indemnified out of the Fund's assets in the case of any and all tax and other liabilities, claims, costs, losses, damages and expenses (including reasonable attorney's fees and costs) arising out of or in connection with the Fund, including on account of any payment of distributions to the Contributors through electronic mode, except in the following circumstances: (i) in the case of fraud as adjudicated by a court of competent jurisdiction or an arbitral tribunal, by a Protected Person who is a member of the Board, the Advisory Board or the Investment Committee; and (ii) in the case of fraud, gross negligence or wilful misconduct (as adjudicated by a court of competent jurisdiction or an arbitral tribunal)by any other Protected Person. The Fund shall have the authority to make advance payments to a Protected Person provided such Protected Person promises to repay the Fund such advance payments if it is later determined that such Person is not entitled to indemnification. Provided, however, that when Super-Majority of the Contributors bring a claim against a Protected Person, such Person shall not be entitled to advancement for expenses. Provided further that if such Protected Person prevails in the claim, such Protected Person shall be fully indemnified. A Protected Person shall not be liable to the Fund or to any Contributor for any act or omission suffered or taken by the Protected Person or by any agent acting on such Protected

	Person's behalf provided that such agent was selected, engaged, and retained by the Protected Person in good faith, or that was suffered or taken in the good faith belief that it was in the best interests of the Fund; except where the Protected Person is adjudicated by a court of competent jurisdiction to have committed actions (or omissions) constituting gross negligence, wilful misconduct or fraud. For avoidance of doubt, the appointment and delegation of any powers to the Investment Manager in relation to the Fund shall be deemed to have been made in good faith. The Investment Manager shall with the approval of the Board cause the Fund to obtain, at the cost of the Fund, insurance from a reputable insurer, as a cover against and to secure any losses incurred, suffered, sustained, imposed or sought to be imposed on the Protected Person by reason of their lawful activities on behalf of the Fund and includes Liability Insurance ("**Insurance**"). Indemnification obligations of the Fund may be funded out of any applicable Insurance proceeds obtained in this regard. If Insurance proceeds are insufficient to satisfy the Fund's indemnification obligations, the Investment Manager may, with the approval of the Board for which approval shall not be unreasonably withheld or delayed and subject to the terms of this Memorandum, use the Fund's income, or realization proceeds or issue Drawdown Notices to the Contributors seeking contributions to meet the Fund's indemnification obligations. Protected Persons will, or will cause the Fund, to use their best efforts to obtain such funds as may be needed to satisfy their indemnification obligations from any available policies of insurance or from any applicable third parties prior to seeking payment from the Fund.
Fund Documents	The Fund Documents shall constitute: • this Memorandum; • Operating Guidelines • Memorandum and Articles of Association of NVCFL; • AMC Agreement; • Non-disclosure Agreement; • Investment Management Agreement; and • Contribution Agreement of the Contributor. Copies of the aforesaid Fund Documents (except the Contribution Agreement) shall be available for inspection with NVCFL. Any Contributor desirous of obtaining a copy of any of the Fund Documents should forward a written request to the Investment Manager.

Amendments	The Investment Manager may from time to time make any amendment to this Memorandum, provided however, any such amendment to this Memorandum shall require the approval of the Board and the Super-Majority of the Contributors.
Compliance with Applicable Laws	The Company agrees that it shall in consultation with the Investment Manager and the Legal Advisor, use its best efforts to ensure that the Fund shall conduct its business in accordance with all Applicable Laws, applicable rules, regulations relating to anti-terrorism, anti-money laundering, anti-corruption or anti-bribery, and all other requirements of all Governmental Authorities or agencies having jurisdiction over the Fund as set out in the Fund Documents.
Legal and Tax Advisor	Khaitan and Co One World Centre, 10th& 13thFloors, Tower 1C, 841 Senapati Bapat Marg, Mumbai 400 013, India.
Custodian	SBI-SG Global Securities Services Pvt. Ltd., (A Joint Venture of State Bank of India & Société General) having its registered office at B Wing, "Jeevan Seva" Annexe Bldg., Ground Floor, S.V. Road, Santacruz (W), Mumbai – 400054 India bearing registration number IN/CUS/022 will be the Custodian of NVCFL.
Registrar and Transfer Agent	The Investment Manager may with the approval of the Board appoint a registrar and transfer agent of the Fund.
Auditors	M/s K Prasad & Co (DE0432)having its registered office at G-1, Ground Floor, South Extension Part-II, New Delhi 110049 will be the Auditor of NVCFL for FY 2023-2024. Auditors for subsequent years shall be appointed by the Board in accordance with the directions of the Comptroller and Auditor General of India.

SECTION VIII: RISK FACTORS AND CONFLICTS OF INTEREST

An investment in the Fund involves certain considerations and moderate to high risks. Accordingly, before deciding to invest in the Fund, prospective investors should carefully study the specific risks described below together with all the information contained in this Memorandum, and seek independent legal, investment and tax advice. Additional risks and uncertainties not presently known to the Investment Manager, or that it currently deems immaterial may also have an adverse impact on the Fund's prospects and business. There can be no assurance that the Fund's investment objective will be achieved, or that a Contributor will not lose all of his investment in the Fund.

The Investment Manager will put in place and formulate an appropriate risk management policy for the Fund which will be approved by the Board before the Closing.

I. INVESTMENT RISKSDUE TO INVESTMENTS IN DAUGHTER FUNDS

Since the Fund would invest in Daughter Funds, it would be exposed to all the risks which are applicable to the Daughter Funds. A few of such risks are highlighted here for reference of all potential investors. However, it should be noted that additional risks and uncertainties not specified herein, or those currently deemed immaterial, may also have an adverse impact on the Fund's prospects and business.

Concentration of Investments

The Fund shall invest in Daughter Funds which shall invest only in MSME sector. The investments of the Daughter Funds may lack diversification which may expose such Daughter Funds to the risks relating to their focus sector. In addition, the Daughter Funds might coincidentally accumulate substantial positions in identical or similar issuers, industries or asset types at or about the same time. Such accumulations could impair achievement of the diversification goals (if any) of the Fund, and the Investment Manager may be unable to determine whether such accumulations have occurred.

Potential Illiquidity of the Fund's Investments

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. Therefore, no assurance can be given that, if the Fund is determined or required to dispose of its investment in a particular Daughter Fund, it will be able to dispose of such investment on a timely basis at an appropriate market price.

Market Dislocation Risk

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. To the extent that such conditions continue (or even worsen), this may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of global economies. Any resulting economic downturn could adversely affect the financial resources of

the Daughter Funds or their underlying Portfolio Companies in which the Daughter Fund has invested and result in the inability of such Daughter Funds to payback when due. In the event of such defaults, the Daughter Funds may suffer a partial or total loss of investments in their Portfolio Company, which would, in turn, have an adverse effect on the Fund's returns and in turn, affect returns received by Investors. Such market place events also may restrict the ability of the Fund to sell or liquidate investments at favourable times or for favourable prices (although such marketplace events may not foreclose the Fund's ability to hold such investments until maturity). There can be no assurance as to the duration of the current market dislocation given the pandemic.

Investment Selection

'The likelihood that Contributors will realize any gain on their investment depends largely on the performance of the Daughter Funds which in turn would be greatly dependent on their own investment managers and advisors (as applicable).

Risks associated with Underlying Entities

The investment performance of the Daughter Funds will depend upon the performance of their underlying Portfolio Companies. There can be no assurance that these entities will achieve profitable operations. The performance of the Portfolio Investments and the value of the Daughter Fund's interest in Portfolio Companies may be adversely affected by numerous factors including, for example, (i) long term effects of the ensuing global pandemic due to Covid-19; (ii) business, economic, and political conditions throughout India and the world; (iii) the supply of and demand for the goods and services produced, provided, or sold by the Portfolio Companies of Daughter Funds; (iv) changes and advances in technology that may, among other things, render goods and services sold by the Portfolio Companies of Daughter Funds titles obsolete; and (v) actual and potential competition from other companies and countries. Certain entities may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or at all.

Risks Related to Daughter Funds and Daughter Fund Managers

The Investment Manager will have limited oversight over the portfolio investments made by the underlying managers of the Daughter Funds, and the Fund, as an investor in any Daughter Fund will generally not have the ability to withdraw or redeem its investment in such Daughter Fund.

Although the Investment Manager will employ a due diligence process to review any Daughter Fund and its underlying manager, there is no assurance that such efforts will detect malfeasance, inadequate back office systems or other flaws or problems with respect to the Daughter Fund's or underlying manager's operations and activities. Alternatively, two or more underlying managers may invest in similar industries or sectors, resulting in Portfolio Investments held by the Fund that are concentrated in a single industry or that are in competition with each other.

The Fund as an investor in the Daughter Funds, will also be subject to risks and conflicts of interest that such Daughter Funds are subject to.

Underlying managers of Daughter Funds are compensated based on the performance of the applicable Daughter Fund. Consequently, a particular underlying manager may receive incentive compensation

in respect of its Daughter Fund's performance during a period when the Fund's overall capital depreciated.

Risks Associated with Portfolio Companies

There are numerous risks associated with investing in Portfolio Companies. Many of these risks will relate to the industry, geographic location or stage of development of such Portfolio Company and will vary. Although a representative of the Daughter Fund manager or the Fund may serve on a Portfolio Company's board of directors, each such Portfolio Company will be managed by its own officers. Portfolio Companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. Certain Portfolio Companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or at all.

Need for Follow-On Investments

Following an initial investment in a given Portfolio Company, the Fund or a Daughter Fund may decide to provide additional funds to such Portfolio Company or may have the opportunity to increase its investment in a successful Portfolio Company. There is no assurance that the Fund or a Daughter Fund will make follow-on investments or that the Fund or a Daughter Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund or a Daughter Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a Portfolio Company in need of such an investment or may result in a lost opportunity for the Fund or a Daughter Fund to increase its participation in a successful operation. A failure by the Fund or a Daughter Fund to make a follow-on investment in a Portfolio Company may also result in a dilution of its investment in the Portfolio Company.

Illiquid and Long-Term Investments

Certain Portfolio Investments may not be made until near the expiration of the Commitment Period. Furthermore, it is expected that it will take several years from the date of initial investment for a Portfolio Company to reach a state of maturity at which time the Fund or a Daughter Fund could realize any gain or suspend any loss in value of a Portfolio Company. Further, transaction structures may not provide for liquidity of investments prior to maturity or termination, if at all. In certain circumstances, it is expected that even after maturity there may be no readily available market for some of the investments. Dispositions of such investments may require a lengthy time period or may result in distributions in kind to the investors. As a result of the expiration of the term of the Fund or Daughter Fund, the value at which investments may be sold, either by the Fund or a Daughter Fund or by the investors (after a distribution in-kind), may be lower than that which could be achieved if the Fund or a Daughter Fund continued in existence.

For certain Portfolio Investments, there may be little or no public market for such securities at the time of their acquisition. The Fund or a Daughter Fund will generally not be able to sell such securities publicly unless or until their sale is registered under applicable securities laws or an exemption from such registration requirements is available. In addition, in some cases the Fund or a Daughter Fund may be prohibited by contract from selling such investments for a substantial period of time.

Portfolio Risk

The Daughter Funds may not have a fair degree of diversification in its investments both by geographic region or asset type. Poor performance by even a few of these investments could lead to adverse effects on a Daughter Fund's overall returns. While the Fund would invest in multiple Daughter Funds, the Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Sector Risk

The Fund proposes to focus its investments in Daughter Funds targeting the MSME sector of the Indian economy, as a result of which the Daughter Funds selected by it may not have a diversified portfolio. Accordingly, the Fund may face risks associated with concentration in the select sector, which a diversified fund would not generally experience.

Performance Risks

The Fund's assets will be invested in Daughter Funds which in turn will invest in Portfolio Companies operating in highly competitive markets or product segments dominated by firms with substantially greater financial and technical resources. Such Portfolio Companies in which the Daughter Funds invest may operate in product segments that face technological changes and/or may be dominated by other firms or organizations. These and other inherent business risks could affect the performance of the Portfolio Companies and affect the value of the Daughter Fund's equity investments, thereby affecting the Fund as a whole.

Disposal of Securities

The Daughter Funds will primarily invest in securities of Portfolio Companies. In connection with the disposal of a security of a Portfolio Company, the relevant Daughter Fund may be required to make representations and give warranties about the business and financial affairs of the Portfolio Company typical of those made in connection with the sale of a business. The Daughter Fund may also be required to indemnify the purchasers of such investments to the extent that any such representations or warranties are found to be inaccurate. These arrangements may result in the incurrence of contingent liabilities by the Daughter Funds that may ultimately yield funding obligations that must be satisfied by the Fund (as an investor in such Daughter Funds) from any distributions which are made to the Fund or any uncalled capital commitments made in such Daughter Funds.

Exit Strategies

The feasibility and terms of any proposed exit strategy for a Daughter Fund in respect of its investments will depend in part on factors that may not be within the control of the Daughter Fund, at the time of the proposed disposition and the effect of applicable legislation and political and economic conditions. Consequently, the precise timing of the disposition of a Portfolio Investment and the manner of disposition are impossible to predict, and no assurance can be given that such disposition will be achieved on terms favorable to a Daughter Fund.

Involvement in Portfolio Companies

The investment managers/investment advisors of the Daughter Funds may intend to play an active role in their Portfolio Companies and may invest such that the Daughter Funds have a significant stake or seat(s) on the boards of their Portfolio Companies. This may lead to exposing the Daughter Fund's assets to risks. Membership on the board of directors of a Portfolio Company can result in the investment manager/investment advisor of the relevant Daughter Fund being named as a defendant in litigation and/or the directors and officers being included in the same.

Control Position Risk

The Daughter Funds may seek investment opportunities that allow the Daughter Funds to acquire control or exercise significant influence over management and the strategic direction of their Portfolio Companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability characteristic of business operations generally may be ignored. The exercise of control over a Portfolio Company could expose the assets of a Daughter Fund to claims by such Portfolio Companies, its security holders and its creditors. While the investment manager/advisor of such Daughter Funds may endeavour to manage the Fund in a way that will minimise exposure to these risks, the possibility of successful claims cannot be precluded altogether. Where the Daughter Fund acquires management or control rights in respect of the investment, the exposure to loss in respect of the investment may exceed the amount of the Daughter Fund's initial investment.

The Daughter Funds may also make minority equity investments in Portfolio Companies where it may have limited influence. Such Portfolio Companies may have economic or business interests or goals that are inconsistent with those of the Daughter Fund or the Fund, and the Daughter Funds may not be in a position to limit or otherwise protect the value of its investment in such Portfolio Companies.

A Daughter Fund's control over the investment policies of their Portfolio Companies may also be limited. This could result in a Daughter Fund's investments being frozen in minority positions that incur substantial losses.

Risks in effecting operating improvements

In most of the cases, the success of the Fund's investment strategy will depend, in part, on the ability of the Daughter Funds to restructure and effect improvements in the operations of their Portfolio Companies. The activity of identifying and implementing potential operating improvements entails a high degree of uncertainty. There can be no assurance that the Daughter Fund will be able to successfully identify and implement such improvements.

Leverage risk of Portfolio Companies

The Daughter Funds may invest in Portfolio Companies, the capital structure of which may have significant leverage. While investments in leveraged entities offer the opportunity for capital appreciation, such investments may also involve a high degree of risk. The leveraged capital structure of Portfolio Companies of the Daughter Funds may increase the exposure of such Portfolio Companies to adverse economic factors such as rising interest rates, downturns in the economy, debt or equity capital markets or deteriorations in the condition of investments and which may impair such Portfolio Company'sability to finance its future operations and capital needs and result in restrictive financial

and operating covenants, including those that may prevent distributions to the Daughter Funds and ultimately to the Fund. These restrictive financial covenants may limit such Portfolio Companies' flexibility to respond to changing business and economic conditions. If a Portfolio Company is unable to generate sufficient cash flows to meet principal and/or interest payments on its indebtedness or make regular dividend/profits payments, the value of such investment could be significantly reduced or even eliminated, magnifying potential losses. Moreover, a Daughter Fund may invest in securities that are not protected by financial covenants or limitations on additional indebtedness.

Environmental Risk

The operations of Portfolio Companies, in which Daughter Funds will invest, are expected to be subject to numerous statutes, rules and regulations relating to environment protection. There is the possibility of existing or future environmental contamination, including soil, seawater and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants that may result from the normal operations of such Portfolio Companies, and such events may have an adverse financial impact on the value of Portfolio Companies and the Daughter Funds due to which the Fund may also be impacted. Further, smaller companies in the MSME sector may not have access to technology or processes that allow for them to be Environmental, Social and Corporate Governance (ESG) wise secure.

Under various environmental statutes, rules and regulations, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties.

Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of those materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

Any liability of Portfolio Companies resulting from non-compliance or other claims relating to environmental matters could have a material adverse effect on the value of such investments.

Deal Access Risk

There is a risk that a Daughter Funds expectations regarding its ability to access transactions of sufficient volume and investment quality to meet the Daughter Fund's investment objectives are not fulfilled. Factors that may affect this risk may include, but are not limited to, competition for assets, changes in India's regulatory or legal environment, or changes in India's macroeconomic conditions.

Similarly, there is a risk that the expectations regarding its ability to access transactions of sufficient volume and investment quality to meet a Daughter Fund's investment objectives are not fulfilled. Factors that may affect this risk may include, but are not limited to, competition for assets, changes in India's regulatory or legal environment, or changes in India's macroeconomic conditions.

Indian Securities Markets

Some of the Portfolio Companies, in which any Daughter Funds invest, may be listed or eventually have their securities listed on an Indian or overseas stock exchange as a means of creating liquidity for that investment. In connection with this listing, a Daughter Fund may generally be required not to dispose of the securities in that company for a lock in period in excess of 12 (Twelve) months due to contractual obligations or regulatory constraints. However, even if these securities are in fact listed, there can be no assurance that the listing of these securities will provide a viable exit mechanism, as these securities may suffer from low trading volumes and low market capitalization at the time of the intended disposal.

Stock markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react differently than large cap stocks. Political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole.

Securities listed on Indian stock exchanges may have low market capitalization and trading volume. There can be no assurance that sales on the Indian stock exchanges will provide a viable exit mechanism for Daughter Fund's investments.

In Specie Distributions

The Daughter Funds may make in specie distributions of assets as a result of which the Fund may receive assets of Daughter Funds. If an in specie distribution is received by the Fund, it may not be able to realize full value of these assets.

Common Stocks and Equities

Common stocks are shares of a corporation or other entity that entitle the holder to a pro rata share of the profits of the corporation, if any, without preference over any other shareholder or class of shareholders, including holders of the entity's preferred stock and other senior equity. Common stock usually carries with it the right to vote and frequently an exclusive right to do so. Common stocks do not represent an obligation of the issuer, and do not offer the degree of protection of debt securities. The issuance of debt securities or preferred stock by an issuer will create prior claims which could adversely affect the rights of holders of common stock with respect to the assets of the issuer upon liquidation or bankruptcy. The market price for convertible bonds, which are typically bonds offering a stated interest rate that are convertible into common stock at a specified price or conversion ratio, will tend to fluctuate in relationship to the price of the common shares into which it is convertible.

Non-Controlling investments

A Daughter Fund may intendto hold controlling interests in its Portfolio Companiesbut investment opportunities or Applicable Law may not permit the same and, therefore, may have a limited ability to protect its position in such Portfolio Companies. It is expected that appropriate shareholder rights generally will be sought to protect each Daughter Fund's interests prior to making an investment in any Portfolio Company. However, there is no assurance that such rights will be effective in all cases to protect any Daughter Fund's interests.

Availability of Insurance against Certain Catastrophic Losses

Certain losses of a catastrophic nature, such as wars, earthquakes, typhoons, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. If a major uninsured loss occurs, the Daughter Funds could lose both their investments and anticipated profits from such affected investments in any Portfolio Companies.

Layering of Fees

Investment management fees and carried interest (by the Daughter Funds if applicable) may be charged to the Fund by both the Investment Manager and the underlying managers of the Daughter Funds. As a result, the Fund, and indirectly each Contributor, bears multiple investment management fees, which may include carried interest that in the aggregate exceed the fees that would typically be incurred by a direct investment in a fund managed by a single investment manager.

Limited Opportunities

The Fund will compete with other investors (including Fund of Funds) for investments in Daughter Funds. This may result in fewer attractive investment opportunities. In addition, such competition may have an adverse effect on the length of time required to fully invest the funds of the Fund. To the extent the Fund has already drawn down capital from Contributors, pending investment in Daughter Funds, these funds may be retained in cash or may be invested in short-term or medium-term money market instruments or in fixed deposits or any such equivalent instruments. Such investments may substantially affect the Fund's overall return.

Investment Managers/Advisors of Daughter Funds

The Fund will be subject to the risk that the respective investment advisors/managers of the Daughter Funds may divert or misuse the Daughter Fund's investment, furnish the Fund and the Investment Manager with false or misleading financial statements and other reports, or engage in other misconduct. In addition, the Fund's investments in Daughter Funds may be adversely affected if the activities of the Daughter Fund's investment manager/advisor result in substantial liabilities or penalties for damages caused to third parties or for violations of securities or other laws (for example, liabilities or penalties resulting from breach of contract or the misuse of confidential information). The investment managers/advisors of the Daughter Funds in which the Fund invests may also manage other accounts in addition to the relevant Daughter Funds (including other accounts in which such investment managers/advisors may have an interest). Such investment managers/advisors may have financial or other incentives to favour such other accounts over the Daughter Funds which they manage.

Apart from the above-described risks associated with investment managers/advisors of Daughter Funds, some of the Daughter Funds may have investment managers/advisors that are managed by a small number of key individuals. If one or more of those key individuals dies, becomes incapacitated or otherwise ceases to be involved in the activities of the relevant Daughter Fund, the Fund may sustain losses.

Forward-looking and other statements

This Memorandum contains forward-looking statements and other statements concerning prior performance of Investment Manager and / or existing funds. These statements reflect the Investment Manager's views with respect to future events and past performance. Actual results could differ materially from those contained in these statements as a result of factors beyond the Fund's operational control.

Material Non-public Information

Many investment decisions by the Investment Manager will be dependent upon the ability of its investors and agents to obtain relevant information from non-public sources, and the Investment Manager often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the control of the Investment Manager. Certain employees of the Investment Manager and their affiliates may be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information or restrictions. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

II. SECTOR SPECIFIC RISK

Industry specific risk

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 cyclicality and seasonality of industry.

It is believed that maximum of MSME units in India still use out-dated tools and machineries for their businesses. Obsolete technology leading to high cost of production raises the cost of production making it difficult for the small enterprises to meet the demand of the buyers at competitive price.

A major accounting hurdle for MSME financing is the information opacity prevalent in the sector as many of the units do not have complete accounting records, audited financial statements, or well-articulated business plans. Any investor in the Fund must be aware of the inherent risks associated with the MSME sector.

Small Company Risk

As the Daughter Funds may seek to focus on investments in the securities of small or medium-size companies, there is a risk that such investments would be more susceptible to market downturns and the prices of which may be more volatile than investments in larger companies. Smaller companies in the MSME sector generally have narrower markets and more limited managerial and financial resources than larger, established companies.

Risk management in MSME companies

Over the years, risk management has been identified as a vital process in business institutions. It is believed that risk management is less developed within the small business sector where strong enterprise culture can only help in managing risk in a professional and structured way. There is a need of improving the current planning system in India within the MSMEs together with enhancing the owner's knowledge and awareness regarding risk management through proper training and development.

III. POLITICAL, ECONOMIC AND SOCIAL RISKS

Risk of sanctions

Sanctions may be imposed by other countries on trade with India and this may have an adverse impact on the value of Portfolio Companiesof Daughter Funds and hence ultimately on the Fund.

Inflationary Pressures in India

Inflation in India may lead to the adoption of corrective measures designed to moderate growth, regulate prices of staples and other commodities and otherwise contain inflation, and such measures mayaffect theeconomic activity in India and thereby possibly affect the Fund's investments.

Deflationary Pressures Globally and in India

Although neither India nor the global economy as a whole has experienced excessively low relative inflation over the last 10 years, there is no assurance that inflation rates in India or globally will not decrease below zero percent annually. Negative inflation, or deflation, in India or globally, could inhibit economic activity and thereby possibly adversely affect the Fund's investments.

Segregation of Assets

The Board has a fiduciary duty to ensure segregation of assets of any other funds which are held in trust or may be held so by it from the assets of the Fund as well as any other assets and liabilities of NVCFL. However, it may be possible that in the case of a third party suit or regulatory action against NVCFL with respect to the liability of NVCFL or any other such aforementioned fund or any one or more Schemes or under any other circumstances, the Board may not be able to protect the assets of the Schemes against such third party suit or regulatory action and may not be able to maintain segregation of assets of the Schemes.

Bankruptcy Remoteness

The Fund has been structured in a manner that the assets of each Scheme are held in distinct trusts by NVCFL and has its own terms and may have a different pool of Contributors, in order to ensure that each Scheme is bankruptcy remote from the other Schemes as well as from any other assets of NVCFL. The Board in consulation with the Investment Manager shall further make best efforts to keep distinct and separate accounts in respect of each Scheme and maintain Units of each Scheme distinct from and independent of the other Schemes as well as all other assets and liabilities of NVCFL. However, no

such assurance can be given that the Schemes would remain bankruptcy remote from all other Schemes and/or NVCFL at all times. There is a risk of a Scheme being held liable for bankruptcy of other Scheme(s) or NVCFL by a court of law or any authority or third party claims or due to change in applicable law.

Litigation Risk

The Portfolio Investments may be governed by a complex series of legal documents and contracts. As a result, the risks of a dispute over interpretation or enforceability of the documentation and consequent costs and delays may be higher than those incurred for other types of investments. In addition, the Fund may be subject to claims by third parties (either public or private). If any of the Portfolio Investment becomes involved in material or protracted litigation, the litigation expenses and the liability threatened or imposed could have a material adverse effect on the performance of the Fund.

Regulatory Risk

The value and marketability of the Fund's investments may be affected by changes or developments in the legal and regulatory climate in India. SEBI regulates the securities market in India and legislates from time to time on matters affecting the stock market. SEBI has issued regulations that affect investment in India including regulations on takeovers, preferential allotments of shares and insider dealing. The regulations affect the pricing, cost of a transaction and the ability to conduct due diligence. SEBI and/or the Indian Ministry of Finance may make changes to regulations which could affect the ability of the Fund to make, or exit, investments.

Limitations of Investments

Under the AIF Regulations, the investment limits of the Fund are restricted. For further details on these restrictions please refer to **'SECTION IX: LEGAL, REGULATORY AND TAX CONSIDERATIONS'.**

India's GDP may not grow as expected or may decline

There is a risk that India's GDP growth may not remain sustainable and hence could impact the growth of the MSME sector resulting in lesser pools of capital being made available and consequently lower opportunities for the Fund.

IV. MANAGEMENT AND OPERATIONAL RISKS

Valuation Risk

As the Portfolio Investments will not be in listed securities, ascertaining the value of the same may prove to be difficult. Therefore, valuations of the Portfolio Investments are inherently subjective to a certain extent. There may be no public market for the securities of the Daughter Funds or their Portfolio Companies. Thus, portfolio valuation inherently is highly subjective and imprecise.

The Fund will rely upon the Investment Manager for the valuation of its investments and other assets and to determine the net asset value of the Fund from time to time. The Investment Manager will

engage an independent valuer to determine the net asset value of the Fund in accordance with the AIF Regulations. However, given the nature of the proposed investments, valuation may be difficult. There may be a relative scarcity of market comparables on which to base the value of the Fund's assets.

Lack of Separate Representation

The Legal Advisor will have oversight over the entire process and activities of the Fund. However, there may exist matters which would have a bearing on the Fund or any of its affiliates upon which the Legal Advisor to the Fund has not been consulted. The Legal Advisor to the Fund does not undertake to monitor compliance of the Fund or the Investment Manager with the terms set out herein, nor does it monitor compliance with Applicable Laws including the AIF Regulations. Additionally the Legal Advisor to the Fund relies upon information furnished to it by the Investment Manager, and does not investigate or verify the accuracy and completeness of information set out herein concerning the Fund or Investment Manager.

Indemnification

The Investment Management Agreement shall provide for indemnification of the Protected Persons for any and all actions, suits, proceedings, claims, damages, settlement payments, losses and liabilities arising in connection with the Investment Management Agreement, unless resulting from fraud, gross negligence or wilful default.

Indemnification of the Protected Persons may impair the financial condition of the Fund and its ability to acquire assets or otherwise achieve its investment objective or meet its obligations.

Management Fees

As a result of payment of Management Fees and Operating Fees, the returns realized from the Fund's activities might be less than the returns which may have been realized from engaging in the same activities directly if one had made such investments directly without investing in the Fund.

Restrictions on Withdrawal and Transfer

Contributors may not be permitted to withdraw from the Fund. In addition, they may not transfer any of the interests, rights or obligations with regard to the Fund except as may be provided in the documentation with regard to the Fund, and in the AIF Regulations.

Lack of Operating History

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 has not, as of the date of this Memorandum, attempted to make any such Portfolio Investments in its current form. The Fund has no operating history and basis upon which an evaluation of its prospective investments can be made. There can be no assurance that the Fund will achieve its investment objective.

Reliance on the Investment Manager

The Investment Manager shall manage the assets of the Fund and assist with the investment process in accordance with the guidelines as agreed in the SoPs. The Advisory Board shall formulate broad guidelines for lending/investment from the Fund, including selection of Daughter Funds, investment guidelines including return on investment and tenure, exit options sectoral focus and segmental focus. Further, the Investment Committee shall appraise/ process and provide recommendations on any investment proposals referred to it. The Contributors will not be able to make investment or other decisions in connection with the Fund. Further, while the Investment Manager has been appointed by the Fund after due deliberation and consideration the Investment Manager's expected performance towards this Fund may not be concluded basis the past performance of the Investment Manager.

Reliance on Professionals and Consultants

The Daughter Funds and their Portfolio Companies be subject to local and municipal level laws, taxes and regulations, in addition to central and state government level laws, taxes and regulations. Exposure to such laws and compliances will vary from investment to investment. The Investment Manager will seek advice from consultants and professionals having relevant experience and rendering services in respect of such matters. The performance of Portfolio Investments may be impacted by the nature and quality of advice and services rendered by such local consultants and professionals.

Closed ended fund / illiquid investment

The Fund is organised as a close-ended fund and Contributors are not be permitted to withdraw from the Fund. In addition, they are not entitled to transfer any of their Units in the Fund except in accordance with the process set out in the Contribution Agreement and the AIF Regulations. Further, there is no public market for the Units and the Contributors have to bear the risk of holding the investment in the Fund indefinitely during the Term of the Fund.

Manager Termination Risk

Termination of the Investment Manager's appointment may occur pursuant to the terms of the Investment Management Agreement. Any termination of the Investment Manager's appointment as manager of the Fund may have material adverse consequences for the Fund in certain circumstances. Such consequences may include the acceleration of financing facilities made available to the Daughter Funds or the triggering of a right for co-investors to acquire the Fund's interest in a relevant investment where the terms of the relevant investment document provide for this.

Board Participation Risk

The Daughter Funds may be represented on the boards of directors of their Portfolio Companies or may have its representative's serve as observers to such boards of directors. Although such positions in certain circumstances may be important to each Daughter Fund's investment strategy and may enhance their ability to manage such investments, they may also have the effect of impairing their ability to sell the related securities when, and upon the terms, it may otherwise desire. They may also

subject the Daughter Funds to claims they would not otherwise be subject to as an investor, including claims of breach of duty, securities claims and other director-related claims.

V. FUND RISKS

Passive Investment Risk

Investors will be relying on the Investment Manager to conduct and manage the affairs of Fund. The Investment Management Agreement will prohibit Contributors from engaging in the active management and business of Fund. Investments to be made by the Fund have not yet been fully identified. Furthermore, there is no assurance that the investment selected will be successful.

Exculpation and Indemnification Risk

Certain exculpation and indemnification provisions contained in the Investment Management Agreement and this Memorandum may limit the rights of action otherwise available to Contributors and other parties against the Investment Manager, its associates, each officer, director, employee, shareholder, partner, member, agent and consultant of any of the foregoing and each member of the Advisory Board and the Investment Committee, among others, who serves or has served in such capacity at the request of the Investment Manager.

VI. REGULATORY RISKS

Government Approvals

Certain Indian governmental approvals, including approvals from the SEBI may be required before the Fund can make investments in any Daughter Funds. It is likely that the Fund may not have obtained all or some of these governmental approvals prior to the relevant closing.

The Fund will operate under Indian laws and securities regulations. If policy announcements or regulations are made subsequent to this offering, which require retrospective changes in the structure or operations of the Fund, these may impact the performance of the Fund.

There is no certainty that such registrations or approvals will be acquired and restrictions may be imposed under the registrations or approvals which limit the right of the Fund to invest only in particular sectors if they wish to avail of such registrations or approvals and the benefits there under.

Indian Investigations and Actions

Any investigations of, or actions against the Fund initiated by SEBI or any other Indian regulatory authority may impose a ban of the investment activities of the Fund.

VII. Tax Risks

Contributors are subject to a number of risks related to tax matters. In particular, the tax laws relevant to the Fund are subject to change, and tax liabilities could be incurred by Contributors as a result of such changes. The tax consequences of an investment in the Fund are complex, and the full tax impact

of an investment in the Fund will depend on circumstances particular to each Contributor and the additional peculiarities associated with respect to activities of each Daughter Fund. Alternative tax positions adopted by the Revenue authorities could give rise to incremental tax liabilities in addition to the tax amounts already discharged by the Fund. Since, the Fund would distribute the surplus funds to the beneficiaries, if the funds available with the Fund are insufficient to meet the tax liability, the Investment Manager reserve the right to collect/recover the additional tax liability from the beneficiaries. In particular, the tax laws relevant to the Fund are subject to change and to a different interpretation from what has been discussed in the section titled **"SECTION IX: LEGAL, REGULATORY AND TAX CONSIDERATIONS"**, and tax liabilities could be incurred by Contributors as a result of such changes.

VIII. Impact of COVID-19

The Indian and global stock markets have crashed following the global outbreak of COVID-19. Economic activity and trade across the globe have been crippled as developed and emerging countries, including India, grapple with preventive and curative measures to combat the contagion effect of the virus. In addition to supply chain disruption, the risk of global demand compression has increased. The governmental bodies in India, and the rest of the world, are operating at minimal strength. Regulatory authorities such as SEBI, adjudicatory bodies such as the courts and the tribunals, and the legislative bodies of the government of India, and the various state governments, are focusing their activities on bettering the turbulent situation caused by COVID-19. Given the shift in the focus of the relevant authorities, it is possible that their regular activities, which would govern the operation of the Fund, will take a backseat. Any delays that arise from the instrumentalities of the regulatory bodies in India operating at low capacity would impact the regulatory processes, licenses, approvals, etc. that are required for the smooth functioning of the Fund.

Stress in the financial sector has compounded the issues. Government spending is constrained by its discipline to keep fiscal deficit under check. Global protectionist policies like imposed price controls, tariff wars and weak global growth have impacted India's export growth.

Further, the performance of commercial contractual obligations becomes increasingly challenging in this scenario, many counter parties may proceed to invoke force majeure clauses under material contracts, in order to avoid or delay performance of onerous obligations, including payment and delivery commitments. Frequently observed in commercial contracts, force majeure clauses serve to excuse the non-performance of contractual obligations, in cases where such non-performance is due to supervening events that are beyond the defaulting party's control which may include events such as the COVID-19 pandemic.

Such disruptions could significantly impact the ability of the Fund and /or the Daughter Funds to sell their investments and adversely affect their performance.

IX. CONFLICTS OF INTEREST

The Fund will be subject to certain conflicts of interest relating to the Interested Parties as defined in the paragraph titled 'Conflicts of Interest' under **"SECTION VII: SUMMARY OF PRINCIPAL TERMS"** of this Memorandum.

The Investment Manager will put in place and formulate an appropriate conflicts policy for the Fund which will be approved by the Board before the Closing of the Fund. Such policy will set out a robust mechanism to resolve any potential conflicts of interest situations and circumstances that may arise or result while conducting the business or rendering of services and where-so-ever any conflicts of interest or potential for conflict of interest may arise, the Investment Manager shall take reasonable steps to resolve the same forthwith in a fair and equitable manner. The Investment Manager shall continue to exercise adequate due diligence for identifying and removing any areas, source, situations and circumstances of conflict and mitigating the effects of such conflicts to the satisfaction of the Board, in case any such conflicts of interest (or apparent conflict of interest) arises or results in relation to the proposed transaction.

Further, the Investment Manager has laid down an internal code of conduct for governing its internal procedures and operations and have prescribed the standards of appropriate conduct for its employees and officers for carrying out their duties and responsibilities with a view to appropriately ensure proper maintenance of professional excellence and standards with integrity, confidentiality, objectivity and made provisions for identification, avoidance and resolution of conflict of interests and for disclosure of shareholdings and interests, etc., in terms of Applicable Laws.

The Investment Manager and the Investment Committee shall obtain the authorisation of the Board before making investment decisions involving conflicts of interests for any of the Interested Parties.

A number of examples of potential conflicts of interest are outlined below. However, the examples listed below are not intended to be exhaustive, and other types of conflicts of interest may arise during the Term of the Fund.

POTENTIAL CONFLICT OF INTEREST

The Fund shall be subject to certain conflicts of interest relating to the Sponsor, its directors, officers, employees or agents, the Investment Manager, directors and employees of the Investment Manager, or any of its affiliates, directors, officers, employees or agents or committees established by and of the Investment Manager (collectively, the "**Interested Parties**").

The Sponsor and the Investment Manager of the Fund shall act in a fiduciary capacity towards the Contributors and shall disclose to the Contributors, all conflicts of interests as and when they arise or seem to arise. The Investment Manager shall establish written policies and procedures to identify, monitor and appropriately mitigate conflict of interest throughout the scope of its affairs.

The Fund may invest in Daughter Funds in which the Interested Parties have existing investments or other interests on the same or different terms. In such cases, there could be a possible conflict between the interests of the Fund and those of the Interested Parties.

The Investment Manager shall ensure that an Interested Party is not involved in the process of making investment decisions involving conflicts of interests for any such Interested Party.

A number of examples of potential conflicts of interest are outlined below. However, the examples listed below are not intended to be exhaustive, and other types of conflicts of interest may arise during the term of the Fund.

Conflicted Transactions

Upon the approval of the Board, the Investment Manager may enter intoa transaction or arrangement or any investment (a "**Conflicted Transaction**") notwithstanding that any of the Interested Parties has any direct or indirect interest or concern in such Conflicted Transaction so as to place the Interested Party in a position where such relationship conflicts with his fiduciary duty to the Fund, save that (i) such conflict of interest shall be disclosed in full to the Contributors; (ii) all Conflicted Transaction must be reviewed and approved unanimously by the Board; (iii) such Interested Party shall not participate in any decision relating to such Conflicted Transaction; and (iv) if such conflict relates to investment in an "Associate" as defined under the AIF Regulations, the same shall require the approval of Super-Majority of the Contributors which shall be deemed to have been obtained once the Board approves any such Conflicted Transaction since the Board comprises of members nominated by the Government of India and the constitution is also approved by them.

Management Resources

The Interested Parties and their management personnel will only devote so much of their time to the Fund's business as is, in their judgment, reasonably required.The Interested Parties and their employees that provide services to the Fund will have, in addition to their responsibilities for the Fund, responsibilities for other projects and clients. Accordingly, they may have conflicts of interests in allocating management time and other resources among the Fund and such other projects and clients.

Allocation of Investments

The Interested Parties will be subject to conflicts of interest in allocating investment opportunities among the Fund, and any other funds managed by them. Investment opportunities identified by the Investment Manager may be suitable for the Fund, one or more of their other funds or for direct investment by themselves.The Investment Manager, will endeavor to resolve any such conflicts in a reasonable manner taking into account, amongst other things, the investment objectives and policies of each fund, the remaining un-invested capital of each fund, the level of diversification of each fund, and the basis on which prior conflicts in allocating investment opportunities have been resolved.

Representation

The attorneys, accountants, and other professionals, who perform services for the Fund may, and in some cases do, also perform services for the Interested Parties and their affiliates. The Fund shall wherever appropriate enter into confidentiality agreements prior to such services being rendered in the Fund's favour. The Fund however, does not guarantee against any such conflict of interests**.**

Conflict of interest with Group Companies

Group companies of the Investment Manager consists of several leading Indian banks, financial institutions and organizations.It may so happen that a Daughter Fund, or any of itsPortfolio Companiesmay have an existing relationship with one or more entities in such group companies. The Investment Manager's representation on the board of such companies and any dominant shareholding may conflict with its relationship with aPortfolio Company.Any of the Daughter

Fundsmay invest in such companies.

Conflict of interest Due to Investments in Daughter Funds managed by the Invetsment Manager

SBICAP Ventures Limited acts as the Investment Manager to the Fund. Further, SBICAP Ventures Limited may also act as the investment manager of any other fund or pool of capital in near future. Hence, it is possible that subject to the approval of the Board, the Fund may invest in Daughter Funds that are managed by SBICAP Ventures Limited. In such a case, the Investment Manager shall ensure that it shall strictly follow its fiduciary duty as the Investment Manager to the Fund and develop strict corporate governance standards including but not limited to the maintenance of 'Chinese Walls' between teams managing the Fund and any such Daughter Fund to ensure that the interests of the Fund as well as the interests of any Daughter Fund are both adequately protected. SBICAP Ventures shall ensure that any investments by the Fund in any Daughter Funds managed by SBICAP Ventures shall be strictly on an arm's length basis and subject to any guidelines that may be issued by the Board.

Conflict of interest Due to Investments of Daughter Funds

SBICAP Ventures Limited acts as the Investment Manager to the Fund. Further, SBICAP Ventures Limited may also act as the investment manager of any future schemes of the Fund or any other fund or pool of capital in near future. Hence, it is possible that such other funds/schemes of the Fund may have the same investment focus as the Fund and/or any of the Daughter Funds. It is also possible that a Daughter Fund may invest in any Portfolio Company in which any other fund/ schemes of SBICAP Ventures Limited may hold an interest as an investor. In such a case, SBICAP Ventures Limited shall act in its capacity as the manager/adviser of such other funds/schemes of SBICAP Ventures Limited and may take any actions/decisions as may be beneficial for such funds/schemes of SBICAP Ventures Limited at its discretion, irrespective of any direct or indirect adverse impact of such action/decision on the relevant Daughter Fund. It should be noted that since each of the Daughter Funds would be managed by their respective managers/advisers, on which SBICAP Ventures Limited would not have control or influence, a Daughter Fund may take a divergent course of action/decision in its capacity as an investor in the Portfolio Company in which any fund/scheme of SBICAP Ventures Limited may have invested.

The foregoing risk factors and conflicts do not purport to be a complete explanation of all of the risks involved in this offering. Potential investors should read this document and the Fund Documents in their entirety before determining whether to subscribe for Units.

SECTION IX: LEGAL, REGULATORY AND TAX CONSIDERATIONS

THIS SECTION IS ONLY A SUMMARY OF THE AIFREGULATIONS AND LAWS AND IS NOT A COMPREHENSIVE DISCLOSURE REGARDING ALL LAWS AND AIFREGULATIONS APPLICABLE TO THE FUND AND ITS TARGET COMPANIES. FURTHERMORE, THE AIFREGULATIONS/LAWS REFERRED TO UNDER THIS SECTION ARE SUBJECT TO CHANGES FROM TIME TO TIME.

LEGAL AND REGULATORY CONSIDERATIONS

THE COMPANIES ACT, 2013

The Companies Act, 2013 is divided into 29 chapters and contains 470 sections and 7 schedules and has endeavoured to achieve modernisation and compactness by deleting redundant provisions, regrouping related provisions and modifying various provisions of the Companies Act, 2013 to enable easy interpretation, de-link procedural aspects from substantive law and provide greater flexibility in rule-making. The Companies Act, 2013 has, inter alia, introduced enhanced corporate governance standards particularly in relation to independent directors, audit, corporate social responsibility, mandatory valuation, private placement of securities, cross-border mergers (including merger of Indian companies into foreign companies) and class action suits. Further, the provisions in respect of the composition and constitution of National Company Law Tribunal and National Company Law Appellate Tribunal have been redefined.

Section 2(31) of the Companies Act states that a 'deposit' 'includes any receipt of money by way of deposit or loan or in any other form by a company but does not include such categories of amount as may be prescribed in consultation with the Reserve Bank of India'. Further, Rule 2(1)I of Companies (Acceptance of Deposit) Rules, 2014, excludes any amount received from the Central Government or the State Government from being treated as a deposit.

INDIAN SECURITIES LAWS

SEBI (Alternative Investment Regulations), 2012

Unless specifically exempted, the AIF Regulations require all pooling vehicles to register with SEBI and comply with the provisions of the AIF Regulations. The objective of the AIF Regulations is to extend the perimeter of regulation to unregulated funds with a view to systemic stability, increasing market efficiency, encouraging formation of new capital and consumer protection.

The Fund is registered with SEBI as a Category II AIF and shall be governed by the provisions of the AIF Regulations. The AIF Regulations further provide that Category II AIFs may invest in units of other Category I and Category II AIFs or in securities of investee companies. The Fund must also make investments in compliance with the AIF Regulations.

Private Placement of Interest

The AIF Regulations permit an AIF to raise commitments from Indian, foreign and non-resident Indian investors on a private placement basis with the minimum investment / commitment of INR 1,00,00,000 (Rupees One Crore). The AIF Regulations require that prior to the raising of commitments, the placement memorandum of an AIF should be filed with SEBI and detail the strategy for investments, risk factors and risk management tools, fees and expenses proposed to be charged, conditions and limits on redemptions, taxability of investors, duration of the life cycle of the AIF etc.

This Memorandum has been filed with SEBI and any amendments / modifications of the terms herein shall also be intimated to SEBI.

Sponsor Commitment

Further, the AIF Regulations also require that the manager or the sponsor of an AIF shall have a 'continuing interest' in a Category II AIF of not less than 2.5% of the corpus or INR 5,00,00,000 (Rupees Five crores), whichever is lower, in the form of investment in the AIF and such interest shall not be through the waiver of management fees.

Tenure of the Fund/Scheme and conditions for winding up

SEBI vide an amendment to the AIF Regulations dated 15 November 2022 mandated that the tenure of the AIF shall initiate from the first close of the AIF and shall subsist till the last date of the term as specified in the fund documents. SEBI, vide Chapter 2 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023, further mandated that the first close of the Fund shall be declared no later than 12 (twelve) months from the date of SEBI communication for taking the PPM on record. Additionally, the tenure of close ended schemes of AIFs shall be calculated from the date of declaration of the first close. AIFs may modify the tenure of a scheme at any time before declaration of its first close and prior to declaration of first close, the investors may withdraw or reduce commitment provided to such scheme of the AIF. The AIF's tenure is extendable up to 2 (two) years subject to approval of two-thirds of the unit holders by value of their investment in the fund; provided that a large value fund for accredited investors may be permitted to extend its tenure beyond 2 (two) years, subject to the terms of the contribution agreement, other fund documents and such conditions as may be specified by SEBI from time to time. In the absence of unit holders' consent, the AIF must fully liquidate within one year following expiration of the fund tenure or extended tenure. In case the AIF is unable to liquidate its investment upon expiration of the tenure or the extended tenure of the AIF, the AIF may launch a Liquidation Scheme in accordance with the AIF Regulations.

The AIF Regulations require an AIF to be fully liquidated within the Liquidation Period. During Liquidation Period of a scheme, an AIF may distribute investments of a scheme which are not sold due to lack of liquidity, in-specie to the investors or sell such investments to a liquidation scheme, after obtaining approval of at least 75% of the investors by value of their investment in the scheme of the AIF, in the manner and subject to conditions specified by SEBI from time to time; provided that, in the absence of consent of unit holders for exercising the options for in-specie distribution or sell of investments to liquidation scheme during liquidation period, such investments of the scheme of the AIF shall be dealt with in the manner as may be specified by SEBI from time to time

In case an investee AIF of a fund of fund, has launched a liquidation scheme, then the investor AIF (i.e. the fund of fund) upon expiry of its tenure or extended tenure, shall mandatorily distribute the units of liquidation scheme held by it, in-specie to its investors (i.e. investors of the fund of fund).

Listing

The AIF Regulations permit close ended AIFs to be listed after the final closing of a fund / scheme on a stock exchange subject to a minimum tradable lot of INR 1,00,00,000 (Rupees One Crore). Accordingly, the Fund will not be in a position to list its securities without complying with the above

conditions.

- *Investment Conditions*

In addition to the above, the AIF Regulations lay down the following investment conditions for AIFs:

General Conditions

a) AIFs may invest in securities of companies incorporated outside India subject to such conditions or guidelines that may be stipulated or issued by the RBI and SEBI from time to time;

b) Co-investment in a Portfolio Company by a manager or sponsor shall not be on terms more favourable than those offered to the AIF. Provided that the terms of exit from Co-investment in an investee company including the timing of exit shall be identical to the terms applicable to that of exit of the AIF;;

c) Category I and II AIF shall invest not more than 25% of its investable funds in one Portfolio Company either directly or through investments in units of other AIFs; provided that large value funds for accredited investors of Category I and II may invest up to fifty percent of the investable funds in an investee company directly or through investment in the units of other Alternative Investment Funds

d) AIFs shall not invest in (a) 'associates' and (b) units of AIFs managed or sponsored by its manager, sponsor or associates of its manager or sponsor, except with the approval of 75% of investors by value of their investment in the AIF;

e) Un-invested portion of the investible funds and divestment proceeds pending distribution to investors may be invested in liquid mutual funds or bank deposits or other liquid assets of higher quality such as treasury bills, triparty repo dealing and settlement, commercial papers, certificates of deposits, etc. till deployment of funds as per the investment objective or the distribution of the funds to investors as per the terms of the fund documents, as applicable.

f) AIFs which are authorised under the fund documents to invest in units of AIFs shall not offer their units for subscription to other AIFs.

g) Investment by Category I and Category II AIFs in the shares of entities listed on institutional trading platform after the commencement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015 shall be deemed to be investment in 'unlisted securities' for the purpose of these regulations.

Specific Conditions for Category II AIF

a) Category II AIFs shall invest in investee companies or in units of Category I or other Category II AIFs as may be disclosed in the placement memorandum;

b) Category II AIF shall invest primarily in unlisted Portfolio Companies directly or through investments in units of other AIFs;

c) Category II AIF may not borrow funds directly or indirectly and shall not engage in leverage except for meeting temporary funding requirements for not more than thirty days, not more than four occasions in a year and not more than 10% of the investable funds;

   Notwithstanding point (c) above, Category II AIFs may engage in hedging, subject to guidelines as specified by SEBI from time to time;

d) Category II AIFs may buy or sell credit default swaps in terms of the conditions as may be specified by SEBI from time to time;

e) Category II AIF may enter into an agreement with merchant banker to subscribe to the unsubscribed portion of the issue or to receive or deliver securities in the process of market making under Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

f) Category II AIFs shall be exempt from sub-regulations (1) and (2) of Regulation 3 and sub-regulation (1) of Regulation 4 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 in respect of investment in companies listed on the SME Exchange or SME segment of an exchange pursuant to due diligence of such companies subject to the following conditions:

   i. the fund shall disclose any trading in securities pursuant to such due diligence, within two trading days of such trading, to the stock exchanges where the Portfolio Company is listed;

   ii. such investment shall be locked in for a period of one year from the date of investment.

Reporting obligations

The Regulations require that the books of accounts of the AIF to be audited annually. Further, within 180 days from the year end, AIFs are required to provide reports to their investors including financial information on Portfolio Companies and material risks and how they are managed.

Alteration in strategy of the Fund

The Regulations require that no material alteration to the fund strategy can be made unless consent of at least two-third of unit holders by value of their investment is obtained.

Alteration in category of the Fund/Scheme

According to paragraph 3.2 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023, only AIFs who have not made any investments under the category in which they were originally registered are allowed to make an application for a change in category to SEBI. Pending disposal of the application for change in category, the AIF will not be able to make any investments other than in “liquid funds / bank deposits”. Further, if the AIF has received commitments prior to an application for change in its category, the AIF is under a duty to inform investors and provide them with an option to withdraw from the AIF without any penalty or charges.

Valuation

The Regulations require Category II AIFs to undertake valuation of their investments, at least once in every six months, by an independent valuer appointed by the AIF (extendable to 1 year on approval of at least 75% of the investors by value of their investments in the AIF).

Co-investment

The AIF Regulations define co-investment as investment made by an investment manager or sponsor or investor of Category I and II AIF in investee companies where such category I or category II AIFs make investment, where co-investment by investors of AIFs shall be through a Co-investment Portfolio Manager as specified under the SEBI (Portfolio Managers) Regulations 2020 ("**PMS Regulations**"). A Co-investment Portfolio Manager is defined as a Portfolio Manager ("**Co-investment Portfolio Manager**") who is an investment manager of a category I or category II AIFs and

(i) provides services only to the investors of such category I or category II AIF(s); and

(ii) makes investment only in unlisted securities of investee companies where such category I or category II AIFs make investments, Co-investment Portfolio Manager may provide services to investors from any other category I or category II AIFs which are managed by them and are also sponsored by the same sponsor(s). An investment manager shall not provide advisory services to any investor other than the clients of Co-investment Portfolio Manager as specified in the PMS Regulations for investment in securities of investee companies where the AIF managed by it makes investment. The terms of co-investment in an investee company by an investment manager or sponsor or co-investor, shall not be more favourable than the terms of investment of the AIF, provided that the terms of exit from the co-investment in an investee company including the timing of exit shall be identical to the terms applicable to that of exit of the AIF.

Accredited Investors and Large Value Fund for Accredited Investors

Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2021 inserted the definition of "Accredited Investors" to the AIF Regulations, wherein, Accredited Investors are defined to mean any person who is granted a certificate of accreditation by an Accreditation Agency, subject to meeting the financial parameters prescribed. In addition to the investors who are eligible for accreditation by meeting the prescribed thresholds, the AIF Regulations also provide a list of persons who shall be deemed to be Accredited Investors, without requiring such investors to undergo the accreditation process. Further, an "Accreditation Agency" has been defined to mean a subsidiary of a recognized stock exchange / a subsidiary of a depository / any other entity as may be specified by SEBI from time to time.

To identify AIFs consisting of Accredited Investors, the AIF Regulations also introduced the concept of "Large Value Fund for Accredited Investors", which is an AIF / scheme of an AIF in which each investor (other than service providers / employees of the AIF and investment manager) is an Accredited Investor and invests not less than INR 70,00,00,000 (Indian Rupees Seventy crores). The AIF Regulations provide regulatory relaxations to such Large Value Fund for Accredited Investors in terms of minimum investment requirements extension in the term of close-ended AIFs, limits applicable for investment in an investee company directly or through investment in the units of other AIFs, etc.

Requirement of compliance officer for investment managers of all AIFs.

Paragraph 13.1 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July

2023, asks all AIFs to ensure designation of an employee or director as a compliance officer, responsible for monitoring compliance with the provisions of the SEBI Act, AIF Regulations and circulars issued thereunder.

Manner of calculation of tenure for close-ended schemes

SEBI (Alternate Investment Funds) (Fourth Amendment) Regulations, 2022 dated 15 November 2022 provides that tenure of close-ended schemes is to be calculated from the date of declaration of the first close. AIFs may modify the tenure of a scheme at any time before declaration of its first close. Prior to such declaration, the investor may withdraw or reduce commitment provided to such scheme of an AIF.

Ring-fencing of assets and liabilities

SEBI (Alternate Investment Funds) (Fourth Amendment) Regulations, 2022 dated 15 November 2022 provides that the manager and either the trustee or trustee company or the board of directors or designated partners of the AIF to ensure that the assets and liabilities of each scheme of an AIF are segregated and ring-fenced from other schemes of the AIF and bank accounts and securities accounts of each scheme are segregated and ring-fenced.

Priority Distribution

Paragraph 11.2 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023 defines the 'priority distribution model' as a distribution model where one class of investors (other than sponsor/manager) share loss more than pro rata to their holding in the AIF vis-à-vis other classes of investors, since the later has priority in distribution over former. It specifies that schemes of AIFs which have adopted such priority distribution models, shall not accept any fresh commitment, or make investment in a new investee company, till a view is taken by SEBI in this regard.

Valuation

The AIF Regulations require Category II AIFs to undertake valuation of their investments, at least once in every six months, by an independent valuer appointed by the AIF (extendable to 1 year on approval of at least 75% of the investors by value of their investments in the AIF).

Mandatory Annual Audit

Paragraph 2.1 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023 SEBI mandates a template for the private placement memorandum providing certain minimum level of information in a simple and comparable format. In order to ensure compliance with the terms of private placement memorandum, it has become mandatory for AIFs to carry out an annual audit of such compliance by either internal or external auditor / legal professional. However, audit of sections of private placement memorandum relating to 'Risk Factors', 'Legal, Regulatory and Tax Considerations' and 'Track Record of First Time Managers' is optional. The findings of the audit, along with corrective steps, if any, has to be communicated to the trustee or board or designated partners of the AIF, board of the investment manager and SEBI.

Code of Conduct under the AIF Regulations

SEBI has prescribed a code of conduct for AIFs, their managers, their key management personnel ("**KMP**"), investment committee, trustee, trustee company, directors of trustee company / directors / designated partners of the AIF. The overall responsibility to ensure compliance with the code of conduct has been cast on the manager along with either the trustee or trustee company or board of directors or designated partners of the AIF (as the case may be).

The code of conduct that ought to be followed by the AIF's manager and KMP are as follows:

- The manager and KMP should abide by Securities and Exchange Board of India Act, 1992 (15 of 1992); rules, regulations, guidelines and circulars as applicable to AIFs at all times.

- The manager and KMP should maintain integrity, highest ethical and professional standards in all its dealings and ensure proper care and exercise due diligence and independent professional judgment in all its decisions.

- The manager and KMP should act in fiduciary capacity ensuring the decisions are taken in the interest of investors.

- The manager and KMP should abide by the policies of the AIF to identify, monitor and appropriately mitigate any potential conflict of interest throughout the scope of its business.

- The manager and KMP should provide appropriate and well considered inputs, which are not misleading, as required by the valuer to carry out appropriate valuation of the portfolio.

- The manager and KMP should ensure not to make any misleading or inaccurate statement, oral or written, with respect to their qualification or capability to render investment management services or their achievements.

- The manager and KMP should record in writing the investment and divestment decisions with appropriate justification.

- The manager and KMP shall not enter into arrangements for sale or purchase of securities, where there is no effective change in beneficial interest or where the transfer of beneficial interest is only between parties who are acting in concert or collusion, other than for bona fide and legally valid reasons.

- The manager and KMP should abide by confidentiality agreements with the investors and not make improper use of the details of personal investments and/or other information of investors.

- The manager and KMP should not offer or accept any inducement in connection with the affairs or business of managing the fund of investors.

- The manager and KMP should document all relevant correspondence and understanding during the deal with the counterparties, as per records of the AIF, if they are committed to transactions on behalf of the AIF.

- The manager and KMP should maintain ethical standards of conduct and deal fairly and honestly with investee companies at all times.

- The manager and KMP should maintain confidentiality of information received from investee companies and companies seeking investments from Alternative Investment Fund, unless explicit confirmation is received that such information is not subject to any non-disclosure agreement.

The code of conduct that ought to be followed by the AIF is as follows:

- The AIF is required to carry out its business activities and invest in accordance with the investment objectives stated in the private placement memorandum and other fund documents.

- The AIF would be operated and managed in the interest of all investors and not only in the interest of the sponsor, manager, directors or partners of sponsor and manager or a select class of investors.

- The AIF should ensure the dissemination of adequate, accurate, explicit and timely information in accordance with the AIF Regulations to all investors.

- The AIF should ensure the dissemination of any other information as agreed with the investors.

- The AIF should ensure that an effective risk management process and appropriate internal controls are in place.

- The AIF should have written policies and procedures to identify, monitor and appropriately mitigate any potential conflict of interest throughout the scope of its business.

- The AIF should not use any unethical means to sell, market or induce any investor to buy its units.

- The AIF must have written policies and procedures to comply with anti-money laundering laws.

The code of conduct that ought to be followed by the investment committee, trustee, trustee company and its directors / directors/ designated partners of the AIF ("**Members**") is as follows:

- Members should maintain integrity and the highest ethical and professional standards of conduct.

- Members should ensure proper care and exercise due diligence and independent professional judgment in carrying out their roles.

- Members should disclose details of any conflict of interest to any decisions in a timely manner

and adhere with the internal policies.

- Members should maintain confidentiality of information received regarding the AIF.

- Members should not indulge in any unethical practice or professional misconduct or any act, whether by omission or commission, which tantamount to gross negligence or fraud.

Applicability of stamp duty on units of AIFs

Chapter 18 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023 has clarified that the following rate of stamp duty shall be applicable at the time of issuance and transfer of units of AIF:

Particulars	Stamp Duty Amount
Issue of units of AIF	0.005%
Transfer of units of AIF	0.015%

Investor Charter

As per the Chapter 17 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023, with a view to providing relevant information to investors about the various activities pertaining to AIFs, an Investor Charter has been prepared by SEBI, which is a brief document containing details of services provided to investors, details of grievance redressal mechanism, responsibilities of the investors etc., at one single place, in lucid language for ease of reference and is required to be brought to the notice of all investors. Further, data on investor complaints received against AIFs and each of their schemes and redressal status thereof shall be disclosed by all AIFs.

Dematerialisation of Units

SEBI vide SEBI (AIF) (Second Amendment) Regulations, 2023, notified on 15 June 2023, has mandated that all AIFs shall issue their units to the investors in a dematerialised form in accordance with the conditionalities and modalities as specified by SEBI.

SEBI Regulations on Initial Public Offerings

In exercise of its powers conferred under Section 30 of the SEBI Act, 1992, SEBI notified the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "**ICDR Regulations**"), on 11 September 2018, replacing the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The ICDR Regulations have come in effect from November 10, 2018. The ICDR Regulations apply to, inter alia, initial public offers ("**IPOs**") by an unlisted issuer, rights issue by listed issuer (where the aggregate value of the issue is INR 100 million or more), preferential issue, qualified institutional placements or bonus issue by listed issuer, issue of Indian depository receipts. The Fund is eligible to participate in any IPO or other applicable issuing, subject to the provisions of the ICDR Regulations.

Participation in *private placement of securities*

The Fund may invest in companies by participating in a private offer of securities by an issuer. The Companies Act, 2013, stipulates that the issuing company (whether listed or unlisted) should obtain the prior approval of its existing shareholders, through a special resolution, before it issues its securities on a preferential basis (i.e., any issue that is not a rights issue to all existing shareholders of the company). The ICDR Regulations further lay down certain requirements for preferential issue of

securities by listed companies in a select group of persons on a private placement basis ("**Preferential Allotment**") and for a qualified institutional placement ("**QIP**").

Offer for Sale

Under certain circumstances, existing shareholders are permitted to exit from companies through an "offer for sale" of their holdings to the public. A company, whose equity share or any security convertible at a later date into equity shares are offered through an "offer for sale", has to comply with the conditions described under the ICDR Regulations. Additionally, only those shares, which are held by the offeror for a period of at least one-year at the time of filing the draft offer document with SEBI can be offered to the public through an "offer for sale".

Takeover Regulations

Under the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Code**"), any acquirer who acquires or holds, together with persons acting in concert with him, 5% or more of the shares or voting rights of a listed public Indian company, is required to notify such target company and the stock exchanges on which the shares of such company are listed about its holding within the prescribed time period. Furthermore, any acquirer who holds, together with persons acting in concert with him, 5% or more of shares or voting rights is required to inform the target company and the stock exchange about any change (acquisition or disposal) in its holding by 2% or more of the shares or voting rights in the target company.

Upon the acquisition of 25% or more of shares or voting rights or on acquisition of control of the company, whether directly or indirectly, the purchaser / acquirer is required to make an open offer to the other shareholders offering to purchase at least 26% of all the outstanding shares of the company at an offer price as determined pursuant to the provisions of the Takeover Code (the "**Open Offer**"). Further, under the provisions of the Takeover Code, any existing shareholder of a listed public Indian company, holding 25% or more but less than 75% of the shares of the company, is entitled to acquire up to 5% voting rights of the company, in any financial year ending March 31 without having to make the Open Offer.

There are certain exemptions under the Takeover Code from the requirement to make an Open Offer in certain specific instances such as an inter se transfer of shares amongst the persons named as promoters in the shareholding pattern filed by the target company in terms of the listing agreement or the Takeover Code for not less than three years prior to the proposed acquisition and transfer of shares pursuant to arrangement involving the target company as a transferor company or as a transferee company, or reconstruction of the target company, including amalgamation, merger or demerger, pursuant to an order of a court or a competent authority under any law or regulation, Indian or foreign. A company may invest through subscription of shares under the preferential route or purchase of shares from existing promoters or shareholders in which case, it would be required to comply with the public offer provisions of the Takeover Code if the post-acquisition holding of the fund is in excess of the prescribed thresholds.

Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations, 2015 and any modifications and re-enactments thereof as applicable from time to time ("**Insider Trading Regulations**") has repealed and replaced the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Insider Trading Regulations prohibits an insider from dealing, either on its own behalf or on behalf of any other person, in the securities of a

company listed on any stock exchange when in possession of unpublished price sensitive information. The insider is also prohibited from communicating, counselling or procuring any unpublished price sensitive information while in possession of such information.

Anti-Money Laundering

The Prevention of Money Laundering Act, 2002 (the "**PMLA**") embodies India's legislative commitment to the elimination and prevention of money laundering. The main objectives of the PMLA are the prevention and control of activities concerning money laundering and the confiscation of property derived or involved in money laundering. Under the PMLA, a "Person" is guilty of money laundering if that Person "directly or indirectly attempts or knowingly assists, or knowingly is a party or is actually involved in, any process or activity connected with the proceeds of crime and projecting it as untainted property". The term "proceeds of crime" has been defined under the PMLA to mean property derived or obtained, directly or indirectly, by any Person as a result of criminal activity relating to an offense listed in the schedule to the PMLA.

The PMLA mandates certain entities such as banks, financial institutions and intermediaries (dealing in securities) to maintain a record of all transactions above a certain value or of a suspicious nature, as prescribed in the rules promulgated under the PMLA. The transactions so prescribed may be a single transaction or a series of inter-connected transactions that take place within one month ("**Transactions**"). The institution must provide information relating to such Transactions to the director appointed under the PMLA within the prescribed time limit. These institutions also must verify and maintain the records of identity of their clients in the manner prescribed in the rules under the PMLA. The PMLA also confers discretionary power on the principal officer of a bank, financial institution or intermediary to report Transactions that have been valued below the prescribed limits to escape scrutiny.

The Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act ("**MSMED Act**") was notified in 2006,primarilyto address policy issues affecting micro, small and medium enterprises ("**MSMEs**")as well as the coverage and investment ceiling of the MSME sector. The Act is divided into 6 chapters and 32 sections, with the objective of facilitating the promotion and development and enhancing the competitiveness of MSMEs. It provides the first-ever legal framework for recognition of the concept of 'enterprise' which comprises both manufacturing and service entities. It defines 'medium enterprises' for the first time and seeks to integrate the 3-tiers of these enterprises, namely, micro, small, and medium. The Act also provides for a statutory consultative mechanism at the national level with a balanced representation of all sections of stakeholders.

In May, 2020, the definition of MSME was amended, whereby the investment limit has been revised upwards and an additional criterion of turnover has been introduced. Further, the distinction between manufacturing and services has been done away with. Moreover, the Aatmanirbhar Bharat Abhiyaan has brought a slew of incentives including financial stimulus to MSMEs, in order to neutralise the effect of COVID-19 and improve the economic health of MSMEs.

THE ABOVE IS ONLY A BRIEF AND GENERAL SUMMARY OF CERTAIN LEGAL AND REGULATORY CONSIDERATIONS AND CONSEQUENCES. INVESTORS ARE URGED TO CONSULT THEIR OWN ADVISORS IN THIS REGARD.

TAX CONSIDERATIONS

The following note is a summary of the principal Indian tax consequences for the Fund and for the investors of the Units of the Fund. In view of the particularized nature of tax consequences, each investor is advised to consult its own tax adviser with respect to the specific tax consequences arising due to investment in the Fund. Additionally, the following tax considerations are with respect to the income-tax implications in India arising to the potential investors and do not cover the local tax implications under the respective jurisdictions of the potential non-resident unitholders/ investors. The Fund, the Trustee, the Sponsor, the Manager and their related persons accept no responsibility for any loss suffered by any investor, as a result of current taxation law and practice or any changes thereto.

This summary does not purport to be a complete analysis of all relevant tax considerations, nor does it purport to be a complete description of all potential risks inherent in purchasing or holding interests in the fund. The conclusions summarized herein could be adversely affected if any of the material factual representations on which they are based should prove to be inaccurate. The summary is based on laws, regulations, rulings, judicial decisions now in effect and current administrative rules, practices and interpretations, all of which are subject to change, with possible retrospective effect.

The income tax law in India is contained under the ITA, and the ITA is amended each year by the Finance Act. The rates specified in this section pertain to the FY 2021-22 as provided under the ITA read with the Finance Act 2021. The tax rates stated below are exclusive of surcharge and health and education cess (unless stated otherwise).

TAXATION OF FUND

The Fund has been registered with SEBI as a Category II AIF under the AIF Regulations vide registration number IN/AIF2/21-22/0924.

It is expected that the Fund would generally invest in the Daughter Funds, that will be registered with SEBI as a Category II AIF under the AIF Regulations which shall onwards invest in securities of investee companies in India. Under the provisions of Section 115UB of the ITA, any income accruing or arising to or received by a unitholder of a Category II AIF shall be taxed in the same manner as if it the investments made by Category II AIF were directly made by such unitholder. Accordingly, income accruing or arising to or received by the Fund from the Daughter Funds would be taxed in the same manner as if the investments in the investee companies were made directly by the Fund.

Further, since the Fund is also registered as a Category II AIF, income accruing or arising to or received by the Fund from its investments in the Daughter Funds (and consequentially the investee companies) would be taxed in the same manner as if the investments in the in the Daughter Funds (and consequentially investee companies) were made directly by its investors.

In view of the above, it is expected that the Fund could earn the following streams of income from its portfolio investments:

- Gains arising from the transfer of securities in the investee companies;
- Dividend income; and

- Interest income.

A separate income-tax regime, for Category I and II AIFs, has been provided under the ITA. Under the specified tax regime, the taxability of such AIFs would be based on whether or not the income of the AIF is characterized as 'profits and gains from business or profession'.

Taxation on individual income components

Characterisation of income

Gains arising from the transfer of securities held in the companies may be treated either as "capital gains" or as "business income" for tax purposes, depending upon whether such securities were held as a capital asset or trading asset (*i.e.*, stock-in-trade). Traditionally, the issue of characterisation of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation. There have been judicial pronouncements on whether gains from transactions in securities should be taxed as "business profits" or as "capital gains". However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Also, the Central Board of Direct Taxes ("**CBDT**") has provided guidance, *vide* its Instruction: No. 1827, dated 31 August 1989 ("**CBDT Instructions**") and Circular No. 4/2007, dated 15 June 2007 ("**CBDT Circular 2007**"), in respect of characterisation of gains as either capital gains or business income. Following are the key illustrative factors indicative of capital gains characterisation (not business income):

(a) Intention at the time of acquisition – capital appreciation;

(b) Low transaction frequency;

(c) Long period of holding;

(d) Shown as investments in books of accounts (not stock in trade);

(e) Use of owned funds (as opposed to loan) for acquisition;

(f) Main object in constitution document is to make investments; and

(g) Higher level of control over the portfolio vehicle.

Further, CBDT had issued a circular no. 6/2016 dated 29 February 2016 ("**CBDT Circular 2016**"), clarifying the issue of taxability of gains arising on sale of listed shares and securities. The CBDT Circular 2016 laid down guiding principles in relation to characterization of gains from sale of listed shares and securities, either as business income or capital gains. It had clarified that the income-tax officer would not dispute any income arising from transfer of listed shares and securities held for more than 12 (twelve) months, if the same was treated as, and offered to tax under the head, 'capital gains', subject to genuineness of the transaction being established. However, the CBDT Circular 2016 did not deal with the treatment of capital gains in case of unlisted shares.

To avoid disputes/ litigation and to have a consistent view in assessments, the CBDT had issued an instruction on 2 May 2016, to the tax department, on determining the tax treatment of income arising from transfer of unlisted shares, providing that income from transfer of unlisted shares (for which no formal market exists for trading) would be treated as 'capital gain' irrespective of period of holding. However, the CBDT has carved out the following 3 (three) exceptions for the Income Tax department to take an appropriate view, if:

(a) The genuineness of transactions in unlisted shares itself is questionable;

(b) The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or

(c) The transfer of unlisted shares is made along with the control and management of underlying business.

Further, the CBDT has issued a clarification dated 24 January 2017 stating that the exception regarding transfer of unlisted shares along with 'control and management of the underlying business' shall not be applicable to a Category I and Category II AIFs.

Therefore, in this regard, the characterization of income of the Fund will need to be evaluated every year, based on the facts existing in that year. The Fund intends to organise itself in a manner that it complies with the conditions and parameters mentioned in the CBDT Circular 2007, CBDT Circular 2016, and CBDT Instructions such that, the income from sale of securities in the investee companies should generally be categorised as capital gains. However, the possibility of the tax authorities seeking to treat such income as business income cannot be ruled out.

Taxability of the–Fund - If income is not characterized as "business income"

In case the income of the Fund is not characterized as "business income", it should be exempt from tax at the level of the Fund.

In such a case, the income accruing or arising to or received by the Investors out of investments made in the Fund should be taxed in the hands of the Investors in the same manner as if it were the income accruing or arising to, or received by the Investors had the investments by the Fund been made directly by them.

Taxability of the–Fund - If income is characterized as "business income"

In case the income of the Fund is characterized as "business income", then the Fund should be taxable in respect of such income at the applicable corporate tax rate. The corporate tax rates applicable to Indian companies shall be 30% / 25% (for companies having a turnover of less than INR 400 crores for the year 2019-20), unless it opts for a concessional tax regime under section 115BAA of the ITA which provides for a concessional tax rate of 22%.

However, such income of the Fund should be exempt from tax in the hands of the Investors.

Loss carry forward and set-off

Unabsorbed losses of the Fund (not absorbed by current year income), can be carried forward and set off at the Investor level on a pass-through basis, except for the following losses:

- Unabsorbed business losses of the Fund, which shall be allowed to be carried forward and set off at the Fund level; and

- Unabsorbed losses other than business losses in case of those Investors who hold units of the Fund for less than 12 months.

Withholding tax implications

In respect of income (other than 'business income') that is paid to or credited to the account of the Investors who are resident in India, the Fund would be required to deduct tax at source at a rate of 10% (ten per cent). It is to be noted that as per Section 196 of the ITA, no deduction of tax shall be made from any sum payable to inter-alia (i) the Government and (ii) the corporation established by or under a Central Act which, under any law for the time being in force, exempt from income tax on its income.

In the case of non-resident Investors, the Fund would be required to deduct tax at the rates in force (which include rates prescribed under the applicable tax treaty). No withholding tax should be required in respect of any income which is not chargeable to tax under the ITA when such income is paid or credited to the account of non-residents.

The ITA provides that where a recipient of income (which is subject to withholding tax, and is a non resident for tax purposes) does not furnish its PAN, then tax is required to be deducted by the payer at the higher of the following i.e., (i) rates specified in the relevant provisions of the ITA; (ii) rates in force; or (iii) at 20% (twenty per cent). In case of non-residents not having a PAN, this provision requiring tax deduction at a higher rate shall not apply if they furnish certain prescribed information / documents.

Accordingly, in case of Investors who do not have a PAN, the Fund would be required to withhold taxes at a minimum rate of 20% (twenty per cent). In case of non-resident investors, the minimum rate of 20% shall not apply if such investor provides their tax residence certificate and certain other prescribed information / documents.

Further, the ITA also provides that where the recipient (other than a non-resident not having a permanent establishment in India) has not filed its income tax return for two financial years preceding the relevant financial year and such recipient has suffered withholding tax or tax has been collected from such recipient of an amount aggregating to INR 50,000 or more in each of the last two financial years, then except in case of certain specified payments[7], the tax shall be deducted at the higher of the following rates, namely:

- twice the rate specified in the relevant provision of the IT Act; or
- at twice the rate or rates in force; or
- at the rate of five per cent.

Further, where the recipient has neither furnished its PAN (which entails withholding of tax at minimum of 20% under current provisions) nor filed its tax return for last two financial years, tax shall be withheld at higher of the rates under both the provisions. These provisions are applicable from 1 July 2021.

Income earned by the Fund, if not paid or credited to the Investor in the relevant financial year, would be deemed to have been credited to the account of the Investor on the last day of the financial year, and accordingly, tax would have to be withheld by the Fund on the same.

[7] Payments in nature of salary, winnings (from lottery, crossword puzzle, horse race, etc), income in respect of investment in securitization trust, payments of certain amounts in cash by banks.

The Daughter Funds and the investee entities, if any, should not be liable to deduct tax on any payments of any income (other than income characterized as 'business income') made by the Investee Entities / Daughter Funds to the Fund.

Reporting to the income-tax authorities and the Investors by the Fund

The Fund or the person responsible for crediting or making payment of income on behalf of Fund shall furnish a statement in Form 64C to the Investors and a statement in Form 64D to the prescribed income-tax authority, giving details of the nature of the income paid or credited during the relevant year and such other relevant details, as may be prescribed.

As per Section 139(4F) of the Income-tax Act, every Fund shall furnish the return of income in respect of the income or loss *i.e.*, it shall be mandatory for the Fund to file its return of income.

Other key aspects

Deemed income on investment in shares / securities

In terms of Section 56(2)(x) of the ITA, if shares / securities are received for less than the fair market value of the shares / securities (computed as per prescribed rules), the difference between the price paid and fair value thereof shall be deemed as ordinary income of the recipient. The Finance (No.2) Act, 2019, introduced a provision enabling the Government of India to notify class of persons (subject to prescribed conditions), receipt from which would not be subject to tax under this provision.

Separately, if shares other than "quoted shares" are transferred for less than the fair value of the shares (computed as per prescribed rules), the fair value of such unquoted shares shall be deemed to be the sale consideration for the seller, for computing its capital gains for Indian tax purposes. "Quoted share" is defined as *"the* share *quoted on any recognised stock exchange with regularity from time to time, where the quotation of such share is based on current transaction made in the ordinary course of business."*

Thus, if the Investor acquires Units of the Fund or the Fund acquires units of the Daughter Funds or shares or securities of the investee companies directly or by way of its investments in the Daughter Funds, at a price below fair value thereof, the difference between the fair value of the shares/securities as per the provisions of Section 56(2)(x) of the ITA and the actual purchase price, would be deemed as ordinary income of the Investors in the Fund and taxed accordingly. Further, if the Fund sells unquoted shares of the investee companies (directly or by Daughter Funds) at a price below fair value thereof, the fair value will be deemed as the minimum sale consideration for the purpose of computing capital gains tax and the Investors will be taxed accordingly (on a pass-through basis).

TAXATION OF DIFFERENT STREAMS OF INCOME IN THE HANDS OF INVESTORS

The income tax implications on the different income streams would depend on whether the investor is a resident or non-resident of India. Tax implications for a resident investor are as follows:

(a) Interest (characterised as business income)**:** Interest income should be subject to tax as ordinary income.

(b) Dividend: Dividend declared or distributed on or after 1 April 2020 shall be taxable in the hands of the shareholders/unitholders at the ordinary income tax rate in case of Indian residents.

(c) Capital gains on sale of securities: As stated earlier, the nature of income in the hands of the investors would be derived from the nature of income earned by the Fund. Any capital gains arising to the Fund should be characterized as capital gains in the hands of the investors. The capital gains would be classified as long term or short term, depending upon the period of holding and nature of the assets.

Any listed securities (other than units) and units of equity-oriented fund held by the Fund / Daughter Funds (acquired out of the investments received from the Fund) for a period of more than 12 (twelve) months, immediately preceding the date of transfer, should qualify as long-term capital asset and upon transfer of such assets, gains should be classified as long-term capital gains. Any unlisted shares of an investee company held by the Fund / Daughter Funds (acquired out of the investments received from the Fund) for a period of more than 24 (twenty-four) months immediately preceding the transfer, will qualify as a long-term capital asset. In the case of other securities held by the Fund/ Daughter Funds, such instruments should be held by the Fund / Daughter Funds for more than 36 (thirty-six) months, immediately preceding the date of transfer, to qualify as a long-term asset.

Capital gains should be taxable in the hands of Investors resident in India at the rates mentioned in the table below:

TYPE OF INSTRUMENT	LONG-TERM CAPITAL GAINS	SHORT-TERM CAPITAL GAINS
(i) Equity shares listed on a recognized stock exchange; or (ii) Units of equity-oriented fund on which STT has been paid.	10% (without indexation) Gains upto INR 1,00,000 exempt from tax.	15%
Listed bonds or listed debentures	10% (*_Note 1_)	Taxed at the rate applicable for ordinary income
Listed shares and STT has not been paid	10% (without indexation) or 20% (with indexation)	Taxed at the rate applicable for ordinary income
Unlisted securities (other than unlisted bonds and unlisted debentures) including units of the Fund	20% (with indexation)	Taxed at the rate applicable for ordinary income
Units of mutual fund (other than equity-oriented fund on which STT is paid)	20% (with indexation)	Taxed at the rate applicable for ordinary income
Unlisted bonds or unlisted debentures	20% (*_Note 1_)	Taxed at the rate applicable for ordinary income

*_Note 1_: Indexation benefit is not available on bonds and debentures.

The tax implications on the income streams for non-resident Investors[8], are as follows:

[8] This section does not deal with the taxability of the streams of income mentioned therein under the local laws of the respective non-resident investor jurisdiction, which needs to be separately evaluated. Further, this section does not include the rates applicable to FPIs

(a) **Interest** (if not characterised as business income): Interest income attributable to a foreign company and other non-resident Investors, should be subject to tax at the rate of 40% (in case of a foreign company) and 30% (for persons other than foreign company) respectively.

(b) **Dividends**: Dividend declared or distributed on or after 1 April 2020 shall be taxable in the hands of the shareholders/unitholders @20%.

(c) **Capital gains on sale of securities**: Any capital gains arising to the Fund should be characterized as capital gains in the hands of the Investors.

The capital gains should be classified as long term or short term, depending upon the period of holding and nature of the assets. Any listed securities (other than units) and units of equity-oriented fund held by the Fund / Daughter Funds (acquired out of the investments received from the Fund) for a period of more than 12 (twelve) months, immediately preceding the date of transfer, should qualify as long-term capital asset and upon transfer of such assets, gains should be classified as long-term capital gains. Any unlisted shares of an Investee Entity held by the Fund / Daughter Funds (acquired out of the investments received from the Fund) for a period of more than 24 (twenty-four) months immediately preceding the transfer will qualify as a long-term capital asset. In the case of other securities held by the Fund, such instruments should be held by the Fund / Daughter Fund for more than 36 (thirty-six) months, immediately preceding the date of transfer, to qualify as a long-term asset. Capital Gains should be taxable in the hands of non-resident Investors, at the rates mentioned in the table below.

TYPE OF INSTRUMENT	LONG-TERM CAPITAL GAINS	SHORT-TERM CAPITAL GAINS
(i) Equity shares listed on a recognized stock exchange; or (ii) units of equity oriented mutual fund on which STT has been paid.	10% Gains upto INR 1,00,000 exempt from tax.	15%
Listed bonds or listed debentures or listed shares on which STT is not paid	10% (Note 1)	40% (in case of corporates) / 30% (others)
Unlisted securities (including unlisted bonds, unlisted debentures, units of the Fund)	10% (Note 1 and 2)	40% (in case of corporates) / 30% (others)
Units of mutual fund (other than equity oriented fund on which STT is paid)	10% (20% if the units are listed)	40% (in case of corporates) / 30% (others)

Note 1: Indexation benefit is not available in case of non-resident investors.

Note 2: If unlisted bonds or debentures are not regarded as unlisted "securities"[9], the Indian tax authorities may seek to apply a higher rate of 20% on long-term capital gains arising on sale of unlisted bonds / debentures by non-residents

Treaty Benefits for Non-Resident Investors

As per Section 90(2) of the ITA, the provisions of the ITA would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ("**Treaty**") between India and the country of residence of the non-resident investor (subject to the provisions of the General Anti Avoidance Rules and Multilateral Instrument as discussed below). This chapter does not discuss the tax implications applicable to the non-residents under a beneficial Treaty, which would need to be analysed separately based on the specific facts.

Tax Residency Certificate

In order to claim Treaty benefits, the non-resident Investor has to obtain the TRC as issued by the relevant authorities of its home jurisdiction. Further, the non-resident Investor shall be required to furnish such other information or document as may be prescribed. In this connection, the CBDT *vide* its notification dated 1 August 2013 has prescribed certain information in Form No. 10F to be produced along with the TRC, if the same does not form part of the TRC.

The tax authorities may grant Treaty benefit (after verifying the TRC) based on the facts of each case.

Securities transaction tax

STT is payable on certain on-market transactions (sale and purchase) ranging from 0.001% to 0.2% on the value of the transaction.

General Anti-Avoidance Rules

Under the Income-tax Act, General Anti Avoidance Rules ("**GAAR**") may be invoked by the income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the four below mentioned tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing 't arm's-length;
- It results in directly / indirectly misuse or abuse of the provisions of the ITA;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into or carried out in a manner, which is not normally employed for bona fide purposes.

In such cases, the tax authorities are empowered to determine tax implications based on "substance"

[9] As defined under the Securities Contracts (Regulation) Act, 1956

ignoring the "form" of the arrangement. Some of the illustrative powers are:

- Disregarding or combining or re-characterising any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situs of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure;
- Re-characterising equity into debt, capital into revenue, etc. and
- Denying benefits of a Treaty.

The provisions of GAAR came into effect on 1 April 2017.

It is provided that GAAR shall not apply, *inter alia*, to arrangements where the aggregate tax benefit in a relevant year, to all the parties involved, does not exceed INR 3 crores.

Multilateral Convention to implement Treaty related measures to prevent Base Erosion and Profit Shifting

Note that India has signed the Multilateral Instrument (**"MLI"**) issued by the Organisation for Economic Co-operation and Development and therefore India's tax treaties with other jurisdictions which have also signed the MLI have been notified as 'covered tax agreements.' Amongst other provisions that may be agreed in a covered tax agreement, one of the provisions seeks to deny tax treaty benefit where the *'any of the principal purpose of an arrangement or a transaction is to claim the tax treaty benefit'*, unless it is established that granting the tax benefit is in accordance with the object and purpose of the relevant tax treaty.

TRANSFER OF UNITS OF THE FUND

The tax implications arising on transfer / redemption of units of the Fund shall be as follows:

In case the Units of the Fund qualify as capital assets, any profits or gains arising from the transfer of such units shall be chargeable to income-tax under the head 'Capital Gains'. The gains would be taxable as short-term capital gains if the units are held for a period of 36 (thirty-six) months or less immediately preceding the date of transfer, otherwise, the gains would be taxable as long-term capital gains. The applicable tax rates shall be as follows:

NATURE OF INCOME	TAX RATE FOR INVESTORS WHO ARE RESIDENTS IN INDIA	TAX RATE FOR INVESTORS WHO ARE NON-RESIDENTS NOT BEING AN FPI (SUBJECT TO PROVISIONS OF THE APPLICABLE TREATY)
Short-term capital gains	Taxed at the rate applicable for ordinary income	40% (in case of corporate investors) or 30% (in case of non-corporate Investors)

Long-term capital gains	20% (with indexation benefit)	10% (without indexation)

TAX COLLECTION AT SOURCE ('TCS') ON SALE OF 'GOODS'

Under the ITA, every seller who receives consideration for sale of goods exceeding INR 5 million from a buyer in a financial year, is required to collect TCS at 0.1% on the consideration exceeding INR 5 million. Seller has been defined to mean a person whose total sales or turnover or gross receipts from the business in the financial year immediately preceding the financial year in which the sale of goods is carried out exceeds INR 100 million. While the term "goods" is not defined under the ITA, the CBDT has clarified that (a) TCS will not be applicable on transactions involving securities and commodities which are traded through recognised stock exchange or cleared and settled by recognized clearing corporation and (b) where the buyer is required to withhold tax and has actually withheld such tax. Thus, the applicability of TCS on the investments / divestments by the Fund needs to be evaluated on a case-to-case basis.

TAX DEDUCTED AT SOURCE ('TDS') ON PURCHASE OF GOODS

As per the ITA, with effect from July 1, 2021, a buyer whose sales, turnover or gross receipts from business exceeds INR 10 crores during the immediately preceding financial year, shall be liable to deduct TDS at the rate of 0.1% on consideration paid to a resident seller in excess of INR 50 lakhs for sale of goods. TDS would need to be deposited with the Indian Government to the credit of the seller, basis which seller would get credit of such taxes deducted by buyer. Similar to TCS provisions, the term "goods" is not defined for TDS purpose as well. However, it has been clarified that this TDS provision would not be applicable (a) on transactions involving securities and commodities traded through recognised stock exchange or cleared and settled by recognized clearing corporation (b) where a buyer is liable to deduct TDS under any other provisions of the ITA and (c) where a buyer is a non-resident and the purchase of goods by such non-resident is not effectively connected to its permanent establishment in India.

OVERVIEW OF TAXATION AT INVESTEE COMPANY LEVEL

Corporate Tax

The corporate tax rates applicable to Indian companies shall be 30% / 25% (for companies having a turnover of less than INR 400 crores for the year 2018-19). In certain circumstances, companies can elect to be taxed at a concessional corporate tax rate as discussed below:

(a) A company can opt to be taxed at a corporate tax rate of 22% without claiming certain specified exemptions / incentives.

(b) Indian Manufacturing companies can avail a corporate tax rate of 15% / 25% subject to fulfilment of certain conditions.

If any investee entity incurs a business loss, such loss should be allowed to be carried forward (subject to prescribed conditions) for a period of 8 (eight) years and set off against future business income.

Minimum Alternative Tax

If the income-tax payable on the taxable income as per the regular provisions is less than the tax computed at 15% on the profits of the Investee Entity as per its books (after prescribed adjustments), a Minimum Alternative Tax ("MAT") is payable at the rate of 15% on such book profits. An exemption from the MAT provisions has been provided in certain cases for Indian companies which opt to be taxed at a concessional tax rate (subject to conditions as discussed above).

Where MAT has been paid, credit is available in subsequent financial years for the MAT paid in excess of income-tax payable in a financial year. This credit should be eligible to be carried forward for 15 (fifteen) years and set-off against future income-tax payable to the extent normal income-tax payable exceeds MAT in that financial year

Shares subscribed at premium

If the shares of a company in which the public is not substantially interested ("**Closely Held Company**") are subscribed by a resident at a premium above fair value of the shares (to be determined in the prescribed manner), the difference between consideration for subscription and fair market value of such shares would be considered as ordinary income of the Investee Entity and taxed accordingly. However, an exemption from such tax (payable on excess premium received on issuance of its shares) is provided if shares are issued by a venture capital undertaking (as defined under the ITA) to a Category I or Category II AIF.

SURCHARGE AND HEALTH AND EDUCATION CESS

The above rates of income-tax shall be increased by the following surcharge on income-tax:

PARTICULARS	SURCHARGE ON INCOME-TAX
Resident companies with income exceeding: - INR 10 million but less than INR 100 million - INR 100 million Note: In certain cases where an Indian company opts to be taxed at a concessional tax rate, the rate of surcharge shall be 10%, irrespective of the amount of income.	 7% 12%
Non-resident companies with income exceeding: - INR 10 million but less than INR 100 million - INR 100 million	 2% 5%

Firms with total income exceeding INR 10 million	12%
Resident and non-resident Individuals, Hindu undivided family, association of persons or body of individuals, whether incorporated or not, or an artificial juridical person with total income exceeding: - INR 5 million but less than INR 10 million - INR 10 million but less than INR 20 million - INR 20 million but less than INR 50 million - INR 50 million Note: The enhanced rates of surcharge of 25% and 37% shall not apply in case of dividend and in case of capital gains arising on an on-market transfer of the following securities (where applicable STT has been paid): • Equity shares • Units of an equity-oriented fund • Units of a Real Estate Investment Trust (REIT) or Infrastructure Investment Trust (InvIT), the units of which are required to be listed on a recognized stock exchange in India	10% 15% 25% 37%

In addition to the surcharge, health and education cess is chargeable at 4% on income-tax as increased by applicable surcharge.

IMPORTANT QUALIFICATION

THE ABOVE INFORMATION DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL RELEVANT TAX CONSIDERATIONS; NOR DOES IT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL POTENTIAL TAX COSTS, INCIDENCE AND RISKS INHERENT IN PURCHASING OR HOLDING THE UNITS OF THE FUND. THE INFORMATION CONTAINED HEREIN IS BASED ON AN INTERPRETATION OF PREVAILING TAX LEGISLATION AND COULD THEREFORE CHANGE OR BE ADVERSELY AFFECTED IF ALTERNATIVE INTERPRETATIONS ARE ADOPTED. NO REPRESENTATION IS MADE EITHER BY THE FUND OR THE INVESTMENT MANAGER OR ANY EMPLOYEE, DIRECTOR, SHAREHOLDER OR AGENT OF THE INVESTMENT MANAGER IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION OF THE FUND AND TAXATION OF UNIT HOLDERS OF THE FUND BY THE INCOME TAX AUTHORITIES UNDER THE ITA.

SELF RELIANT INDIA (SRI) FUND

SCHEDULE I: DEFINITIONS

Advisory Board	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
AIF	means an alternative investment fund registered with SEBI under the AIF Regulations.
AIF Regulations	means SEBI (Alternative Investment Funds) Regulations, 2012 as amended, modified, restated, and/or enacted from time to time. The term 'AIF Regulations' shall also deem to include all guidelines, directions, regulations, rules and notifications issued by the Government or any statutory or regulatory authority or SEBI for the operation and management of AIFs, or any legislation in regard thereto, if applicable to the Fund.
AMC Agreement	shall have the meaning ascribed to the term in "**SECTION VI: MANAGEMENT AND ADMINISTRATION**".
Anchor Investor	means Government of India, which is a Contributor to the Fund.
Applicable Law	means any applicable Indian statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument, which has a force of law in India, as is in force from time to time. For the avoidance of doubt, the term 'Applicable Law' shall include the AIF Regulations.
Associate	means a company or a limited liability partnership or a body corporate in which a director or trustee or partner or Sponsor or InvestmentManager of the Fund or a director or partner of the Investment Manager or Sponsor holds, either individually or collectively, more than fifteen percent of its paid-up equity share capital or partnership interest, as the case may be.
Auditors	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Business Days	means a day other than a Saturday, Sunday or a public holiday on which banks in New Delhi, India are open for normal banking business.
Board	shall have the meaning ascribed to the term in "**SECTION I: EXECUTIVE SUMMARY**".
Capital Commitment	means the aggregate amount agreed by a Contributor to be contributed to the Fund in accordance with the provisions of the Contribution Agreement

	and this Memorandum.
Capital Contribution	means the portion of the Capital Commitment that has been contributed to the Fund or deemed to be contributed by a Contributor to the Fund, pursuant to the execution of the Contribution Agreement and as per the applicable Drawdown Notice and terms of the Contribution Agreement.
Category II AIF	means a Category II Alternative Investment Fund under the AIF Regulations.
Class or Classes	means a class or classes of Units of the Fund for the purpose of segregating class assets and class liabilitiesand includes Class A Units and Class B Units and any additional Units as may be issued through this Memorandum.
Class A Units	means Class A Units of the Fund being offered through this Memorandum and to be subscribed to by the Anchor Investor.
Class A Contributors	means the holders of Class A Units.
Class B Units	means Class B Units of the Fund being offered through this Memorandum and to be subscribed to by the Sponsor.
Class B Contributors	means the holders of Class B Units.
Closing	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Commitment Period	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Conflicted Transaction	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Contribution Agreement	means the agreement entered into in relation to Fund, between each Contributor and the Investment Manager primarily to regulate the acceptance and disbursal of Capital Contributions and the disbursal of the income earned thereon.
Contributors / Unitholders	means such Persons who have made or agreed to make Capital Commitment and (i) who fulfil the 'know your client' norms as prescribed by SEBI and the Investment Manager from time to time, and (ii) each of such Persons have made or agreed to make Capital Commitment to the Fund in accordance with the Contribution Agreement and this Memorandum.
Contribution Fund	means the aggregate of all Capital Contributions of the holders of Class A Units and Class B Units and any additions thereto and undistributed income accumulated in respect thereof.
Custodian	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".

Daughter Funds	means such Category I and Category II AIFs, including private equity funds, venture capital funds or angel funds, and any incorporated or unincorporated pool of capital or fund, in which the Fund has invested or is authorised to invest under Applicable Law.
Drawdown	shall have the meaning as ascribed to it in **'SECTION VII: SUMMARY OF PRINCIPAL TERMS**'.
Drawdown Notice	shall have the meaning as ascribed to it in **'SECTION VII: SUMMARY OF PRINCIPAL TERMS**'.
MSME	means Micro, Small & Medium Enterprises.
Establishment Expenses	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Force Majeure	means an event beyond the control of the Investment Manager, which is not caused due to any fault or negligence of the Investment Manager and is not reasonably foreseeable. Force Majeure events shall be deemed to include, but not be limited to blockade, riots, floods, natural calamities, acts of God or public enemies, fires, floods, epidemics, quarantine restrictions, strikes and other industrial disputes, unusually severe weather, pandemic, typhoons, earthquakes, or volcanic eruptions, import / export restrictions, any law, rule, regulation, judgment or decree which will have a material adverse effect on providing the services, change of policies by Central/State Government of and disruptions due to political / industrial agitation.
Fund or SRI Fund	means the Self Reliant India (SRI) Fund.
Fund Documents	means the documents as detailed in the "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
GAAR	means General Anti Avoidance Rules as provided for under Chapter 10A of the ITA.
Government	means the Government of India or any Indian central, state or local government authority, agency, branch or body or any instrumentality thereof.
Investment Committee	shall have the meaning as ascribed to it in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS'**.
Interested Party	shall have the meaning as ascribed to it in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS'**.

Investment Management Agreement	means the agreement entered into by and between the Board and the Investment Manager for appointment of Investment Manager to advise, administer and manage on matters relating to the investment, management and administration of the Fund, as amended, modified or supplemented from time to time.
Investment Manager or SVL	means SBICAP Ventures Limited.
Investment Proceeds	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Investment Policy	means the investment policy of the Fund as approved by the Advisory Board.
INR/ Rs/ Rupees	means the lawful currency of the Republic of India.
IPO	means initial public offering.
IT sector	means the information technology sector.
ITA	means Income Tax Act, 1961, as amended from time to time.
Legal Advisor	mean the legal advisor of the Fund appointed by the Board to advise the Fund with respect to various legal matters from time to time.
MAT	means Minimum Alternate Tax.
Management Fee	means the management fee payable to the Investment Manager in connection with the Fund as set out in the Investment Management Agreement and the Contribution Agreement.
Management Team	is as defined in "**SECTION I: EXECUTIVE SUMMARY".**
Memorandum	means this document and all supplements thereto.
Non-recurring Operating Expenses	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
NSIC	means the National Small Industries Corporation Limited.
NVCFL	means NSIC Venture Capital Fund Limited.
Operating Fees	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Operating Guidelines	the Guidelines for Self-Reliant India (SRI) Fund scheme approved by MoMSME (vide letter No. 1(64)/I&F/Guidelines/2020-21 dated 5thAugust 2020) as may be amended from time to time.

p.a.	means per annum.
Person	includes a Hindu Undivided Family, an individual, corporation, a partnership, a limited liability company, a body corporate, a body of individuals, association, trust, an institutional investor or other entity or organization whether incorporated or not, including a government body (Central or State) or an agency or instrumentality thereof.
PMLA	means the Prevention of Money Laundering Act, 2002.
Portfolio Company	means such company, body corporate, special purpose vehicle, limited liability partnership, enterprise, venture or such special purpose vehicle engaged in the MSME sector in which aDaughter Fund will invest or is authorised to invest subject to compliance with its applicable Investment policy and the AIF Regulations.
Portfolio Investment	means each investment into Daughter Funds made by the Investment Manager on behalf of the Fund pursuant to approval from the Investment Committee, subject to the guidelines and restrictions as prescribed by this Memorandum and theApplicable Law.
Protected Person	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Reserves	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
RBI	means the Reserve Bank of India.
SBI	means State Bank of India.
SBICAPS	means SBI Capital Markets Limited.
Scheme	means the various schemes of NVCFL.
SEBI	means the Securities and Exchange Board of India established under Section 3 of the SEBI Act.
SEBI Act	means the Securities and Exchange Board of India Act, 1992.
Sponsor	means NSIC Limited.
Sponsor Commitment	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".

STT	means Securities Transaction Tax as per Chapter VII of Finance Act (No.2) Act, 2004.
Super Majority of the Members	means not less than 75% of the members of the Investment Committee or the Advisory Board, as applicable.
Super-Majority of the Contributors	mean Contributors having made Capital Contributions, the sum of which equals or exceeds 75% (seventy-five per cent) of the aggregate of all Capital Contributions made in the Fund. With respect to the following items in connection with the Fund, Super-Majority of the Contributors shall be formed with the consent of the two-thirds of Contributors by value of their investment in the Fund: - Extension of the Term of the Fund; and - Any material alteration to the Fund's strategy.
Temporary Investments	shall have the meaning as ascribed to it in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS"**.
Term	shall have the meaning as ascribed to it in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS"**.
Transfer	is as defined in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS'**.
Units	means a unit of Class evidencing Beneficial Interest in the Fund and issued by the Investment Manager to a Contributor on the making of a Capital Contribution and such interest shall include a fraction of a Unit evidencing Beneficial Interest in the Contribution Fund, of a value less that the face value of the unit.

SELF RELIANT INDIA (SRI) FUND

SCHEDULE II: DISCIPLINARY HISTORY

Details of Disciplinary History of the AIF, Sponsor, Investment Manager and each of their Directors/Partners/Promoters and Associates are in coordance with Clause 2.1.5. and 2.1.6. of SEBI Master Circular dated July 31, 2023 and is updated till March 2024

SELF RELIANT INDIA (SRI) FUND

A. **Disciplinary history of the Sponsor as on 31st March 2024**

CONTINGENT LIABILITIES: CLAIMS AGAINST THE CORPORATION NOT ACKNOWLEDGED AS DEBTS

S.No.	Name of the Party	Branch Office / Centre	Particulars	FY 2023-24 (Amount Rs.)	Status
1	NSIC-PTC Employee Union	Head Office	NSIC (Selection Grade)	25.30	1. NSIC PTC Employees Unions vs NSIC (selection grade) pending before Hon'ble High Court of Delhi, The financial implication will remain at Rs.25.30 lakhs (approx.), status sine-die. 2. SLP (C) No.36386/2014 titled AKS Rathore vs NSIC pending Hon'ble Supreme court has no financial implication, status pending.
2	State Bank of India, padmarao Nagar Branch, Secundrabad, Vs. 1. S.N. Reddy, 2. Smt. Sadathunnisa Begum & NSIC Ltd., Hyderabad	BO Hyderabad	RMA	37.17	The unit M/s. S.N. Reddy Enterprises availed with NSIC RMA facility by furnishing the BG issued by SBI. As the unit failed to pay the dues, NSIC invoked the BG's. SBI filed case against the unit, Guarantors for the unit and NSIC stating that the unit submited fake sale deed and obtained the BG's from them. The Hon'ble Court decreed the suit on 11/10/2006 against all the parties directing the defendants including NSIC to pay the suit amount of Rs. 745963/- with interest 18% p.a., from 13/02/2001 till the date of

					realisation and costs of Rs. 25078/- NSIC filed appeal before Hon'ble High Court of A.P. and also requested to grant interim stay. The Hon'ble court while granting interim stay, directed NSIC to deposit the suit costs. Accordingly the NSIC deposited Rs. 25078.00 in the court towards suit costs. Now the case is to be listed.
3	M/s Brahma Teja Paper Products	BO Hyderabad		66.99	M/s Brahma Teja Paper Products filed claim application before MSEFC against NSIC and other Departments. Finally MSEFC Rangareddy distt. issue an Award against NSIC Rs. 66,98,437/-. The Corporation filed an appeal against the said Award before District. Court Rangareddy, at Huderabad and deposited Rs. 50,23,828/- towards 75% of Award MSMED act. This balance amount of Rs. 16.74,609/- has been shown the balance claim amount. The original petition yet to be Number.
3	General Radiators	BO Noida	HP	16.22	In this case our suit was dismissed and party`s counter claim was allowed. We filed appeals in which High Court directed to deposit the decretal amount. Accordingly, we deposited the amount in the High Court and the case is yet to come up for hearing.

4		NTSC Neemka		10.37	Guest Faculties have filed case against NTSC , so liability for the 5 guest faculty involved
		Total		156.05	

PENDING DUES RELATED TO TAX

The National Small Industries Corporation Limited					
FY 2022-23					
S.No	**Name of Statute**	**Nature of Dues**	**Amount to be reported in CARO in FY 2022-23 (Rs.)**	**Period to which the amount relates**	**Forum where the Dispute is Pending**
1	CST Act, 1956	Central Sales Tax	0.49	2009-10	Appellate Deputy Commissioner CT (III), Chennai
2	CST Act, 1956	Central Sales Tax	0.56	2011-12	Appellate Deputy Commissioner CT (III), Chennai
3	Finance Act, 1994	Service Tax	3.29	2009-10	The Commissioner of Service Tax, Chennai
4	Finance Act, 1994	Service Tax	50.89	2015-16 to 2016-17	The Commissioner of Service Tax, Chennai
5	Commercial Tax	Commercial Tax	13.97	2012-13 & 2013-14	Joint Commissioner, Sales Tax, Cuttack, Orissa
6	Service Tax	Service Tax	9.56	October 2007 to June 2012	Appellate Tribunal, Allahabad
7	Sales Tax Act	Differential Tax, Interest & Penalty	15.88	2005-06	Dy. Comm. Of Sales Tax - Appeals (Mumbai)
8	Sales Tax Act	Differential Tax, Interest & Penalty	23.92	2009-10	Dy. Comm. Of Sales Tax - Appeals (Mumbai)

9	Sales Tax Act	Differential Tax, Interest & Penalty	231.24	2012-13	Jt. Comm. Of Sales Tax - Appeals (Mumbai)
10	Sales Tax Act	Differential Tax, Interest & Penalty	18.92	2013-14	Dy. Comm. Of Sales Tax - Appeals (Mumbai)
11	Sales Tax Act	Differential Tax, Interest & Penalty	46.97	2014-15	Jt. Comm. Of Sales Tax – Appeals (Mumbai)
12	Sales Tax Act	Differential Tax, Interest & Penalty	82.43	2015-16	Jt. Comm. Of Sales Tax - Appeals (Mumbai)
13	Customs, Excise & Service Tax	Service Tax & Penalty	1.85	2015-16 to 2016-17	Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Allahabad
14	GST (Compensation to States) Act, 2017	GST State Cess	71.08	2018-19	Joint Commissioner of Central Tax (Appeals), Cuttack
15	Orissa VAT Act	Sales Tax	13.89	2014-15	Joint Commissioner of Sales Tax, Cuttack
16	Income Tax Act	Income Tax Regular Demand	18.39	2016-17	CIT (Appeals)-IX, New Delhi
17	Income Tax Act	Income Tax Regular Demand	0.08	2017-18	DCIT, Circle -25(1), New Delhi
		Total	**603.41**		

Contingent Liabilities (Other money for which the Corporation is contingently liable) FY 2022-23

Sr. No.	Branch	Particulars	Amount Rs. Lacs
1	BO Jamshedpur	Rent-Bihar-State Financial Corporation	19.90
2	NTSC-Chennai	Booked for the Court case- Dindigul casual labour	0.75
3	NTSC Okhla	The case regarding hospital bill of Gardner Shri Bhagat Singh is still pending before the court.	2.89
4	Head Office	SITC of 33/440 KV Sub Station at MDBP SL Electromac	130.02
5	Head Office	Construction of MDBP Building	2533.39
6	Head Office	Guarantees	300.05
7	NTSC Aligarh	Contingent liability towards Shri Rajkumar Case	0.50

8.	NTSC Okhla	Arbitration case going on for foundry shop building, replacement of roof of main workshop building at NTSC-Okhla contractor is Gupta Builder engaged by CPWD.	227.50
		Total	**3215.00**

Figures in INR cr				
	Capital contribution			
	Class A –GoI	10,000.0	99.95%	
	Class B - NSIC/ Sponsor	6.0	0.05%	
	Total	**10,006.0**	**100.00%**	

Disciplinary history of the Manager and its directors

Name of the Fund and details of the Advisory/Caution letter issued by SEBI	**SEBI Remarks**	**Action taken by SVL as IM**
SVL-SME Fund A Caution letter was issued by SEBI to SBICAP Ventures Limited (in its capacity as the investment manager of SVL-SME Fund) dated February 20, 2023 concerning registration of KRA.	The KRA registration for SVL-SME Fund is not procured.	SBICAP Ventures Limited has acknowledged the letter and responded to SEBI on March 1, 2023 stating that the application for KRA registration was made on 10th November 2022 and the registration was received on 02nd December 2022.
UK India Development Cooperation Fund An advisory letter was issued by SEBI to SBICAP Ventures Limited (in its capacity as the investment manager of UKIDCF) dated February 1, 2024 concerning inaccurate	The quarterly report submitted for March 2023 erroneously indicated that hedging and leverage was undertaken in the Fund.	SBICAP Ventures Limited has taken due note of the letter and has submitted that the error was typographical in nature and going forward, it shall make best endeavours to avoid such inadvertent errors.

information submission in the quarterly report.		
SVL-SME Fund An advisory letter was issued by SEBI to SBICAP Ventures Limited (in its capacity as the investment manager of SVL-SME Fund) dated March 7, 2024 concerning failure to maintain an escrow account.	The PPM Audit report submitted for FY 2022-23 comprised an observation about not maintaining an escrow account as required in the PPM of the Fund. Accordingly, SEBI had asked for action taken on such observation and to ensure and improve the compliance in future.	SBICAP Ventures Limited has taken due note of the letter and shared a letter of acknowledgement stating that the requisite escrow account was opened as mentioned in the PPM of the Fund.
Self Reliant India (SRI) Fund An advisory letter was issued by SEBI to SBICAP Ventures Limited (in its capacity as the investment manager of NSIC Venture Capital Fund) dated March 7, 2024 concerning delay in information submission to the investors of NSIC Venture Capital Fund.	The PPM Audit report submitted for FY 2022-23 comprised an observation about the annual audited financial statements not submitted to the investors within a period of 120 days of end of financial year as mentioned in the PPM.	SBICAP Ventures Limited has taken due note of the letter. To ensure compliance with the said clause in PPM, 100% consent was obtained from the investors to change the period of 120 days to 180 days (as per the SEBI AIF regulation) in PPM for submission of annual audited financial statements not submitted to the investors.

Details of litigation filed by SBICAP Ventures Limited as Investment Manager of SWAMIH Investment Fund I

Nature of litigation and brief details	**Status**	**Developments as of date**
Akash Gupta & Ors V. Shree Vardhaman Infrahome Pvt. Ltd. Homebuyers have filed an Application being	SVL has filed an impleadment application to be made a party to the matter in order to ensure that SVL's rights are safeguarded.	Next date is in May, 2024

Application No.1893 of 2017 filed in the National Consumer Disputes Redressal Commission to claim compensation. We have also initiated CIRP proceedings against the Developer, the Corporate Debtor and the Personal Guarantors.		
Writ Petition No. 1360 of 2023 filed in the Bombay High Court against the Directorate of enforcement, Bengaluru ("ED") to vacate attachment of the secured units (in project known as castles Vista Private Limited) that were attached by the ED	The Bombay HC has vacated the attachment and passed a favourable order in favour of SVL and disposed off the matter.	In furtherance of receiving a favourable order in the Bombay High Court, SVL has filed an application in the Karnataka High Court in in Writ Petition No. 20713 of 2022 filed by Mantri Developers Private Limited against the ED to get a clarification with respect to setting aside of the stay on sale of units in the project. We have received a favourable order from the Karnataka HC as well and the stay by the ED has been vacated.
Arbitration Petition (L) No. 24409 of 2023 was filed in the Bombay High Court against Shree Naman Developers Private Limited wherein the landowners (Petitioners) have asked the Developer for disclosure of accounts.	The Bombay HC has directed the Developer to file a disclosure application	The Fund was made a party as it had invested in the project. Affidavits were filed on our behalf to ensure our rights are not jeaopardised. As on date, we have made a full exit from the investment and therefore

		are not a part of the proceedings anymore.
The homebuyers have filed CIRP proceedings against Ansal Crown Infrabuild Private Limited in NCLT, New Delhi.	We have filed our claim in the said project.	IRP has been appointed and the matter is ongoing.
Erstwhile landowners have filed a matter against Samrin Infra Private Limited.	The matter is filed in the Dindoshi city civil court	Next date is 16th April 2024
Homebuyers have filed against Swastik Homebuild Pvt. Limited in NCLT, Chandigarh Catalyst Trusteeship Limited v. Swastik Homebuild Private Limited (C.P. (IB) No. 290 of 2023)	We have filed and IA to safeguard our rights. The Developer has not been appearing in court.	Next date of hearing is 28th May, 2024
Homebuyers Association have filed against (Sikka) Ecogreen Buildtech Pvt. Ltd. In NCLT New Delhi	Homebuyers have initiated CIRP proceedings against the Developer. We have filed and IA to safeguard our rights.	Next date to be announced
Homebuyers have filed against Imperia Structures Limited in NCLT, New Delhi	Homebuyers have initiated CIRP proceedings against the Developer.	We have filed our claim in the matter.

Details of Claims and disputed liabilities not acknowledged as debts

Claims against the Company/disputed liabilities not acknowledged as debts	2022-23	2021-22	2020-21	2019-20	2018-19

For income tax matters	NIL	NIL	95.99	65.53	NIL

Against the SBI, Promoter of SBICAP Ventures Limited (data is as on 15th March 2024)

a. The Reserve Bank of India imposed a penalty of Rs. 700 lacs on the Bank on 15-07-2019 under the provisions of Section 4 7 A (1) (c) read with sections 46(4) (i) and 51 (1) of the Banking Regulation Act, 1949. RBI had previously issued a Show Cause Notice (SCN) in this regard on 10-10-2018 and Bank had replied on 30-10-2018. A personal hearing was conducted on 15-04-2019. After examining the facts of the case, RBI has observed non-compliance with the directions issued by RBI on (i) Income Recognition and Asset Classification (IRAC) norms, (ii) code of conduct for opening and operating current accounts and reporting of data on Central Repository of Information on Large Credits (CRILC) and (iii) fraud risk management and classification and reporting of frauds. This has resulted in levy of a penalty of Rs. 700 lacs. The penalty has been paid to RBI on 19.07.2019.

b. The Reserve Bank of India in exercise of the powers conferred under Section 47A (1) (c) read with Section 46 (4) (i) and 51(1) of the Banking Regulation Act, 1949 has imposed a penalty of Rs. 50 lacs on 31-07-2019 on the Bank for delay in reporting of fraud in the account of M/s Kingfisher Airlines Limited by Bank and State Bank of Mysore. The penalty has been paid to RBI on 09.08.2019.

c. The Reserve Bank of India had issued Show Cause Notice CO.ENFD.DECB.No.S47/02-01-021/2021-22 dated 24.05.2021 for violations of RBI guidelines, directions. etc. observed during scrutiny conducted in the account of Karnataka State Handicraft Development Corporation Limited. The SCN was replied by Bank vide letter dated 09.06.2021. The RBI, in exercise of the powers conferred under Section 47A (l)(c) read with section 46(4)(i) and Section 51(1) of the Banking Regulation Act, 194 imposed a monetary penalty of Rs. 1 crore (Rupees One Crore only) on the Bank on 18-10-2021, for non-compliance with the directions contained in the "Reserve Bank of India - Frauds Classification and Reporting by Commercial Banks and select FIs" directions 2016. The Bank responded to the SCN vide letter dated 09.06.2021. Thereafter. a personal hearing in the case was conducted by RBI on 10.08.2021 and was attended by Bank's Top Management. The Bank is analysing the issue of non -compliance and corrective action and new controls, etc. shall follow the detailed analysis of the Order by the Bank. The penalty has been paid to RBI on 25.10.2021.

d. The Reserve Bank of India has imposed a total penalty of Rs.200 lacs on 16-03-2021, including penalty of Rs.100 lacs for contravention of the provisions of section of 10(l)(b)(ii) of Banking Regulation Act, 1949 and additional penalty of Rs.100 lacs for contravention of RBI directions specifically issued to the bank vide Letter No.DBS.CO.SSM-SBV1751113.26.00 1/2019-20 dated 19-09-2019 regarding payment of commission to employees engaged in cross-selling activities. The penalty has been paid to RBI on 24-03-2021.

e. The Reserve Bank of India imposed a monetary penalty of Rs.50.00 lacs for failure to ensure data accuracy and integrity while submitting the data on large credit (CRILC

reporting) to RBI. Bank did not report data of two companies namely M/s Managlore SEZ Limited and M/s Parkline LLC, with sanctioned amount of more than Rs. 5 crore as Group Companies of the borrower from June 2017 to March 2020 and from March 2018 to December 2019 respectively. Bank also incorrectly reported data of two companies namely M/s Malwa Solar Power Generation Private Limited and M/s SRM Institute of Science and Technology as group companies of the borrower from March 2018 to March 2020 and June 2018 to September 2018 respectively. The penalty has been paid on 14.07.2021.

f. The Reserve Bank of India imposed a penalty of Rs.1.00 crore for contravention of the provisions of subsection (2) of section 19 of the Banking regulation Act related to the following 1. The bank held shares as a pledgee, of an amount exceeding thirty percent of the paid-up share capital of six borrower companies as on March 31, 2018 and continued to hold shares exceeding thirty percent of the paid up share capital of two borrower companies as on March 2019. The penalty has been paid on 01.12.2021

g. Penalties amounting to Rs. 1824/- is levied by INTL. tax range 4(2) , Mumbai, under section 271C of the IT act,1961. The penalty has been paid on 15.10.2022.

h. A Show Cause Notice (SCN) amounting to Rs.37.15 lakhs has been received from Central GST (Audit) office , Patiala, in respect of e-SBP branches for the period April 2016 to march 2017 on the issue of non-payment of service tax on penal interest recovered from customers.

i. An SCN amounting to Rs.9.75 lakhs, has been received from Deputy Commissioner, Telangana, in respect of Telangana GSTIN for the period April 2020 to March 2021 on the issue of:

i. Excess ITC claimed on account of non-reconciliation of information declared in GSR09.
ii. Excess ITC reversed in GSTR9 over and above GSTR3B.
iii. Under- declaration of ineligible ITC.

SBI has examined the issues involved and have observed that the claim is not sustainable. SBI has replied on 24th June 2022.

j. An SCN amounting to Rs.17.29 crore, has been received from Central Excise (audit), Kochi in respect of eSBT for the period Oct-2016 to Mar-17 alleging:

i. Short Service Tax paid.
ii. Ineligible ITC.

SBI has examined the issues involved and have observed that the Bank is not at fault and the claim by the tax authorities is not sustainable. SBI has replied to the SCN within stipulated time.

k. An SCN amounting to Rs.9.28 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2017- to March 2018). SBI has examined the issues involved and have observed that the Bank is not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

l. An SCN amounting to Rs13.10 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2018- to March 2019). SBI has examined the issues involved and have observed that the Bank is

not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

m. An SCN amounting to Rs.13.72 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2019-to March 2020). SBI has examined the issues involved and have observed that the Bank is not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

n. An SCN amounting to Rs.16.29 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2020-to March 2021). SBI has examined the issues involved and have observed that the Bank is not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

o. An SCN amounting to Rs.9.28 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2021-to March 2022). SBI has examined the issues involved and have observed that the Bank is not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

p. SCNs amounting to Rs.4739.44 lakh has been received from Deputy Commissioner, Abids, STU-2, Telangana, in respect of Telangana GSTIN for the period 2020-2021 on the issue of:
(a)Reconciliation of GSTR3B with GSTR 1.
(b) ITC to be reversed on non-business transactions & exempt supplies.
(c) Under declaration of Ineligible ITC.
(d) ITC claimed from cancelled dealers
SBI has filed the reply.

q. SCN amounting to Rs.42.74 lakh has been received from Assistant Commissioner of State, Raipur, in respect of Chattisgarh GSTIN for the period under 2020-21 in respect of Difference in GSTR 3 B with GSTR 2A. SBI has replied on 14.10.2022.

r. SCN amounting to Rs.11.89 lakh has been received from Assistant Commissioner of state, Vijaywada, in respect of Amrawati GSTIN for the period under 2021-22 in respect of GST TDS particulars not shown in GSTR-3B for the month of December 2021. SBI has replied on 10.10.2022.

s. 5 SCNs amounting to Rs. 303.25 crore has been received in respect of Rajasthan GSTIN for the period 2017-18 to 2021-22 on the issue of matching of Input Tax Credit (ITC) availment with GSTRA2A by SBI and ineligible ITC u/s 17(5). SBI has examined the issue involved and have observed that SBI is not at fault and the claim by the tax authorities is not sustainable. SBI is in the process of replying to the tax authorities.

t. The Reserve Bank of India imposed penalty on various currency chests of State Bank of India. The circle wise summary of penalties imposed on currency chests for last three FY are as follows:

(Amount in millions)

Circle-wise summary of Penalty imposed by RBI during				
CIRCLE	**FY 19-20**	**FY 20-21**	**FY 21-22**	**As on September 30, 2022**
AHMEDABAD	5.47	4.23	1.15	32.86
AMARAVATI	2.36	0.02	0.81	0.64
BENGALURU	2.85	4.96	5.46	21.67
BHOPAL	6.83	1.07	5.20	3.31
BHUBANESWAR	1.38	0.34	5.74	6.24
CHANDIGARH	5.61	1.01	1.01	3.61
CHENNAI	2.31	0.50	1.11	0.64
GUWAHATI	0.83	1.56	6.24	1.81
HYDERABAD	1.42	0.38	0.62	0.77
JAIPUR	13.00	0.84	2.47	6.01
KOLKATA	0.30	0.01	0.71	5.84
LUCKNOW	4.48	0.77	31.88	2.27
MAHARASHTRA	2.22	0.88	5.54	1.12
MUMBAI METRO	1.90	0.62	0.74	1.45
NEWDELHI	3.21	1.59	2.37	1.86
PATNA	2.20	33.38	6.64	9.41
THIRUVANANTHAPURAM	0.53	0.33	0.36	0.15
TOTAL	**56.87**	**52.49**	**78.05**	**99.65**

u. RBI issued SCN dated 06.04.2023 as the Bank failed to comply with RBI's directions on the following-:

- Loans and Advances sanctioned to Andhra Pradesh State Development Corporation Limited (APSDCL),
- Kisan Credit Card (KCC) scheme
- Guidelines on management of intra-group transactions and exposures

SBI has replied on 27.04.2023.

v. RBI vide its letter dated 25.09.2023 imposed aggregate penalty of Rs.1.30 Crores on SBI due to non-compliance with RBI's instructions observed during the statutory inspection based on its financial position as on March 31, 2021 for following (i) The Bank did not comply with Reserve Bank Direction on Loans and Advances when it sanctioned a term loan of Rs. 6000 crores to Andhra Pradesh State Development Corporation Limited (APSDCL) (ii) Did not abide with Guidelines on management of intra-group transactions and exposures.

w. RBI has issued SCN on 09.10.2023 pointing out non-compliance in respect of the following:

- The Bank held shares of an amount exceeding thirty percent of the paid-up share capital of 13 companies.
- The Bank did not (a) credit to the Depositor Education and Awareness Fund an amount aggregating Rs.4107.40 Crore standing to the credit of 73.28 lakh accounts, which were not operated for a period of ten years, within a period of three months from the expiry of the said period of ten years and the aforesaid amount was transferred to the Fund with a delay up to eight years; (b) transfer balances pertaining to Inter Office Instruments older than ten years amounting to Rs.750.00 Crore to the Fund and the amount was transferred with a delay
- The Bank failed to comply with the Reserve Bank directions on Central Repository of Large Common Exposures, when it did not report 243 borrowers with an exposure of Rs.5.00 Crore and above in the Central Repository of Information on Large Credits (CRILC) platform.
- The Bank failed to comply with the Reserve Bank directions on frauds classification and reporting, when it did not refer 862 cases of frauds to police/Law Enforcement Agencies (LEA) immediately on detection during FY 2021-22.

SBI has replied on 26.10.2023.

x. RBI issued SCN on 22.12.2023 advising as follows:

1) Reimbursements were availed from RBI in respect of redemption proceeds on maturity, half yearly interest payments for Relief Bonds/Saving Bonds, without the payments actually being made to the bond holders.

2) To remit unpaid redemption proceeds lying with it as on date, to Central Accounts Section (CAS), RBI, Nagpur for which such reimbursements were availed from the RBI and to furnish the information pertaining to unpaid coupon and redemption proceeds outstanding as on date duly verified and certified by its concurrent auditors.

SBI vide letter dated September 22, 2023, made available to the RBI the details of the reimbursements claimed and further authorised RBI to debit an amount of Rs.29,15,764/- towards such reimbursements claimed.

In view of the above, it appeared to RBI that SBI has violated the terms and conditions contained in the Agency Agreement entered into by the RBI with the Bank under Section 45 of the Reserve Bank of India Act, 1934 and also the directions and notifications issued vide Department of Government and Bank Accounts, RBI, Central Office, letter dated October 30, 2002. In this regard, SBI has been called upon by RBI to show cause as to why penalty under Section 30 of the Government Securities Act, 2006 and also under the Agency Bank Agreement shall not be imposed.

SBI has replied on 12.01.2024.

y. RBI vide its letter dated 26.02.2024 imposed aggregate penalty of Rs.2.00 Crores due to non-compliance with RBI directions by SBI, observed during the statutory inspection based on its financial position as on March 31, 2022.

The compliance breaches were as under:
a) The Bank held shares of an amount exceeding thirty percent of the paid-up share capital of 13 companies, as on March 31, 2022, despite imposition of penalty for similar contravention observed during ISE-2018 and 2019.
b) The Bank did not: i) Credit to the Depositor Education and Awareness Fund (Fund) an amount aggregating Rs.4107.40 Crore standing to the credit of 73.28 lakh accounts, which were not operated for a period of ten years, within a period of three months from the expiry of the said period of ten years and the aforesaid amount was transferred to the Fund with a delay up to eight years;
ii) Transfer balances pertaining to Inter Office Instruments older than ten years amounting to Rs.750.00 Crore to the Fund and the amount was transferred with a delay

z. In respect of Overseas Regulators, details of penalties imposed are furnished below:

Commercial Indo Bank LLC, Moscow

i. The Central Bank of Russia (CBR) imposed a penalty of RUB 1000,000 (INR 1082500) on CIBL in August 2019 for violation of certain items in Art 3 and Art 6 of Federal Law No. 353-FZ observed in granting of a term loan to a natural person. The penalty has been paid on 17.09.2019
ii. The Central Bank of Russia (CBR) imposed a penalty of RUB 36,829 (INR 39867) on CIBL on 20-08-2019 for shortfall of RUB 3.31 million, in the obligatory reserves kept by CIBL with CBR from 10.07.2019 to 06.08.2019. The penalty has been paid on 06.09.2019
iii. The Central Bank of Russia issued a penalty of RUB 8,637,000 (INR 81,40,373 appx) in December 2020 for violations of legislation of Russian Federation and regulations of Central Bank of Russia in the field of AML, established by results of inspection dated 30-07-2020.The penalty has been paid on 15-12-2020.

Bank SBI Indonesia

i. The Otoritas Jasa Keuangan (OJK) (Financial Services Authority of Indonesia) has fined IDR 9,540,000.00 on Bank SBI Indonesia in October 2019 for error in input of data in Financial Information Service System (SLIK) detected by the regulator in an off-site examination. The penalty has been paid on 16-10-2019.
ii. The Otoritas Jasa Keunangan imposed a penalty of IDR 50.000 in August 2019 for errors in reporting LHBU sanction Form 201 International Banking April 2019. The penalty has been paid on 08-08-2019.

iii. The Otoritas Jasa Keunangan imposed a penalty of IDR 200.000 in May 2019 for errors in reporting LBU online correction sanction cost April 2019. The penalty has been paid on 23-05-2019.

iv. The Otoritas Jasa Keuangan (OJK) (Financial Services Authority of Indonesia) has fined IDR 3,162,000.00 in December 2019 for adjustment / correction of Monthly General Bank Report (LBU) and in SLIK based on the OJK inspection. The penalty has been paid on 12-12-2019.

v. The Otoritas Jasa Keuangan (OJK) (Financial Services Authority of Indonesia) fined in August 2020 the Bank SBI Indonesia IDR 7000000 for late reporting of the extension of tenure of an existing Director. The penalty has been paid on 02-09-2020.

vi. OJK has fined of IDR 3,050,000 in October 2020 on account of errors found in regulatory reporting in their annual inspection at the Bank. The penalty has been paid on 12-01-2021.

vii. The Otoritas Jasa Keunangan imposed a penalty of IDR 4.85 million on July 16, 2021 for errors in regulatory reporting. The penalty has been paid on 29-07-2021.

viii. The Otoritas Jasa Keunangan imposed a penalty of IDR 300,000 on August 05, 2021 for errors in published quarterly results. The penalty has been paid on 25.08.2021 .

ix. The Otoritas Jasa Keunangan imposed a penalty of IDR 6.20 million (INR 33000) on December 16, 2021 for errors in regulatory reporting. The penalty has been paid on 22-12-2021.

x. The Otoritas Jasa Keunangan imposed a penalty of IDR 0.10 million (INR 550) on March 2, 2022 for errors in regulatory reporting. The penalty has been paid on March 8, 2022 .

xi. The Otoritas Jasa Keunangan conducted an inspection as on 30.04.2022, during which certain inadequacies in Regulatory Reporting were noted by the regulator and levied a penalty of IDR 153,250,000 in September 2022. The penalty has been paid on September 23, 2022.

SBI (Mauritius)_ Ltd

The Bank of Mauritius imposed a penalty of MUR 200,000.00 (INR 3,48,000.00) for discrepancy in data reported to Mauritius Credit Information Bureau (MCIB). The penalty has been paid on 13-08-2021.

SBI South Africa operations (SBISA)

SBI South Africa operations (SBISA) has received a notice dated 26.07.2022 from Prudential Authority, notifying the regulators' intention to impose Administrative Sanctions on SBISA which include an aggregate financial penalty of ZAR10.25 million (INR 4.84 crore)(out of which ZAR 3.5 mio is suspended until 26.07.2025). the Prudential Authority (PA) in its letter dated 26.07.2022 has stated that SBSA may make representations to the PA, in writing or or before 06.09.2022, citing reasons as to why some or all the above mentioned sanctions should not be imposed.. SBISA submitted its representation on 04.10.2022.

SBI Australia (SBIA)

SBIA noticed on 03.02.2023 that it did not notify *Australian Prudential Regulation Authority* (APRA) about the appointment of M/s. Findex Australia Pty Ltd. in June 2022 as Internal Auditors of SBIA. (As per APRA CPS 231-Outsourcing requirements, all outsourcing agreements entered into are to be notified to the regulator in not later than 20 business days). The apparent breach of APRA CPS 231-Outsourcing requirements came to the notice of SBIA on receipt of an APRA email dated 03.02.2023 seeking information on the existing Internal Auditors and their appointment notification. In response to APRA mail dated 03.02.2023, breach Notification letter, including the causes of breach, details of the underlying SBIA procedures, the assessment of the breach and the letter of notification for appointment of the Internal Audit firm, was submitted by SBIA to APRA on 09.02.2023. APRA was given assurance that SBIA has outlined the appropriate corrective actions to ensure against repetition of the issue.

Noting the breach, APRA, vide letter dated 09.03.2023, confirmed that they have decided not to take further action on the basis that SBIA will thoroughly undertake the remedial actions outlined in its letter of 09.02.2023.

SELF RELIANT INDIA (SRI) FUND

SCHEDULE III: ILLUSTRATION OF EXPENSES

Figures in INR cr															
Particulars	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**FY2030**	**FY2031**	**FY2032**	**FY2033**	**FY2034**	**FY2035**	**FY2036**
Capital commitment:															
Total Capital commitment from Unit Holders	10,005.0														
Total Contribution received from Unit Holders	613.3	1,346.3	1,853.9	2,455.9	3,095.4	362.7	35.5	35.7	35.9	36.0	36.2	36.4	36.6	19.8	5.4
Fees and other expenses															-
Fund registration, set-up and structuring / legal cost (one time)	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management fees (inc. GST*)	7.1	15.6	21.4	28.3	35.7	9.9	-	-	-	-	-	-	-	-	-
Operating fees (inc. GST*)	2.8	8.1	14.9	22.4	29.9	32.4	32.4	32.4	32.4	32.4	32.4	32.4	32.4	15.4	0.8
Fees to advisory board	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees to investment committee	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Other organization expenses	2.3	2.5	2.5	2.6	2.7	2.8	2.9	3.1	3.2	3.4	3.6	3.7	3.9	4.1	4.3
Net amount invested by Fund in Daughter Funds (Capital Deployed)	600.0	1,320.0	1,815.0	2,402.4	3,027.0	317.4	-	-	-	-	-	-	-	-	-
**Management fees and operating fees include GST at 18%*															

SELF RELIANT INDIA (SRI) FUND

Figures in INR cr				
	Capital contribution			
	Class A –GoI	10,000.0	99.95%	
	Class B - NSIC/ Sponsor	5.0	0.05%	
	Total	**10,005.0**	**100.00%**	
	As there is no hurdle rate for investor, there are 3 cases:			
	Case A Fund is at loss	8,004.0	80% of committed capital	
	Case B Fund is at no profit no loss	10,005.0		
	Case C Fund is at profit	12,006.0		
	Capital Commitment Received and Drawn Down			
S.No.	**Particulars (in INR cr)**	**Class A**	**Class B**	**Total**
1	Total Capital commitment from Unit Holders	10,000.0	5.0	10,005.0
2	Total Contribution received from Unit Holders	10,000.0	5.0	10,005.0
3	*Fees and other expenses*			
a	Fund registration, set-up and structuring/ legal cost (one time)	1.0	0.0	1.0
b	Management fees (inc. GST)	118.0	0.1	118.1
c	Operating fees (inc. GST)	353.8	0.2	353.9
d	Fees to advisory board	-	-	-
e	Fees to investment committee	2.6	0.0	2.6
f	Other organization expenses	47.5	0.0	47.6
4	Net amount invested by Fund in Daughter Funds (Capital Deployed)	9,477.1	4.7	9,481.9
	Case A: Fund is at a loss			
S.No.	**Particulars (in INR cr)**	**Class A**	**Class B**	
1.	Total amount available for distribution, post all expenses	8,000.0	4.0	

2.	Allocation of consideration for unit holders as documented in the PPM	8,000.0	4.0	
3.	Towards 100% repayment of capital contribution, if any	8,000.0	4.0	
4.	Balance amount available post repayment of capital contribution, if any	-	-	
5.	Towards hurdle rate on capital invested, if any	Not applicable	Not applicable	
6.	Towards catch-up rate on capital invested, if any	Not applicable	Not applicable	
7.	Balance distribution proceeds in excess of capital contributed, hurdle rate and catch up, if any	-	-	
8.	Allocation of distribution proceeds in excess of capital contributed, hurdle rate, and catch up to unit holders of each class, if any	-	-	
9.	Total distribution made to unit holders of each class	8,000.0	4.0	

	Case B: Fund is at no profit no loss			
S.No.	**Particulars (in INR cr)**	**Class A**	**Class B**	
1.	Total amount available for distribution, post all expenses	10,000.0	5.0	
2.	Allocation of consideration for unit holders as documented in the PPM	10,000.0	5.0	
3.	Towards 100% repayment of capital contribution, if any	10,000.0	5.0	
4.	Balance amount available post repayment of capital contribution, if any	-	-	
5.	Towards hurdle rate on capital invested, if any	Not applicable	Not applicable	
6.	Towards catch-up rate on capital invested, if any	Not applicable	Not applicable	
7.	Balance distribution proceeds in excess of capital contributed, hurdle rate and catch up, if any	-	-	
8.	Allocation of distribution proceeds in excess of capital contributed, hurdle rate, and catch up to unit holders of each class, if any	-	-	
9.	Total distribution made to unit holders of each class	10,000.0	5.0	
	Case C: Fund has earned profits			
S.No.	**Particulars (in INR cr)**	**Class A**	**Class B**	
1.	Total amount available for distribution, post all expenses	12,000.0	6.0	
2.	Allocation of consideration for unit holders as documented in the PPM	12,000.0	6.0	
3.	Towards 100% repayment of capital contribution, if any	10,000.0	5.0	
4.	Balance amount available post repayment of capital contribution, if any	2,000.0	1.0	
5.	Towards hurdle rate on capital invested, if any	Not applicable	Not applicable	
6.	Towards catch-up rate on capital invested, if any	Not applicable	Not applicable	
7.	Balance distribution proceeds in excess of capital contributed, hurdle rate and catch up, if any	2,000.0	1.0	
8.	Allocation of distribution proceeds in excess of capital contributed, hurdle rate, and catch up to unit holders of each class, if any	2,000.0	1.0	
9.	Total distribution made to unit holders of each class	12,000.0	6.0	

The above schedule is only illustrative of the expected expenses and distribution, it shall be subject to individual agreements amongst the stakeholders and operations of the Fund.

ANNEXURE I

Annexure I-A
INVESTOR CHARTER FOR ALTERNATIVE INVESTMENT FUNDS

A. Vision and Mission Statement:

Vision

To develop the Alternative Investment Fund ("**AIF**") industry on professional and ethical lines and maintain high standards of governance and transparency.

Mission

- Maintain high professional and ethical standards within the AIF industry.
- Comply with all applicable regulations and co-operate with the regulators in all aspects of the AIF activity.
- Act in a fiduciary capacity towards the investors.

B. Details of business transacted by the organization with respect to the investors:

- To raise capital from domestic and offshore investors.
- To invest in portfolio entities in accordance with investment strategy stated in Fund documents, with an objective to generate positive returns for the stakeholders including investors.
- To distribute returns to the investors as per the fund documents.

C. Details of services provided to investors:

1. On-boarding of investors.

1.1. Sharing of Private Placement Memorandum ("**PPM**").

1.2. Account opening with the AIF:

- Completing KYC of investors and registration of KYC with KYC Registration Agencies ("**KRA**").
- Sharing of copies of fund documents with investors.
- Entering into contribution agreement with investor.

2. Obtaining investor consent for material changes to fund structure

2.1. Change in the sponsor or the manager of the AIF.

2.2. Change in control of the sponsor or the manager of the AIF.

2.3. Material changes to terms of PPM:

- Term of Fund.
- Investment Strategy.
- Increase in fees and charges.

2.4. Winding up of Fund/ Scheme prior to expiry of tenure.

3. Dissemination of financial information of Fund.

3.1. Net Asset Value of Fund.

3.2. Financial information of Investee Entities.

3.3. Information on performance of Fund.

4. **Disclosures with respect to material risks associated with the fund and its portfolio investments.**
   4.1. Any inquiries/ legal actions by legal or regulatory bodies in any jurisdiction. - Please refer "**SECTION XIV- DISCIPLINARY HISTORY**".
   4.2. Any material liability arising during the tenure of the fund - Please refer "**SECTION XIV- DISCIPLINARY HISTORY**".
   4.3. Any breach of a provision of the PPM or any other agreement made with the investor or any other fund documents - There is no breach of a provision of the PPM of the Fund.
   4.4. Intimation regarding any conflict of interest – Please refer "**SECTION IX: CONFLICTS OF INTEREST**".
   4.5. Risks associated with the portfolio, such as concentration risk, foreign exchange risk, leverage risk, realization risk, strategy risk, reputation risk, extra-financial risks such as social and corporate governance risks etc. at fund and investee company/portfolio entity level - Please refer "**SECTION IX: CONFLICTS OF INTEREST**".

5. **Intimation of any non-material changes in the operations of the fund:**
   5.1. Non-material changes such as
   - Bank account details
   - Address of AIF or its Manager or Sponsor – Please refer to "**SECTION I: EXECUTIVE SUMMARY"** of this Memorandum for details.
   - Contact details such as email-id, contact number, etc. of AIF or its Manager or Sponsor - Please refer to the **DISCLAIMER** of this Memorandum for details of the Manager.

6. **Grievance redressal**
   Redressal of investor complaints received directly from investors and/ or from SEBI / SCORES – NIL. Please refer to Annexure I-B for complaints data.

D. Timelines of the activity/services provided to investors:

Sr. No.	Description of activity/services provided by Alternative Investment Funds (AIFs) to its investors	Timeline for completion of activity
1.	**Valuation related disclosures:**	
a.	Valuation of investment by Category I and II Alternative Investment Fund	At least once every six months. Can be extended to once a year with approval of 75% of its investors by value of investment.
2.	**Transparency related disclosures:**	
a.	Disclosure of financial information of investee companies/portfolio entities	Category I and II AIFs - within 180 days from the end of the quarter end or earlier as per the fund documents.
b.	Disclosure of Material risks: concentration risk, foreign exchange risk at fund level and leverage risk, realization risk, strategy risk, reputation risk at investee company/portfolio entity level, extra-financial risks such as social and	

	corporate governance risks etc. at fund and investee company/portfolio entity level	
C.	Financial, risk management, operational, portfolio, and transactional information regarding fund investments	To be disclosed periodically to the investors
d.	Any fees ascribed to the Manager or Sponsor; and any fees charged to the Alternative Investment Fund or any investee company/portfolio entity	
e.	Any inquiries/ legal actions by legal or regulatory bodies in any jurisdiction	As and when occurred
f.	Any material liability arising during the Alternative Investment Fund's tenure	
g.	Any breach of a provision of the placement memorandum or agreement made with the investor or any other fund documents	
h.	Intimation regarding conflict of interest in any transaction	As and when they arise or seem likely to arise
i.	Any change in terms of Private Placement Memorandum /fund documents	On consolidated basis within one month of end of each financial year
3.	**Complaint handling related services:**	
a.	Response to complaint received from investors	Within 30 days from the date of receipt of complaint
b.	Redressal of investor complaint received from SEBI/ SCORES	Within 30 days from the date of receipt of complaint

E. Details of grievance redressal mechanism and how to access it.

1. Alternative Investment Funds are required to redress all investor complaints in timely manner.

2. An Alternative Investment Fund, by itself or through the Manager or Sponsor, are required to lay down procedure for resolution of disputes between the investors and AIF or Manager or Sponsor through arbitration or any such mechanism as mutually decided between the investors and the Alternative Investment Fund.

3. Investors can also approach SEBI for redressal of their complaints through SEBI SCORES platform. On receipt of complaints, SEBI takes up the matter with the concerned AIF.

4. Investors may send their complaints to: Office of Investor Assistance and Education, Securities

and Exchange Board of India, SEBI Bhavan. Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

F. Responsibilities of investors

1. Responsibility to inform and educate yourself

1.1. Read thoroughly all fund documents including Private Placement Memorandum, Contribution Agreement, sales literature, newsletters and understand the product.

1.2. Carefully consider all investment risks, fees, and/or other factors detailed in these documents.

1.3. Ensure and make certain that the proposed investment in the Fund meets your investment objective and is in alignment with your risk appetite.

1.4. Review your portfolio holdings, account statements and transaction confirmation on regular basis to ensure that you aware of all transactions and securities where you are invested.

2. Responsibility to timely update your KYC and information with the Intermediary

2.1. Provide complete and accurate information in your KYC documents, including financial/ income status.

2.2. Timely updation of KYC information.

3. Responsibility to abide by the contribution agreement.

3.1. The investor needs to read carefully and understand the agreement that he/she is entering into with the Alternative Investment Fund and abide by the terms thereof.

3.2. The investor should be aware that investment terms are not guarantee of future performance or returns of the Fund/ Scheme.

4. Responsibility to use right financial intermediaries, consultants and advisors.

4.1. Carefully consider validity and reliability of investment information obtained from all sources, especially unsolicited information obtained over the Internet.

5. Responsibility to maintain confidentiality of information.

5.1. Investors shall not disclose any material non-public information that is received by virtue of being investors of the fund, except as may be guided by the terms of the fund documents.

SELF RELIANT INDIA (SRI) FUND

Annexure- I - B
COMPLAINTS DATA TO BE DISPLAYED BY AIFS FOR EACH SCHEME

A. Investor complaints data for the quarter ending March 2024

S.No.	Investor Complaints received from	Pendingas at the end of the last quarter	Received	Resolved	Total Pendingat the end of the quarter	Pending complaints > 3 months	Average Resolution time ^ (in days)
1.	Directly from Investors	-	-	-	-	-	-
2.	SEBI (SCORES)	-	-	-	-	-	-
3.	Other Sources (if any)	-	-	-	-	-	-
	Total	-	-	-	-	-	-

^ Average Resolution time is the sum total of time taken to resolve each complaint in days in the currentquarter divided by total number of complaints resolved in the current quarter.

B. Investor complaints data for last three Financial Years (FY)

S.No	FY	Carried forward from previous FY-	Received	Resolved	Pending at the end of FY
1.	2021-22	-	-	-	-
2.	2022-23	-	-	-	-
3.	2023-24	-	-	-	-
	Total	-	-	-	-

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NSE Indices

Annexure A

SELF-RELIANT INDIA FUND

AIF Performance Report



September 2023

This report pertains to the period ended September 30, 2023
This report has been prepared relying on the data reported to us by the fund without due diligence of the accuracy and validity of the data being submitted to us.
This report has been provided for the sole purpose of comparing the fund's performance with Nifty AIF Benchmarks for reporting to existing investors.

SRI FUND*

FUND OF FUNDS (FOF), VINTAGE: 2022

IRR and Investment Multiples – Pooled and Equal Weighted (INR)

Metric	Scheme Performance	Fund of Funds			Fund of Funds Vintage: 2022		
		No. of Schemes	Pooled	Equal Weighted	No. of Schemes	Pooled	Equal Weighted
IRR	8.42%	14	25.27%	17.88%	5	15.00%	14.39%
DPI	0.00		0.30	0.58		0.04	0.08
RVPI	1.06		1.71	1.79		1.10	1.17
TVPI	1.06		2.00	2.37		1.14	1.25

Source: NSE Indices. Data as of Sep 30, 2023. Returns and multiples are calculated on a post-expenses, pre-carry, and pre-tax basis.
Please refer the annexure for definitions, Definitions of metrics used, and the number of schemes excluded from the calculation of benchmark metrics for the period ended Sep 30, 2023.
Abbreviations used: IRR: Internal Rate of Return, DPI: Distribution to Paid in Capital, RVPI: Residual Value to Paid in Capital, TVPI: Total Value to Paid in Capital.

The table above compares the IRR, DPI, RVPI and TVPI of SRI Fund with pooled and equal-weighted metrics of the following Nifty AIF indices:

- Fund of Funds: consisting of 14 Category I and II schemes which are “Fund of Funds”
- Fund of Funds 2022: consisting of 5 Category I and II schemes which are “Fund of Funds” having Vintage 2022

In INR terms, SRI Fund has generated an IRR of 8.42%, while both indices have achieved pooled IRRs of 25.27%, and 15.00% respectively.

*The fund has revised data for SRI Fund after publication of Nifty AIF Benchmark Report for the period ended September 30, 2023. Metrics for this scheme in this report are calculated using revised data submitted by the fund. However, Nifty AIF Fund of Funds Benchmark metrics are the published numbers which were calculated using the fund’s previously submitted data.

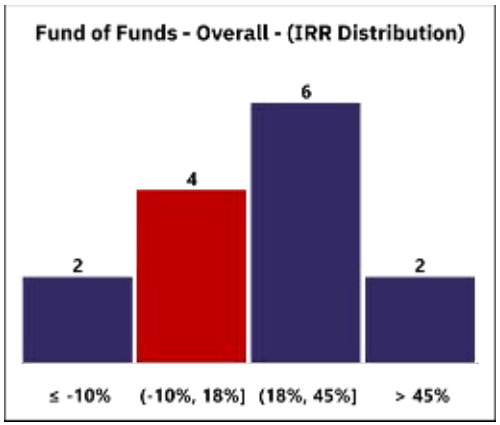
Quartile Analysis (INR)

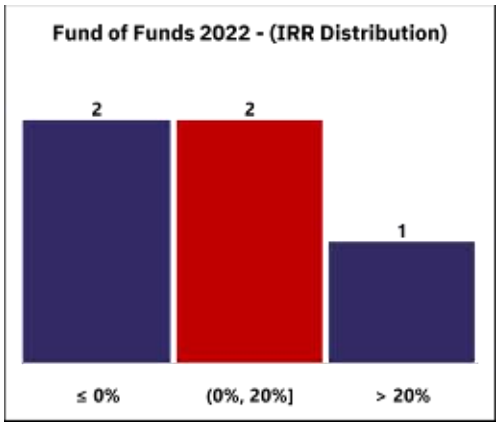
Metric	Scheme Performance	Fund of Funds					Fund of Funds Vintage: 2022				
		No. of Schemes	Q1	Median	Q3	Position	No. of Schemes	Q1	Median	Q3	Position
IRR	8.42%	14	25.32%	20.02%	2.44%	Third Quartile	5	13.44%	0.15%	-3.02%	Second Quartile
TVPI	1.06		2.27	1.84	1.03	Third Quartile		1.12	1.00	0.98	Second Quartile

Source: NSE Indices. Data as of Sep 30, 2023. Returns are calculated on a post-expense, pre-carry, and pre-tax basis.
1st and 3rd Quartiles are the return and multiple thresholds for the top 25% and bottom 25% schemes respectively, based on individual scheme IRRs and TVPIs. Please refer the annexure for Definitions, definitions of metrics used, and the number of schemes excluded from the calculation of benchmark metrics for the period ended Sep 30, 2023.
Abbreviations used: IRR: Internal Rate of Return, TVPI: Total Value to Paid in Capital.

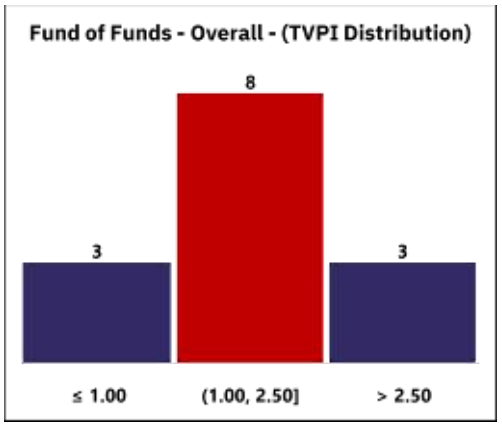
The table above shows SRI Fund's IRR and TVPI compared to the distribution of IRRs and TVPIs of relevant Fund of Funds indices, in INR terms. For instance, there are 14 Category I and II schemes which are fund of funds. SRI Fund has an IRR of 8.42% and TVPI of 1.06 putting it in the Third Quartile of all Category I and II schemes which are fund of funds for both metrics. Further, there are 5 Category I and II schemes which are fund of funds and have the same vintage as SRI Fund. When compared to those 5 schemes, an IRR of 8.42% and TVPI of 1.06 puts SRI Fund in the Second Quartile for both metrics.

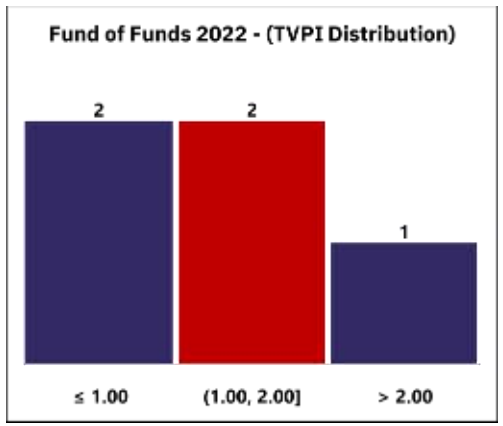
IRR Distribution (INR)





TVPI Distribution (INR)





Red bars indicate the positioning of SRI Fund
Source: NSE Indices. Data as of Sep 30, 2023. Returns and multiples are calculated on a post-expenses, pre-carry, and pre-tax basis. Please refer the annexure for details regarding scheme eligibility criteria and the number of schemes excluded from the calculation of benchmark metrics for the period ended Sep 30, 2023. Abbreviations used: IRR: Internal Rate of Return, TVPI: Total Value to Paid in Capital.

NSE Indices

Annexure

Definitions and Calculation Methodologies

NSE Indices strives to be in alignment with the best practices in the industry and maintain consistency and transparency in the methodology and definitions used. Below are the definitions of metrics used in this report.

Definitions relevant to Category I and II:

Vintage Year

Benchmarks for Categories I and II are calculated based on their vintage years. Vintage year is defined as the financial year in which the scheme had its first close i.e., the vintage year of a scheme will be FY14 if it had its first close anywhere between Apr 01, 2013, and Mar 31, 2014.

Pooled Internal Rate of Return (IRR)

Pooled IRR denotes the IRR calculated at an aggregate level by pooling all the cash flows that have occurred within all the schemes belonging to a particular category - vintage year combination. The cash flows are considered according to the date on which they have occurred and the valuation as of Sep 30, 2023, is considered as the terminal value for calculation.

Equal – Weighted IRR

This is equivalent to a simple average of the individual schemes' IRRs. The result is that each scheme in these calculations has an equal impact on the output, regardless of the scheme size.

Multiples and Realization ratios

Three types of ratios are considered for calculation of benchmarks, viz distributions to paid-in capital (DPI), residual value to paid-in capital (RVPI) and total value to paid-in capital (TVPI). All the three ratios are calculated for each applicable vintage year.

Distribution to paid – in capital multiple (DPI)

DPI is calculated by dividing the total distributions made to investors, by the total paid-in capital by the investors. DPI is also known as the realization multiple.

Residual Value to paid-in capital multiple (RVPI)

RVPI is calculated by dividing the residual value of all the investments remaining in the scheme post distributions, by the total paid-in capital. The residual value refers to the valuation of the scheme as of the date for which the benchmarks have been calculated.

Total Value to paid-in capital multiple (TVPI)

TVPI is calculated by dividing the sum of total distributions and residual value, by the total paid-in capital. It is also known as the investment multiple. It is the sum of DPI and RVPI.

Pooled Multiples

These ratios are calculated by aggregating (summing) the cashflows of all schemes of a vintage year into a single series of cashflows.

Equal-Weighted Multiples

These ratios are calculated as the simple average of the multiples of constituent schemes of each vintage year.

Quartile Analysis

Summary statistics of the distribution of IRRs and TVPIs by vintage year are calculated. Top quartile, median and bottom quartile IRR and TVPI levels are reported. Top and bottom quartiles are the calculated IRR/TVPI levels for the top 25% and bottom 25% schemes, respectively based on the individual scheme IRRs/TVPIs in each vintage year. Quartile numbers in the report are calculated basing calculations on a percentile range of 0 to 1, inclusive of lower bounds.

Kaplan-Schoar Public Market Equivalent (KS-PME)

The Kaplan-Schoar PME represents the market-adjusted equivalent to the traditional TVPI. It incorporates the performance contribution of a public market index by compounding each scheme cash flow – both capital calls and distributions – based on the public market index performance between the date of the cash flow and the valuation date. The KS-PME is calculated by adding the scheme's final NAV to the distributions compounded at the public market index return and dividing this sum by the sum of capital calls compounded at the public market index return. The KS-PME produces a multiple that represents the out/underperformance of the scheme relative to the public market index. If the KS-PME is greater than 1, the scheme outperformed the public market index and vice versa.

The formula for KS-PME is given as: $$KS - PME = \frac{\sum FV(D) + NAV}{\sum FV(C)}$$

Where FV(D) and FV(C) are the future value (at the final calculation date) of distributions and capital calls respectively, compounded at the public market index CAGR, and NAV is the valuation of the fund/scheme as on the final calculation date.

Sub-Category Definitions

For classification of schemes into various sub-categories, actual asset allocation has been considered. For schemes that are active as on September 30, 2023, portfolio composition as on September 30, 2023, has been considered. For schemes that have matured, their last available portfolio compositions have been considered.

Category I & II sub-classification criteria

For Category I Schemes:
Category I Schemes are classified purely based on their nature of registration with Securities and Exchange Board of India (SEBI).

For Category II schemes:
Real Estate – Equity Oriented Fund: Schemes that have at least 90% exposure to real estate sector and at least 65% exposure to real estate equity.
Real Estate – Non-Equity Oriented & Others Fund: Schemes that have at least 90% exposure to real estate sector and less than 65% exposure to real estate equity. Also included in this category are those schemes that have at least 90% exposure to real estate sector but have not specified the nature of real estate investments – whether equity or debt.
Real Estate – Non-Equity Oriented & Others Fund – Residential Only: Schemes that are classified as Real Estate – Non-Equity Oriented & Others above and have at least 65% exposure to Residential real estate.
Distressed Asset Fund: Schemes that have at least 65% exposure to distressed asset.
Debt Fund: Schemes that are not classified as Real Estate above and have at least 65% exposure to debt.
Unlisted Equity Fund: Schemes that are not classified as Real Estate above and have at least 90% exposure to unlisted equity.
Listed + Unlisted Equity Fund: Schemes that are not classified as Real Estate and Unlisted Equity above and have at least 65% exposure to equity (listed + unlisted).
Fund of Funds: 'Fund of Funds' (FOF) is an investment strategy of holding a portfolio of other investment funds rather than investing directly in stocks, bonds, or other securities. An FOF Scheme of a primarily invests in the units of another AIF scheme.
Note:

In addition to the above-mentioned criteria, scheme's historical portfolio allocation, investment strategy and self-classification have also been considered for subcategorization.

Eligibility Criteria

All AIFs registered with SEBI under the SEBI (Alternative Investment Funds) Regulations, 2012, are considered for the calculation of benchmarks, provided they fulfil the following criteria:

- Completion of one year from the first close of the scheme as on the date for which the benchmarks are calculated. For e.g., the AIF benchmark calculated for the period ending Sep 30, 2023, will have schemes that had their first close on or before Sep 30, 2022
- Valid data is provided to NSE Indices Ltd. in the specified format and by the stipulated deadline.

The following are **excluded** from calculation of benchmarks:

- Any scheme that has not completed one year since its first close as on the date for which the benchmarks are calculated, i.e., Sep 30, 2023
- Angel Funds registered under Category I-AIF
- Any scheme that has not provided complete or valid data or that has not provided data in the required format.
- Schemes having vintage of 2012 or earlier.

22 schemes were excluded from the calculation of Category I and Category II benchmark metrics as on Sep 30, 2023, due to the following reasons:

- Submission of incomplete/ inconsistent data
- Manual exclusions when data was provided/ revised after stipulated deadline or cases of extreme IRRs for which confirmations were not received from respective AIFs within stipulated time.

Contact Details

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About NSE Indices Limited:

NSE Indices Limited (formerly known as India Index Services & Products Ltd. - IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. The company focuses on the index as a core product. The company owns and manages a portfolio of indices under the Nifty brand of NSE, including the flagship index, the Nifty 50. Nifty equity indices comprises of broad-based benchmark indices, sectoral indices, strategy indices, thematic indices, and customised indices. NSE Indices Limited also maintains fixed income indices based on Government of India securities, corporate bonds, money market instruments and hybrid indices. Many investment products based on Nifty indices have been developed within India and abroad. These include index-based derivatives traded on NSE and NSE International Exchange IFSC Limited (NSE IX) and a number of index funds and exchange traded funds. The flagship Nifty 50' index is widely tracked and traded as the benchmark for Indian Capital Markets.
For more information, please visit: www.niftyindices.com

Disclaimer

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Contact

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SBICAP Ventures Limited
Balance sheet as at 31st March 2024

(Rs in lakhs)

Particulars	Note	As at 31st March 2024	As at 31st March 2023
ASSETS			
Financial Assets			
Cash and cash equivalents	2(a)	1,793	31
Bank balance other than above	2(b)	643	2,847
Receivables			
Trade receivables	3	420	4,753
Other receivable	3	218	108
Investments	4	24,756	16,180
Other financial assets	7	23	81
Total Financial Assets		**27,853**	**24,000**
Non-financial Assets			
Property, plant and equipment	5	131	173
Right-of-use assets	5	900	235
Intangible assets	6	34	30
Current tax assets (net)	8	-	26
Other non-financial assets	9	84	49
Total Non - Financial Assets		**1,149**	**513**
TOTAL ASSETS		**29,002**	**24,513**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	10(a)	8	5
Total outstanding dues of creditors other than micro enterprises and small enterprises	10(b)	32	24
Lease liabilities	11	926	249
Total Financial Liabilities		**966**	**278**
Non-Financial Liabilities			
Current tax liabilities (net)	8	30	-
Provisions	12	1,618	1,320
Deferred tax liabilities (net)	13	682	711
Other non-financial liabilities	14	58	849
Total Non-Financial Liabilities		**2,388**	**2,880**
EQUITY			
Equity share capital	15	6,038	6,038
Other equity	16	19,610	15,317
Total Equity		**25,648**	**21,355**
TOTAL LIABILITIES AND EQUITY		**29,002**	**24,513**
Significant accounting policies	1		

The accompanying notes are an integral part of these financial statements

As per our attached report of even date

For K P M R & Co
Chartered Accountants
(FRN : 104487W)

Pravesh Dangaich
Date : 22nd April 2024
Membership No. 154813

Place : Mumbai
Date : 22nd April 2024

For and on behalf of the Board
SBICAP Ventures Limited

Suresh Kozhikode
MD & CEO
DIN: 08183787

S V Sastry
Director
DIN: 07972562

Pawan Baheti
Chief Financial Officer

Ankita Shrivastav
Company Secretary

K P M R & CO. FRN : 104487W 203-A, Centre Point Bldg., 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400 012. CHARTERED ACCOUNTANTS

SBICAP VENTURES LIMITED

SBICAP Ventures Limited

Statement of Profit and Loss for the year ended 31st March, 2024

(Rs in lakhs)

Particulars	Note	For the period ended 31st March 2024	For the year ended 31st March 2023
Revenue from operations			
Fees and commission income	17	11,895	12,404
Net gain on fair value changes	18	645	1,566
Total revenue from operations		**12,540**	**13,970**
Other income	19	173	201
Total income		**12,713**	**14,171**
Expenses			
Finance costs	20	33	26
Employee benefits expense	21	4,744	4,219
Depreciation, Amortisation and Impairment	22	504	503
Other expenses	23	1,201	1,085
Total expenses		**6,482**	**5,833**
Profit before tax		**6,232**	**8,338**
Tax expense:			
- Current tax	24	1,944	1,900
- Deferred tax	24	(29)	255
Total tax expense		**1,915**	**2,155**
Profit after tax		**4,317**	**6,183**
Other comprehensive income			
Actuarial losses on defined benefit plan		(24)	(17)
Other comprehensive income for the year (net of tax)		**(24)**	**(17)**
Total comprehensive income for the year (net of tax)		**4,293**	**6,166**
Earnings per equity share (face value of Rs 10 each)	25		
- Basic		7.15	10.21
- Diluted		7.15	10.21

The accompanying notes are an integral part of these financial statements

As per our attached report of even date

For K P M R & Co
Chartered Accountants
(FRN : 104497W)

Pravesh Dangaich
Date : 22nd April 2024
Membership No. 154813

Place : Mumbai
Date : 22nd April 2024

For and on behalf of the Board
SBICAP Ventures Limited

Suresh Kozhikote
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DIN: 07972562

Pawan Baheti
Chief Financial Officer

Ankita Shrivastav
Company Secretary

SBICAP Ventures Limited
Cash flow statement for the year ended 31st March 2024

(Rs in lakhs)

Particulars	31st March 2024	31st March 2023
A. Cash flow from operating activities		
Net profit before taxation	6,232	8,338
Adjustment for :		
Depreciation	504	503
Interest on lease liability	33	26
Capital gain on sale of mutual fund units	(411)	(64)
Capital gain on sale of units of AIF	-	(117)
Changes in fair value of financial assets through FVTPL	(234)	(1,385)
Interest income	(115)	(189)
Operating profit before working capital changes	**6,009**	**7,112**
Adjustments for changes in working capital		
(Increase) / decrease in financial assets	58	35
(Increase) / decrease in non financial assets	(35)	(17)
(Increase) / decrease in trade receivables	4,333	(4,704)
(Increase) / decrease in other receivables	(110)	(7)
(Increase) / decrease in other accounts held with bank	(24)	33
Increase / (decrease) in other non financial liabilities	(517)	1,012
Increase / (decrease) in financial liabilities	11	26
Cash generated from operations before tax	9,725	3,490
Direct taxes paid	(1,888)	(1,932)
Net cash generated from operating activities	**7,837**	**1,558**
B. Cash flow from investing activities		
Investment in units of AIF	**(1,464)**	(1,948)
(Increase) / decrease in mutual fund units	**(6,878)**	(642)
(Increase) / decrease in equity instruments	-	3
Maturity / (investment) in fixed deposits	2,228	1,110
Interest income	115	189
Capital gain on sale of mutual fund units	411	64
Capital gain on sale of units of AIF	-	117
Sale of property, plant and equipment	2	4
Purchase of property, plant and equipment	(1,133)	(130)
Net cash used in investing activities	**(6,719)**	**(1,233)**
C. Cash flow from financing activities		
Repayment of lease liabilities	644	(330)
Net cash used in financing activities	**644**	**(330)**
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	1,762	(5)
Cash and cash equivalents at the beginning of the year	31	36
Cash and cash equivalents at the end of the year	**1,793**	**31**
Notes:		
1) **Cash and cash equivalents include:**		
Cash on hand	-	0
Balances with banks in current accounts	1,793	31
	1793	**31**

The cash flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The accompanying notes are an integral part of these financial statements

As per our attached report of even date

For K P M R & Co
Chartered Accountants
(FRN : 104497W)

Pravesh Dangaich
Date : 22nd April 2024
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For and on behalf of the Board
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Director
DIN: 07972562

Ankita Shrivastav
Company Secretary

SBICAP Ventures Limited
STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Rs in lakhs)

Particulars	No of shares (Nos.)	Amount
Balance as at 01st April 2022	6,03,77,917	6,038
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	6,03,77,917	6,038
Changes in equity share capital during the current year	-	-
Balance as at 31st March 2023	6,03,77,917	6,038
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	6,03,77,917	6,038
Changes in equity share capital during the current year	-	-
Balance as at 31st March 2024	6,03,77,917	6,038

B. Other Equity

(Rs in lakhs)

Particulars	Reserves and surplus		Other items of other comprehensive income	Total
	Capital reserve	Retained earnings		
Balance as at 01st April 2022	94	9,085	(28)	9,151
Transfer to retained earnings	-	6,183	-	6,183
Actuarial losses on defined benefit plan	-	-	(17)	(17)
Balance as at 31st March 2023	**94**	**15,268**	**(45)**	**15,317**
Balance as at 01st April 2023	**94**	**15,268**	**(45)**	**15,317**
Transfer to retained earnings	-	4,317	-	4,317
Actuarial losses on defined benefit plan	-	-	(24)	(24)
Balance as at 31st March 2024	**94**	**19,585**	**(69)**	**19,610**

The accompanying notes are an integral part of these financial statements

As per our attached report of even date

For K P M R & Co
Chartered Accountants
(FRN : 104497W)

Pravesh Dangaich
Date : 22nd April 2024
Membership No. 154813

Place : Mumbai
Date : 22nd April 2024

For and on behalf of the Board
SBICAP Ventures Limited

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Company Secretary

SBICAP VENTURES LIMITED

Notes to financial statements for the year ended March 31, 2024

Company Overview

SBICAP Ventures Limited (hereinafter referred to as ''the Company'') is a unlisted public limited company domiciled in India and incorporated under the provisions of the Companies Act, applicable in India. The registered office address of the Company is located at 12th floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel (East) Mumbai - 400 013, India.

The Company is providing services of fund manager to Neev fund, SVL SME Fund, SWAMIH Investment Fund I, Self-Reliant India Fund, UK India Development Corporation Fund and Trilateral Development Cooperation Fund.

The Company is a wholly owned subsidiary of State Bank of India.

1. Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These accounting policies have been consistently applied to all the years presented by the Company unless otherwise stated.

A. Basis of Preparation and Recent Accounting Developments

i. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (hereinafter referred to as "Ind AS") under the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended. The Company is covered under the definition of NBFCs as per MCA notification dated 30th March 2016. Therefore, the financial statements have been prepared as per format prescribed by MCA for Non-Banking Financial Companies.

ii. Basis of measurement

The financial statements have been prepared on historical cost basis except the following:

- certain financial instruments that are measured at fair value;
- defined benefit plans- plan assets measured at fair value.

B. Summary of material accounting policies

a. Foreign Currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency. The amounts have been rounded off to nearest lakhs as per the requirement of schedule III unless otherwise stated.

Transaction and balances

Transactions in foreign currencies are initially recorded by the Company in their functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period.

Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in profit or loss except

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SBICAP VENTURES LIMITED

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks;

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

b. Revenue recognition

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115 to determine when to recognize revenue and at what amount. The Company applies for the five - step approach for recognition of revenue:-

- Identification of contract(s) with customer
- Identification of separate performance obligation in the contract
- Determination of transaction price
- Allocation of transaction price to the separate performance obligation, and
- Recognition of revenue when (or as) each performance obligation is satisfied

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, cash discount and amounts collected on behalf of third parties.

Fee based Income

Management Fees are accrued and recognized based on respective agreements entered into with each fund.

Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

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

Dividend Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

CHARTERED ACCOUNTANTS
SBICAP VENTURES LIMITED

c. Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replaced part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.
Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the depreciation method mentioned in table below. Management believes based on a technical evaluation that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Useful lives estimated by the management (years)	Depreciation Method
Computers and mobiles	3	SLM
Office Equipment (other than mobile phones)	5	SLM
Electrical fittings	10	SLM
Furniture & Fixtures	10	SLM
Plant & Machinery	15	SLM
Plant & Machinery (Electric fittings)	8	SLM

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

Improvements to the leasehold premises are amortised over the primary lease period subject to a maximum period of Three years.

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SBICAP VENTURES LIMITED

Capital work in progress

Projects under which property plant and equipment are not ready for their intended use are carried at cost less accumulated impairment losses, comprising direct cost, inclusive of taxes, duties, freight, and other incidental expenses.

Intangible assets

a. Recognition and measurement

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

Initial cost of software implementation is capitalised and any subsequent maintenance cost or enhancement cost are expensed out to statement of profit and loss unless it meets recognition criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortisation expense is recognised on a straight-line basis over their estimated useful lives in the statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

b. Useful lives of intangible assets

Estimated useful lives of the intangible assets adopted by management are as follows:

Description of assets	Useful lives (In years)	Method of depreciation / amortization
Computer software	3 years	SLM

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2017 measured as per the Previous GAAP as the deemed cost of the property, plant and equipment.

d. Taxation

Current taxes

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally

CHARTERED ACCOUNTANTS

SBICAP VENTURES LIMITED

recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside the profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity)

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

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

e. Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.





f. Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets that have an indefinite useful life and which are not subject to amortization are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

g. 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.

Financial Assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss. Investments are recognised on the transaction date, which is the date on which the Company enters into the transaction.

b) Subsequent measurement

Financial; Assets at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

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Financial Assets at Fair Value through Other Comprehensive Income (OCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income and impairment gains or losses in the statement of profit and loss. On derecognition of the asset, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income is classified as fair value through profit or loss. Debt instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Dividends from such investments are recognized in profit or loss as other income. There is no recycling of the amounts from OCI to Profit and Loss, even on sale/derecognition of equity instrument. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in subsidiaries, associates and joint ventures is carried at previous GAAP carrying cost in the financial statements.

Investment in Alternative Investment Funds (AIFs)

All investments in AIFs are measured at fair value. The valuation shall be done at the Net Asset Value (NAV) as disclosed by the AIF. Any proceeds realized from the exit of an investment in AIF shall be recognized as per the Distribution Waterfall mechanism as defined in the Private Placement Memorandum (PPM) of the respective Fund.

c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company balance sheet) when:

The rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d) Impairment of financial assets

The Company recognizes impairment loss by applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

For trade receivables or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

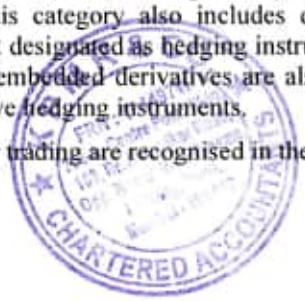
b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.





Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortisation is included as finance costs in the statement of profit and loss.

c) Derecognition

A financial liability is derecognised 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 recognised in the statement of profit or loss.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h. Leases

Company as a Lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee

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in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

In accordance with the standard, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. Lease payments for short term leases and leases for which the underlying asset is of low value are recognized as an expense on a straight- line basis over the lease term in the statement of profit or loss.

Company as a Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

i. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

j. 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. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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k. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

l. Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a 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.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

m. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events wshose 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Capital commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/ development of assets and other commitment represent the amounts pertaining to investments which have been committed but not called for.

n. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income-tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.





o. Cash and Cash Equivalents

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

p. Employee Benefits

Defined Contribution Plan:

i. Provident Fund

The Company has defined contribution plans for post-employment benefits in the form of Provident fund. Under the Provident Fund plan, the company contributes to Government administered Provident Fund on behalf of employees. The Company has no further obligation beyond making the contribution.
The Company's contribution to Government Provident Fund is charged to the Statement of Profit and Loss.

ii. National Pension Scheme/Scheme (NPS)

NPS is a defined contribution scheme. In case employee opts for NPS, the Company contributes a sum not exceeding 10% of basic salary plus dearness pay of the eligible employees' salary to the NPS. The Company recognizes such contribution as an expense as and when incurred.

Other Long-term employee benefit obligation: Compensated absences

The company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation carried out as at the end of each financial year.

- **Post- employment obligations**

The Company operates the following post-employment schemes:

I. Defined benefit plans -Gratuity

Defined benefit plan - Gratuity Obligations

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972.

The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Company.

As required by the Ind AS19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method.

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Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations. The Company recognizes these items of remeasurements immediately in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

1.1 Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the financial statements are as follows:

- **Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Actuarial valuation is made on yearly basis.

- **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1.2 Standards Issued/Amended but not Effective.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any amendments to the Companies (Indian Accounting Standards) Amendment Rules, 2023.





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Notes to financial statements for the year ended 31st March, 2024

(Rs in Lakhs)

	As at 31st March 2024	As at 31st March 2023
Note 2-Cash and Cash equivalents and Other Bank Balances		
(a) Cash and Cash equivalents		
Balances with banks		
- In current accounts	1,793	31
- In Fixed Deposits (Maturity less than 3 months)	-	-
Cash on hand	-	0
	1,793	31
(b) Bank balance other than (a) above		
Deposits -maturity more than 3 months	579	2,807
Balances with bank in current accounts*	64	40
	643	2,847
Total	**2,436**	**2,878**
* includes a balance of Rs. 64 lakhs to be utilised towards SIDBI technical assistance		
Of above bank deposits, Rs 500 lakhs (PY: Rs 500 lakhs) are placed as security against bank guarantee		
Note 3-Receivables		
Trade Receivables	420	4,753
Receivable from related parties	-	-
Less : Allowance for doubtful debts	-	-
	420	**4,753**
Break up of security details		
Secured, considered good	-	-
Unsecured, considered good	420	4,753
Doubtful	-	-
	420	**4,753**
Less : Allowance for doubtful debts	-	-
Total	**420**	**4,753**
Other Receivables	218	108
Total Other Receivables	**218**	**108**
Note 4-Investments		
(i)		
(a) Investment in Equity instruments		
Quoted		
Unquoted (At FVTPL)	6	3
Total	**6**	**3**
(b) Investments in Mutual funds		
- Quoted (At FVTPL)	9,377	2,357
- Unquoted	-	-
Total	**9,377**	**2,357**
(c) Other non-current investments(AIF and Trusts)		
- Quoted	-	-
- Unquoted (At FVTPL)	15,373	13,820
Total	15,373	**13,820**
Total	**24,756**	**16,180**
The Company has valued its investments at FVTPL.None of its investment are valued at amortised cost or FVTOCI.		
(ii)		
(a) Investment outside India	-	-
(b) Investment in India	24,756	16,180
Total	**24,756**	**16,180**
(iii)		
Less - Allowance for impairment loss	-	-
Total Net (i) - (iii)	**24,756**	**16,180**

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Notes to financial statements for the year ended 31st March, 2024

Note 5 - Property, plant and equipment

(Rs in Lakhs)

Particulars	Computers	Office Equipments *	Furniture and Fixtures	Leasehold Renovation	Right of Use Assets	Total
A. Gross carrying amount						
Opening Balance as at April 1, 2022	**90**	**53**	**15**	**267**	**975**	**1,400**
Additions	39	10	-	4	42	95
Disposals	(7)	(1)	-	-	-	(8)
Balance as at March 31,2023	**122**	**62**	**15**	**271**	**1,017**	**1,487**
Additions	31	10		41	1,034	1,116
Disposals	(4)	(1)			(975)	(980)
Balance as at March 31, 2024	**149**	**71**	**15**	**312**	**1,076**	**1,623**
B. Accumulated depreciation						
Opening Balance as at April 1, 2022	**44**	**10**	**1**	**86**	**444**	**585**
Depreciation charge for the period	30	12	1	117	338	498
Disposals	(4)	-				(4)
Balance as at March 31,2023	**70**	**22**	**2**	**203**	**782**	**1,079**
Depreciation charge for the period	36	14	1	71	369	491
Disposals	(2)	(1)			(975)	(978)
Balance as at March 31, 2024	**104**	**35**	**3**	**274**	**176**	**592**
Net carrying amount as at March 31,2024	**45**	**36**	**12**	**38**	**900**	**1,031**
Net carrying amount as at March 31,2023	**52**	**40**	**13**	**68**	**235**	**408**

* The Fixed asset category of Plant & Machinery has been reclassified under Office Equipments based on the nature of the asset

The Company does not have any capital WIP as on 31st March, 2024

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Notes to financial statements for the year ended 31st March, 2024

Note 6 - Intangible Assets

(Rs in Lakhs)

Particulars	Software	Total
A. Gross carrying amount		
Opening Balance as at April 1, 2022	-	-
Additions	35	35
Disposals	-	-
Balance as at March 31,2023	**35**	**35**
Additions	17	17
Disposals	-	-
Balance as at March 31, 2024	**52**	**52**
B. Accumulated depreciation		
Opening Balance as at April 1, 2022	-	-
Depreciation charge for the period	5	5
Disposals	-	-
Balance as at March 31,2023	**5**	**5**
Depreciation charge for the period	13	13
Disposals	-	-
Balance as at March 31, 2024	**18**	**18**
Net carrying amount as at March 31,2024	**34**	**34**
Net carrying amount as at March 31,2023	**30**	**30**

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Notes to financial statements for the year ended 31st March, 2024

(Rs in Lakhs)

	As at 31st March 2024	As at 31st March 2023
Note 7-Other Financial Assets		
Accrued interest	13	74
Other recievables	-	0
Security deposits	11	7
	24	**81**
Note 8-Current Tax Asset / (Liabilities) (Net)		
Advance tax and TDS	6,294	4,406
Provision for tax	(6,324)	(4,380)
	(30)	**26**
Note 9-Other Non-Financial assets		
Prepaid Expenses	84	49
	84	**49**
FINANCIAL LIABILITIES		
Note 10-Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	8	5
Total outstanding dues of creditors other than micro enterprises and small enterprises	32	24
	41	29
Note 11-Lease liabilities		
Lease liabilities	926	249
	926	**249**
NON-FINANCIAL LIABILITIES		
Note 12-Provisions		
Provision for gratuity	250	194
Provision for leave encashment	343	210
Provision for employee benefits	967	822
Provision for expenses	58	94
	1,618	**1,320**
Note 13-Deferred tax (liability) / asset		
Deferred tax (liability) / asset		
- Fair value of investments	(890)	(831)
- Lease asset creation	(2)	2
- Gratuity	63	17
- Leave encashment	86	53
- Depreciation	60	48
	(682)	**(711)**
Note 14-Other non-financial liabilities		
Statutory Liabilities Payable	13	815
Others*	45	34
	58	**849**

* includes Rs. 45 lakhs payable towards SIDBI technical assistance





SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Note 15 - Share capital		
Authorised share capital		
10,00,00,000 (PY: 10,00,00,000) equity shares of Rs. 10 each	10,000	10,000
Issued, subscribed and paid-up share capital		
6,03,77,917 (PY: 6,03,77,917) equity shares of Rs. 10 each	6,038	6,038
	6,038	**6,038**

Notes:

a) Reconciliation of shares outstanding as at 31st March, 2023 and as at 31st March, 2024

	No. of Shares		Amount	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Outstanding at the beginning of the year	6,03,77,917	6,03,77,917	6,038	6,038
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	6,03,77,917	6,03,77,917	**6,038**	**6,038**

b) Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares. Each holder of equity shares is entitled to one vote per share.

c) Shares of the Company held by Holding Company

100% of the shares are held by State Bank of India and its nominees

Note 16 - Other Equity

(Rs in Lakhs)

Particulars	Retained earnings	Capital redemption reserve*	Other comprehensive income	Total
Balance as at April 1, 2022	**9,085**	**94**	(28)	**9,151**
Profit for the year	6,183	-	-	6,183
Other comprehensive income for the year	-	-	(17)	(17)
Closing Balance as at March 31, 2023	**15,268**	**94**	**(45)**	**15,317**
Balance as at April 1, 2023	**15,268**	**94**	(45)	**15,317**
Profit for the period	4,317	-	-	4,317
Other comprehensive income for the year	-	-	(24)	(24)
Other Adjustments	-	-	-	-
Closing Balance as at March 31, 2024	**19,585**	**94**	**(69)**	**19,610**

*Capital Redemption reserve has been created on buyback of shares

KPMR & CO. CHARTERED ACCOUNTANTS

SBICAP VENTURES LIMITED

SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

(Rs in lakhs)

Particulars	For the period ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations		
Note 17 - Fees and Comission Income		
Management Fees	11,895	12,404
	11,895	**12,404**
Note 18 - Net gain (loss) on fair value changes		
Instruments measured at Fair value through Profit & Loss		
Unrealized		
- Fair Value gain / (loss) on units of AIF	89	1,343
- Fair Value gain / (loss) on mutual fund units	142	39
- Fair Value gain / (loss) on equity instruments	3	3
Realized		
- Capital gain on sale of units of AIF	-	117
- Capital gain on sale of mutual fund units	411	64
	645	**1,566**
Note 19 - Other Income		
Interest on Bank Fixed Deposit	115	187
Reimbursement of Expenses (Income)	58	-
Other Interest Earned	-	2
Miscellaneous Income	-	12
	173	**201**
Expenses		
Note 20 - Finance Costs		
Interest on Lease Liabilities	33	26
	33	**26**
Note 21 - Employee Benefits Expense		
Salaries, allowances and bonus	4,261	3,712
Leave encashment	133	210
Gratuity	54	56
Contribution to provident and other funds	195	177
Staff welfare expense	101	64
	4,744	**4,219**
Note 22 - Depreciation, Amortisation and Impairment		
Depreciation on property, plant and equipment	122	160
Amortisation on intangible assets	13	5
Depreciation on right to use assets	369	338
	504	**503**





SBICAP Ventures Limited

Notes to financial statements for the year ended 31st March, 2024

(Rs in lakhs)

Particulars	For the period ended 31st March, 2024	For the year ended 31st March, 2023
Note 23 - Other expenses		
Business Promotion Expense	37	139
Travelling and conveyance expenses	113	122
Offsite expense	158	112
Legal & professional fees	295	317
Computer expense	76	55
Electricity charges	19	15
Housekeeping expense	26	20
Repairs and Maintenance	50	46
Membership & Subscription	47	44
Insurance expense	11	10
Rates and taxes	59	8
Directors' sitting fees	11	5
Payment to auditors	2	3
Bank charges	3	3
Communication expense	12	11
GST Expenses	1	1
Rent expense	26	-
Interest on delayed payment of taxes	-	0
CSR expenses	96	61
Royalty	124	65
Other miscellaneous expenses	35	48
	1,201	**1,085**
Note 24 - Tax Expense		
Current Tax	1,944	1,900
Deferred Tax	(29)	255
	1,915	**2,155**
Reco of tax expense and accounting profit multiplied by domestic tax rate:		
Accounting profit before income tax	**6,232**	**8,338**
Statutory income tax rate of 25.168% for other than LTCG	1,568	2,099
Statutory income tax rate of 22.88% for LTCG	-	-
Add: Deferred Tax Adjustment on account of fair valuation	(59)	349
Total	**1,509**	**2,448**
Adjustments recognised in the current year in relation to the current and deferred tax	406	(293)
Income tax expense reported in the statement of profit and loss	**1,915**	**2,155**
Note 25 - Earnings Per Share		
Profit attributable to equity holders of the company	4,317	6,183
Weighted average number of equity shares (nos.)	6,03,77,917	6,03,77,917
Earnings per equity share (face value of Rs 10 each)		
- Basic	**7.15**	**10.21**
- Diluted	**7.15**	**10.21**





SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

Note 26 - Related Party Transactions

Relationship

Disclosure of Related parties by virtue of control as per IND AS-24

Name of Related Party	Nature of Relationship
a) State Bank of India	Holding company
b) SBI Capital Markets Ltd. (Subsidiary of State Bank of India)	Fellow Subsidiary Company*

List of related parties with whom transactions have taken place during the year

Name of Related Party	Nature of Relationship
a) State Bank of India	Holding Company
b) SBI Capital Markets Ltd.	Fellow Subsidiary Company*
c) SBICAP Trustee Company Ltd	Group Company#
d) SBICAP Securities Ltd	Group Company#
e) SBI General Insurance Company Limited	Group Company
f) SBI Life Insurance Company Ltd	Group Company
g) SBI Foundation	Group Company
h) Suresh Kozhikote	Key Management Personnel
i) Shweta Agrawal	Key Management Personnel (upto 03rd Oct 22)
j) Pawan Baheti	Key Management Personnel (w.e.f. 27th Oct 22)
k) Ankita Shrivastav	Key Management Personnel

(Rs in lakhs)

Nature of Transaction	Holding Company	Fellow Subsidiary Company*	Group Company#	Group Company	Key Managerial Personnel
1) Expenses					
Employee Cost					
Suresh Kozhikote					77
					(87)
Pawan Baheti					69
					(23)
Ankita Shrivastav					32
					(26)
Shweta Agrawal					-
					(69)
Royalty	124				
	(65)				
CSR Expenses				96	
				(61)	
Electricty charges			16		
			(17)		
Insurance charges				10	
				(10)	
Bank charges	3				
	(3)				
Computer expense		-			
		(1)			
Rent, repairs, maintenance and salary		464			
		(390)			
2) Assets					
Investments					
Investment in equity instruments				0	
				(0)	
Bank Account (including fixed deposits)	2,436				
	(2,883)				
Current Assets					
Advance for expenses				19	
				(0)	
Accrued interest on Fixed Deposits	13				
	(74)				
3) Income					
Interest income on Fixed Deposits	115				
	(187)				

*Holding Company till 7th Feb 2024 #Fellow Subsidiary Company till 7th Feb 2024.

Figures in bracket '( )' relates to the comparative figures for the related party transaction for the year ended 31st March, 2023 and balance outstanding are as on 31st March, 2023.





SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

Note 27 - Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

(Rs in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
	-	-

Note 28 - Payment to auditors

(Rs in lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
For statutory audit	0.95	0.65
For tax audit	-	1.10
For other services	1.55	1.25
Total payments to the auditors	**2.50**	**3.00**

Note 29 - Contingent liabilities and commitments

(Rs in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
A) Contingent Liabilities		
Claims against the company / disputed liabilities not acknowledged as debts		
- for income-tax matters	97	88
- bank guarantee	500	500
B) Commitments		
- Unfunded commitment towards AIF investments	6,998	10,670
Total Contingent liabilities and commitments	**7,594**	**11,258**

Note 30-Leases

The following are the disclosure requirements as per Ind AS 116 for the leases which meet the definition of lease as per Ind AS 116:

(Rs in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
ASSETS:		
Right-of-use Assets (net)	900	235
Lease liabilities	926	249
Depreciation on right-of-use assets	369	338
LIABILITIES:		
Lease liabilities		
Current	394	211
Non-current	532	37

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Finance cost	33	26





SBICAP Ventures Limited

Notes to financial statements for the year ended 31st March, 2024

Note 31-Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Reconciliation of Defined benefit obligation

(A) Changes in defined benefit obligation **(Rs in Lakhs)**

Particulars	Year ended	
	31st March 2024	31st March 2023
Opening of defined benefit obligation	194	128
Current service cost	40	47
Interest on defined benefit obligation	14	9
Remeasurements due to :		
- Actuarial loss/(gain) arising from change in financial assumptions	10	(8)
- Actuarial loss/(gain) arising from change in demographic assumptions	-	-
- Actuarial loss/(gain) arising on account of experience changes	14	24
Benefits paid	(22)	(6)
Closing of defined benefit obligation	**250**	**194**

(B) Movement in plan Assets **(Rs in Lakhs)**

Particulars	Year ended	
	31st March 2024	31st March 2023
Opening fair value of plan assets	-	-
Employer contributions	22	6
Interest on plan assets		
Remeasurements due to :		
- Actual return on plan assets less interest on plan assets	-	-
Benefits paid	(22)	(6)
Closing fair value of plan assets	-	-

(C) Net asset/(liability) recognised in the balance sheet:

(Rs in Lakhs)

Particulars	Year ended	
	31st March 2024	31st March 2023
Present value of the funded defined benefit obligation	-	-
Fair value of plan assets at the end of the year	-	-
Net funded obligation	-	-
Present value of unfunded defined benefit obligation	250	194
Amount not recognized due to asset limit	-	-
Fair value of plan assets at the end of the year	-	-
Net defined benefit liability / (asset) recognized in balance sheet	**250**	**194**
Net defined benefit liability / (asset) is bifurcated as follows:		
Current	11	4
Non-Current	239	190

(D) Expenses recognised in the Statement of profit and loss: **(Rs in Lakhs)**

Particulars	Year ended	
	31st March 2024	31st March 2023
Current service cost	40	47
Past service cost	-	-
Expected return on plan assets	14	9
Total expense charged to profit and loss account	**54**	**56**

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SBICAP VENTURES LIMITED

(E) Statement of other Comprehensive Income (OCI) **(Rs in Lakhs)**

Particulars	Year ended	
	31st March 2024	31st March 2023
Opening amount recognized in OCI outside profit and loss account	53	37
Remeasurements during the period due to:	-	-
Changes in financial assumptions	10	(8)
Changes in demographic assumptions	-	-
Experience adjustment	14	24
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognized the effect of asset ceiling	-	-
Closing amount recognized in OCI outside profit and loss account	77	53

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	Year ended	
	31st March 2024	31st March 2023
Discount rate (in %)	7.20%	7.55%
Salary Escalation rate (in %)	10.00%	10.00%

Sensitivity Analysis

The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

(Rs in Lakhs)

Particulars	Discount Rate	Salary Escalation Rate
Defined Benefit obligation on increase in 50 bps	235	254
Impact of increase in 50 bps on DBO	**-5.92%**	**1.77%**
Defined Benefit obligation on decrease in 50 bps	266	245
Impact of decrease in 50 bps on DBO	**6.46%**	**-1.82%**

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity Profile	Rs in Lakhs
Expected benefits for year 1	11
Expected benefits for year 2	12
Expected benefits for year 3	13
Expected benefits for year 4	14
Expected benefits for year 5	15
Expected benefits for year 6	16
Expected benefits for year 7	16
Expected benefits for year 8	17
Expected benefits for year 9	17
Expected benefits for year 10	587

The weighted average duration to the payment of these cash flows is 12.37 years

Note 32-Leave Encashment

The principal assumption used in determining Leave encashment obligation for the Company's plan are shown below:

Particulars	Year ended	
	31st March 2024	31st March 2023
Discount rate (in %)	7.20%	7.55%
Salary Escalation rate (in %)	10.00%	10.00%

Payments to and provision for employees includes Rs. 1.33 cr towards provision made as per Actuarial Valuation in respect of accumulated leave encashment debited to the Statement of Profit and Loss. Total Liability as per Actuarial Valuation and as reflected in Company's Accounts is Rs. 5.43 cr. The Company has not funded the liability.

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Notes to financial statements for the year ended 31st March, 2024

Note 33 - Financial Instruments

1.Fair values

Set out below, is a comparison by class of the carrying amount and fair value of the financial instruments:

(Rs in Lakhs)

	Carrying value		Fair Value	
	31st March 2024	**31st March 2023**	**31st March 2024**	**31st March 2023**
Financial assets				
Cash and cash equivalents	1,793	32	1,793	32
Other balances with banks	643	2,847	643	2,847
Trade receivables	420	4,753	420	4,753
Other receivables	218	108	218	108
Financial investments	24,756	16,180	24,756	16,180
Other financial assets	24	81	24	81
Total	**27,854**	**24,001**	**27,854**	**24,001**
Financial liabilities				
Trade payables	8	5	8	5
Other financial liabilities	926	249	926	249
	934	**254**	**934**	**254**

The management assessed that cash and cash equivalents, other balances with bank, trade receivables, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

- Fair value of the quoted bonds, mutual funds, govt securities are based on the price quotations near the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The cost of certain unquoted investments approximate their fair value because there is a wide range of possible fair value measurements and the cost represents the best estimate of fair value within that range.

2.Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities, traded debentures (borrowings) and mutual funds that have quoted price.

Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes derivative financial instruments and investment in redeemable non-cumulative preference shares.

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

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The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

(Rs in Lakhs)

	Fair value hierarchy as at 31st Mar, 2024			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	**Total**
Asset measured at fair value				
Investments in mutual funds	9,377	-	-	9,377
Investments in alternative investment funds	-	-	15,373	15,373
Investments in unlisted equity shares	-	-	6	6
Total	**9,377**	**-**	**15,379**	**24,756**

	Fair value hierarchy as at 31st March, 2023			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	**Total**
Asset measured at fair value				
Investments in mutual funds	2,357	-	-	2,357
Investments in alternative investment funds	-	-	13,820	13,820
Investments in unlisted equity shares	-	-	3	3
Total	**2,357**	**-**	**13,823**	**16,180**

Fair value measurement using significant unobservable inputs (level 3)

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	For year ended 31st Mar 2024	For year ended 31st March 2023
Opening Balance	10,533	8,223
Net gain / (losses) on financial instruments recognised in the statement of profit and loss	1,343	748
Purchase / (redemption) of financial instruments	1,948	1,562
Closing Balance	**13,824**	**10,533**

There has been no transfer between level 1 and level 2 during the period.

3.Capital Management & Gearing Ratio

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 objective of the Company's capital management is to maximize the shareholder value.

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 its policy related to return capital to shareholders or fresh issue of shares.The Company does not have any debt as on 31st March 2024 (Nil on 31st March 2023)

4.Financial risk management objectives and policies

The Company's principal financial liabilities, comprise trade and other 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 trade and other receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations. The Company also holds FVTPL investments .

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

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4.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of 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 , therefore not exposed to interest rate risk as well.

4.2 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

	(Rs in Lakhs)	
	31st Mar 2024	**31st March 2023**
Trade receivables	420	4,753
Total	**420**	**4,753**

The Company has not acquired any credit impaired asset. There was no modification in any financial assets.

4.3 Liquidity risk management

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

Note 34 -Statement of corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financials years on corporate social responsibility (CSR) activities.

		(Rs in Lakhs)
Particulars	**31st Mar 2024**	**31st March 2023**
a) Amount required to be spent as per Section 135 of Companies Act, 2013	96	61
b) Amount spent during the year on		
- (i) Construction/acquisition of any asset	0	0
- (ii) On purposes other than (i) above - in cash	96	61
(c) shortfall at the end of the year,	0	0
(d) total of previous years shortfall,	0	0
(e) reason for shortfall,	0	0
(f) nature of CSR activities,	Medical & Healthcare	Medical & Healthcare
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	All CSR activities is routed through SBI Foundation	All CSR activities is routed through SBI Foundation
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NIL	NIL
Total *	**96**	**61**

* The entire amount has been paid to SBI Foundation Ltd





SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

Note 35-Trade Receivable ageing schedule

(Rs in Lakhs)

Particulars	As at 31st March, 2024							
	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good			420					420
(ii) Undisputed Trade Receivables – which have significant increase in credit risk								-
(iii) Undisputed Trade Receivables – credit impaired								-
(iv) Disputed Trade Receivables–considered good								-
(v) Disputed Trade Receivables – which have significant increase in credit risk								-
(vi) Disputed Trade Receivables – credit impaired								-

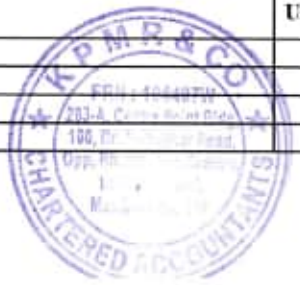
Particulars	As at 31st March, 2023							
	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good			4,753					4,753
(ii) Undisputed Trade Receivables – which have significant increase in credit risk								-
(iii) Undisputed Trade Receivables – credit impaired								-
(iv) Disputed Trade Receivables–considered good								-
(v) Disputed Trade Receivables – which have significant increase in credit risk								-
(vi) Disputed Trade Receivables – credit impaired								-

Note 36-Trade Payable ageing schedule

(Rs in Lakhs)

Particulars	As at 31st March, 2024							
	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME		1	7					8
(ii) Others		0	32					32
(iii) Disputed dues – MSME								-
(iv) Disputed dues - Others								-

Particulars	As at 31st March, 2023							
	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME		3	7					10
(ii) Others		10	9					19
(iii) Disputed dues – MSME								-
(iv) Disputed dues - Others								-





SBICAP Ventures Limited

Notes to financial statements for the year ended 31st March, 2024

Note 37-Shares held by promoters at the end of the year

	As at 31st March, 2024		
Promoter name	No. of Shares	% of total shares	% Change during the year
State Bank of India	6,03,77,917	100%	100%

	As at 31st March, 2023		
Promoter name	No. of Shares	% of total shares	% Change during the year
SBI Capital Markets Ltd	6,03,77,917	100%	-100%

Note 38-Shareholders with more than 5% shares

	As at 31st March, 2024		
Shareholder Name	No. of Shares	% of total shares	% Change during the year
State Bank of India	6,03,77,917	100%	100%

	As at 31st March, 2023		
Shareholder Name	No. of Shares	% of total shares	% Change during the year
SBI Capital Markets Ltd	6,03,77,917	100%	-100%

Note 39-Additional disclosures

1) No proceedings have been initiated or pending against the Company for holding any Benami Transaction Act, 1988 (45 of 1988) rules made thereunder.

2) The Company is not declared wilful defaulter by bank or financial Institution or other lender.

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

4) The Company is not required to create or satisfy any charge with ROC.

5) The Company has not traded or invested in Crypto currency or Virtual Currency during any financial year.

6) The Company does not have transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during financial year in the tax assessments under the Income Tax Act, 1961.

Note 40-Ratios

As required in Additional Regulatory Information (WB) (xiv) of Division III of Schedule III Amendment, disclosure of ratios is not applicable to the Company as the Company is the Investment Manager to the AIF's and not registered as NBFC under section 45-IA of Reserve Bank of India Act, 1934.

Note 41-Segment Reporting

The Company's operations falls under a single business segment of Financial services. The Company is engaged in providing Asset Management Services, primary segment is identified as asset management services. As per Chief Operating Decision Maker (CODM), the Company's financial statements are largely reflective of the asset management business and accordingly there are no separate reportable segments as per Ind AS 108, Operating Segment.

The Company operates in one geographic segment namely "within India" and hence no separate information for geographic segment wise disclosure is required.

KPMR & CO. CHARTERED ACCOUNTANTS

SBICAP VENTURES LIMITED

SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

Note 42-Significant Events after the Reporting Period
There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

Note 43 -Previous year figures have been regrouped / reclassified wherever necessary.

Note 44 -The financial statements were approved for issue by the board of directors on 22nd April 2024.

As per our attached report of even date

For K P M R & Co
Chartered Accountants
(FRN : 104497W)

Pravesh Dangaich
Date : 22nd April 2024
Membership No. 154813

For and on behalf of the Board
SBICAP Ventures Limited

Suresh Kozhikote
MD & CEO
DIN: 08183787

S V Sastry
Director
DIN: 07972562

Pawan Baheti
Chief Financial Officer

Ankita Shrivastav
Company Secretary

Place : Mumbai
Date : 22nd April 2024

Contributors	Government of India	NVCFL	NSIC
Country	India	India	India
Amount of Contribution	Rs. 10,000 Cr	Rs. 5 Cr	Rs. 1 Cr
% of the holding	99.94%	0.049%	0.001%

Venture Capital Protector Liability Insurance Proposal

1. Applicant Information

1.1 (a) Name of Applicant :

Fund:	Self Reliant India (SRI) Fund A Scheme of NSIC Venture Capital Fund Limited
Investment Manager:	SBICAP Ventures Limited (SVL)

(b) Address of Applicant:

"NSIC Bhawan", Okhla Industrial Estate Phase III, New Delhi – 110 020

(c) Country of Incorporation/Formation:

India

(d) Date of Incorporation/Formation :

1 September 2021

(e) Primary Web:

www.nvcfl.co.in

1.2. (a) Limit of Liability requested

Rs. 120 Crores only

(b) Self-insured retention requested (each loss) :

- Management Indemnification: INR 750,000 each & every claim
- Outside Directorship liability: INR 1,125,000 each & every claim
- Professional Liability: INR 30,00,000 each & every claim
- Crime: INR 30,00,000 each & every claim
- Entity EPLI: INR 1,125,000 each & every claim

All over Claims Rs.:

Not Applicable

(c) Effective date

16th June 2024.

2. Organisational Information

2.1. Describe the Applicant's primary investment focus (e.g. venture capital, mezzanine financing, leverage buyout funds, hedge funds etc.)

The Fund shall operate as a 'Fund of Funds' with the object of supporting Daughter Funds for onward provision to MSMEs as growth capital, through equity, quasi-equity and debt, as permitted under SEBI guidelines, to achieve the following objectives:

1. Enhancing equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines, to MSMEs;
2. supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities;
3. supporting enterprises which have the potential to graduate beyond the MSME bracket and become National / International champions; and
4. supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services.

2.2. Describe the Applicant's primary investment strategy (e.g. healthcare, technology, communications, manufacturing etc.)

Primary investment strategy is sector agnostic, pan India for providing growth capital to MSMEs

2.3. What restrictions/limitations are in place regarding the type of assets or concentrations in which the applicant may invest?
Refer response to 1 and 2 above. Further restrictions/ limitations include:

The Fund's investments shall comply with the following guidelines and any deviation from these guidelines shall require the approval of the Anchor Investor:

a) Any Daughter Fund which is registered in India under the SEBI (Alternative Investment Funds) Regulations, 2012 (as Category I and II AIFs) and is set up to achieve the Fund's investment objectives and abides with relevant laws of India, rules and regulations will be eligible for support from the Fund;

b) The minimum fund committed to a Daughter Fund would be INR 25 (twenty-five) crores and in multiples of INR 5 (five) crores thereafter;

c) The investment objective of the Daughter fund should meet the overall objective of the Fund and the Daughter Fund should commit to invest atleast 5 (five) times that of Fund's Capital Commitment into MSME companies;

d) The Daughter Funds should be professionally managed and the investment manager of the Daughter Funds/ fund manager should have a track record and investment experience in the relevant sector in which it proposes to make its investments. The experience should be commensurate with the activities of the proposed Daughter Fund;

e) The key investment team of the fund manager of the Daughter Fund should fulfil such criteria as mandated by SEBI under the AIF Regulations;

f) The exposure limit will be set for each Daughter Fund at the time of making an investment in a Daughter Fund. The maximum Exposure Limit of the Fund in respect of a Daughter Fund shall be 20% (twenty per cent) of the corpus of the Daughter Fund or INR 2000 crore, whichever is lower i.e., no Daughter Fund can have an exposure limit of more than INR 2,000 crores ("Exposure Limit"). Empanelled Daughter Funds shall raise 80% additional funds from outside sources like Banks, financial institutions, high net worth individuals, VCs/PEs/Institutional Investors, PSUs, Pension Funds, Foreign Developmental Institutions etc.

Daughter Funds, after being empanelled with the Fund, will mobilize funds and for each 4 units of funds so mobilized, they will be eligible to solicit 1 unit of fund, proportionately from the SRI Fund;

g) AIFs which have availed commitments from any of the Fund of Funds of Government of India, like the Fund of Funds for Startups, EDF of the Ministry of Communications and Information Technology, ASPIRE etc. shall be eligible for investment by this Fund provided that funding support received by the Daughter Funds from such other Fund of Funds of Government of India will not be included in the 80% fund to be mobilized by the Daughter Funds from other sources as per point (f) above. Further, investments that qualify as MSMEs for the purposes of complying with the requirement of this Fund shall be excluded from being counted in end use requirements of any other Government Fund of Fund scheme as mentioned above;

h) The Daughter Funds shall not make portfolio investments in companies which are involved in gambling, creation of obscene content, any other illegal or unlawful activities; and

i) Further, capital contributions made by the SRI Fund to any Daughter Fund shall not be used by such Daughter Fund for making investments/ funding any non-banking financial institutions (NBFC), non-profit organisations, micro credit sector, financial inclusion sector, self-help groups and other financial intermediaries.

j) Please refer the hyperlink : Final SRI Operating Guidelines approved by Minister 17 08 2021.pdf (www.nvcfl.co.in)

k) The same would be in line with the private placement memorandum, contribution agreement and other fund documents for SRI Fund, as amended from time to time.

2.4 Please attach a complete list of all Funds and/or their general partners, directors, officers, and/or equivalent managers for which coverage is requested, along with the accompanying information, as set forth on Schedule A attached hereto.

Please refer to Schedule A and Schedule A(i)

(a) Please provide the name and address of the bank or firm performing shareholder accounting services for any Fund proposed for insurance

SBI-SG GLOBAL SECURITIES SERVICES PRIVATE LIMITED, a company under section 2(20) of the Companies Act, 2013 with Corporate Identification Number (CIN): U74900MH2008PTC182269 and having its registered office at "B Wing", Jeevan Seva Annexe, LIC Complex, S V Road, Santacruz (West), Mumbai-400 054

(b) Have there been any material changes in the investment objectives, administrative operations or investment policies of any Fund proposed for insurance during the past 2 years?

No

This is a newly launched fund ❑Yes ☑No

If 'yes' please attach details indicating the type of changes.

Not applicable

(c) Please provide each of the above Fund's offering memorandum/prospectus, investment management agreement, latest annual and quarterly reports and latest audited and interim financials

Provided Documents

1. latest Investor reports ☑

2. latest financial statement	☑
3. SRI Fund details document	☑

(d) Are there any plans to create, acquire or invest in any new Fund within the next twenty-four months?

☑Yes ❑No

If 'yes' please attach details indicating the type of Fund, the size of Fund being considered, and information as to where the applicant plans to solicit additional commitments.

SRI Fund would invest in Category I and Category II AIFs as per the investment strategy highlighted in 2.1, 2.2 and 2.3 above.

(e) Does the Limited Partnership Agreement of any Fund allow co-investing in a Portfolio Entity with another Fund proposed for insurance?

❑Yes ☑No

Not Applicable.

If 'yes' please attach details.

2.5. Please list all Subsidiaries of the Applicant and any such Subsidiaries' general partners, directors, officers, and/or equivalent managers for which insurance is requested, along with the accompanying information, all as set forth on Schedule B attached hereto

The Applicant does not have any subsidiaries.

2.6. Please attach a complete list of all Executives of the Applicant (including Executives of any Subsidiary), by name and capacity. Please indicate which Executives, if any, for which coverage is not requested.

All past, present, and future executives of the Insured to be covered. For further details of the Insured, please refer Section 4.1-Protected persons/Covered Persons to include, of the RFP. Complete list of all Executives will be provided on demand.

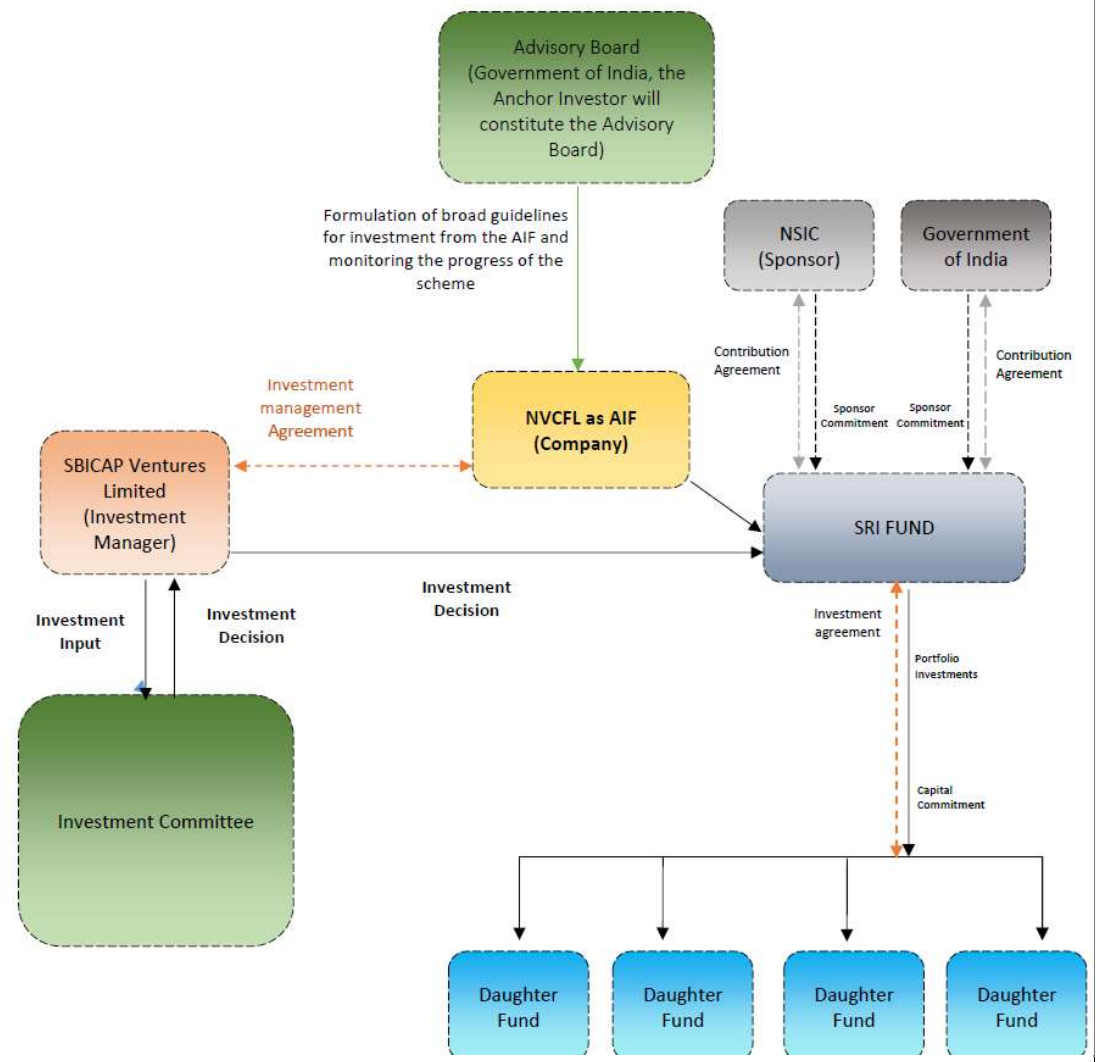
2.7. Please attach an organizational structure chart

The Fund is organised as the first scheme of NVCFL which is registered with SEBI as a Category II AIF –vide registration number [•] and is organised as a public limited company under the Companies Act, 2013. SBICAP Ventures Limited will act as the investment manager to the Fund and Khaitan & Co. shall be the legal and tax advisor.

The Fund has been sponsored by The National Small Industries Corporation Ltd., a mini-Ratna Corporation of the Government of India under the Ministry of Micro, Small and Medium Enterprises.

The Fund shall operate with the objective of investing in certain Daughter Funds which will in turn provide growth capital to the MSME sectors.

Fund structure Chart



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2.8. Please provide the approximate % of funds from the limited partners in the following categories.

Government of India through its various bodies	100%
Govt of India, Ministry of MSME	~99.94%
NSIC Ltd	~0.01%
NVCFL Ltd	~0.05%

(a) Institutional _____ %

Not Applicable

(b) High Net Worth _____ %

Not Applicable

(c) Retail _____ %

Not Applicable

(d) Management fee 1% excluding GST _____

(e) Dist. Allocation (performance fee) _____ % (LP)/ _____ % (GP)

Not Applicable

(f) Clawback Provision Not Applicable..... ❑Yes ☑No

2.9. Please provide the approximate percentage of funds from limited domiciled in the following territories

(a) India

100 %

(b) UK _____ %

Not Applicable

(c) Europe _____ %

Not Applicable

(d) USA/Canada_____ %

Not Applicable

(e) Elsewhere _____ %

Not Applicable`

2.10. Has there been any incidence of default amongst any of the limited partners?

❑Yes ☑No

2.11. Please state the number of[1]

	India	UK	Europe	USA/Canada	Elsewhere	Total

[1] Following is the current management composition. Please note that it may change in future.

Investment Committee Members	SVL Representatives (2) CEO NVCFL(1) NSIC Representative (1) Independent Member (1)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	5
Advisory Board	MoMSME(3) Department of Financial Services, Ministry of Finance (1) CMD NSIC and Chairperson NVCFL(1) SIDBI (1) Independent Member (1)					7
NVCFL Board	Government Nominee (2) CMD NSIC and Chairperson NVCFL(1) CEO NVCFL (1)					4
All other Employees	SVL(12) On deputation from NSIC to NVCFL (3)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	15
Total	CMD NSIC and Chairperson NVCFL(1) MoMSME/ Government of India(6)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	29

	SVL(14) NVCFL(1) On deputation from NSIC to NVCFL(3) NSIC(1) SIDBI (1) Independent Member(2)					

12. Percentage of employees with salaries greater than

			SVL	NVCFL	NSIC	MoMSME
(a)	Rs. 1,000,000	%	0%			
(b)	Rs. 2,500,000	%	100%	100%	100%	100%
(c)	Rs. 5,000,000	%	67%			
(d)	above Rs. 10,000,000	%	25%			

13. How many Employees has resigned, been dismissed (with or without cause) or retired within the last 24 months (all locations)?

		SVL	NVCFL	NSIC (as of 31st March 2023)	MoMSME
(a)	Officers	1 resigned for better prospects	Nil	3 Retired	Nil
(b)	Other Employees	Nil	Nil	1 resigned for better prospects	Nil

14. Does the Applicant and each other entity proposed for insurance have a Human Resources Department?..... ☑Yes ❑No

15. Does the Applicant publish a newsletter, website, or any other type of publication? _
☑Yes ❑No

If 'yes' please attach the title of each such publication and the web address.

www.nvcfl.co.in

3. Portfolio Entity Information

3.1. Please attach a complete list of all Portfolio Entities and Outside Directorship positions held (including shadow directorship and board observer positions), (schedule C).

SRI Fund does not take Outside Directorship positions (including shadow directorship and board observer positions) in Daughter Funds.

List of investments of SRI fund (Daughter funds) is provided in Schedule C – Daughter Fund

3.2. Please comment on the due diligence procedures involved.

Detailed due diligence is carried out by SBICAP Ventures Limited on the Daughter Funds including but not limited to financial, KYC, Integrity aspects and other assessments as may be required. The diligence exercise is carried out through external consultants appointed for this purpose (currently due diligence agencies by SVL include two big 4 firms). Legal due diligence is carried out by the Legal Advisor (Khaitan and Company).

3.3. Please comment on details of the procedures and processes in place to monitor the performance of investments after the initial investment has been made through to the exit or write-off.

The Investment Manager monitors the performance of the Daughter Funds on regular basis, obtains certificates of due compliances from Daughter Funds and submit reports to the Investment Committee, the Advisory Board and/or the Board of SRI Fund as may be required.

The Investment Manager conducts periodic review of performance of Daughter Funds, corpus/ funds raised by each Daughter Fund, sanctions/ commitments/ disbursement made to investee MSMEs and NAVs of each Daughter Fund.

3.4. Please provide a brief overview of risk management and control procedures, including procedures for confirming investors are eligible i.e. qualified, accredited or institutional & for Money Laundering purposes

Investors of SRI Fund are - the Government of India through Ministry of MSME, National Small Industries Corporation (NSIC), aMini Ratna enterprise of the Government of India under the Ministry of Micro, Small and Medium Enterprises (MSME) and NSIC Venture Capital Fund Limited (NVCFL) a wholly owned subsidiary of The National Small Industries Corporation.

The Applicant has a risk management policy in this regard which provides various mitigation mechanisms and control procedures differnt types of risks.

Eligibility of investors as per required KYC norms prescribed by SEBI is verified.

3.5. Prior to payment of dividends, incurrence of debt, or payment of fees or any transaction where the Applicant has a conflict of interest or has availed itself of an opportunity, does the Applicant insure that it has taken into account the fiduciary duty it owes to the portfolio Company, its shareholders, and in some case its creditors? Please detail the processes involved with these sorts of transactions.

The Applicant has a conflict of interest policy in this regard which provides various mitigation mechanisms for cases of conflict of interest including that a conflicted party cannot be involved in the decision making process for the conflicted transaction.

3.6. Please comment on your current view of the IPO market. Please also comment on preferred exit strategies. Should the IPO market be utilized, please comment on the use of third parties in the transaction – are major investment banks consulted?

Applicant is a Fund of Funds, investing only in other Category I and II AIFs, SRI Fund does not invest in IPO market hence this is not directly relevant for the Applicant.

3.7 Does the applicant review funding of a Portfolio Entity's pension scheme prior to investment, and during exit?

Not Applicable since SRI is a Fund of Funds and invests in other Funds for downward investment in MSMEs. SRI Fund is not connected with pension Fund commitment of the Daughter Funds. .....

If 'no' please describe the steps taken to comply with obligations under the Pensions Act.

3.8. Has the applicant recommended the dismissal of any other adverse employment-related action to be taken against any member of a Portfolio Entity's management?

If applicable, shall be provided as and when investments are made. _	❑Yes	☑No

If 'yes' please attach details.

3.9. Has the applicant, any general partner, any subsidiary or any Portfolio Entity been the subject of any insolvency proceeding or made as assignment for the benefit of creditors or is not solvent within the last two (2) years?

No for Applicant and Investment Manager and Daughter Funds	❑Yes	☑No

If 'yes' please attach complete details.

3.10. Does the Applicant require board representation in a Portfolio Entity when an investment is made in a Portfolio Entity?

Not envisaged.	❑Yes	☑No

Please provide details in Schedule C.

3.11. Does the Applicant require the Portfolio Entity to take out Directors and Officers Liability Insurance as a condition prior to investing?

_____	❑Yes	☑No

3.12. Does the Applicant maintain board representation post exit/IPO?

Not applicable.....	❑Yes	☑No

If 'yes' please attach details on how often and under what circumstances.

3.13. Does the applicant or any Fund, entity General Partner, Subsidiary, Portfolio Entity anticipate any registration of securities/partnership interest under the US Securities Act of 1933, or a new public offering of securities in India or elsewhere within the next year?

.....	❑Yes	☑No

3.14. Does the Fund disclose its potential conflict of interest and excuse itself (via its outside directors) from board discussions and voting regarding the terms of an initial down round financing?

Not Applicable as SRI Fund does not take a Board seat or seat on the IC of Daughter Funds.
..... ❑Yes ❑No

3.15. Does the applicant observe trading "blackout" periods or "trading windows" relating to Portfolio Entity securities?

Not applicable ..... ❑Yes ☑No

If 'yes', please attach how this activity is monitored.

3.16. With respect to the distribution to limited partners of any Portfolio Entity securities, do any Applicants provide advice or make recommendations to such limited partners regarding further trading in such distributed securities?

Not applicable ..... ❑Yes ☑No

If 'yes' please attach details.

3.17. Stock ownership:

Not applicable

(a) Are any securities of the Applicant, any General Partner, Subsidiary, Fund, or Portfolio Entity for which insurance is requested publicly traded or the subject of a shelf registration?

..... ❑Yes ☑No

(b) If 'yes' to question 3.17 (a) please attach the following information for each entity

The Entity's name ..... ❑

Type of security (e.g. equity, debt, mixed etc)..... ❑

Whether any security holder/limited partner owns five percent (5%) or more of the voting shares/partnership interests directly or beneficially, and if so, their names and percentage holdings ..... ❑

Please provide the additional information requested below only for portfolio entities:

Not Applicable

Each Fund's interest (direct and beneficial) – cash flow and capital in such securities and ..... ❑

The named Fund's Manager, its subsidiary's and their General Partners', Directors', Officers' or equivalent managers' interest (direct and beneficial) cash flow and capita ..... ❑

4. Investment Advisor Liability Information

4.1. Please provide a description of professional services provided by the Applicant to the Portfolio Entities

Not Applicable_____

4.2. Does the Applicant ever provide any Professional Services to entities that are not Portfolio entities?

Not Applicable.....	❑Yes	❑No

If 'yes' please provide on a separate sheet details on how often and under what circumstances.

5. Management Information

5.1. How often are Board of Director/Partnership Management Committee meetings held?

As per the requirement and as per the applicable law.

5.2. Please indicate the areas in which formal policies and/or procedure have been implemented by the Board of Directors/Management Committee to address

Asset-Liability Management Policy ..... ❑

Audit Policy ..... ☑

Anti-Money Laundering Policy ..... ☑

Conflicts of Interest Policy..... ☑

Distribution Policy ..... ❑

Duties of Directors and Officers ..... ❑

Insider Trading ..... ☑

Investment Policy..... ☑

Merger and Tender Offers ..... ❑

Operation Procedures ..... ☑

Portfolio Entity Valuations ..... ☑

Portfolio Entity Securities Trading "Blackout Period" ..... ❑

Protection of Non-Public Information..... ❑

Risk Management Policy ..... ☑

Selection Process for New Directors/Partners..... ❑

5.3. How often does the Board of Directors/management Committee review the following?

(a)	Internal Audit meetings	Annual and as and when required
(b)	Portfolio Entity Valuations	Annual
(c)	Threatened or Actual Litigation	Not applicable as no litigation exist as of now

5.4. Is the valuation of the securities of a Portfolio Entity made or reviewed by an independent third party?

To be valued by professional third party ☑Yes ❑No

If 'yes' ease describe such valuation or review process

Please refer Schedule D for the valuation process

5.5. Is there an advisory or investment committee that should be considered for coverage?

..... ☑Yes ❑No

If 'yes' please attach details.

Government of India has constituted The Advisory Board chaired by the Secretary (MSME), Government of India. The Advisory Board formulates broad guidelines for investment from the Fund, including empanelment of Daughter Funds, investment guidelines including return on investment and tenure, exit options, sectoral focus and segmental focus, etc. The Advisory Board also monitors the progress of the Fund periodically. The Advisory Board comprises of at least 7(seven) members.

The Investment Manager has constituted an investment. Committee comprises of experienced professionals including investment professionals, risk managers etc. . The Investment Committee comprises of at least 5 (five) members.

5.6. Is indemnification provided for Advisory Board Members?

..... ☑Yes ❑No

Please attach a copy of the indemnification provisions.

Indemnity provisions as per the Contribution Agreement

Upon execution of the Contribution Agreement, the Contributor expressly agrees that, the Investment Manager, the affiliates of the Investment Manager and their respective directors, employees agents, officers, shareholders and partners, the members of the Board and their respective directors, employees, and agents, members of any Advisory Board and / or Investment Committee and any person who serves at the request of the Investment Manager and the Board on behalf of the Fund including in respect of a Portfolio Investment (each a "Protected Person"), shall be entitled to be indemnified out of the Fund's assets in the case of any and all tax and other liabilities, claims, costs, losses, damages and expenses (including reasonable attorney's fees and costs) arising out of or in connection with the Fund, including on account of any payment of distributions to the Contributors through electronic mode, except in the following circumstances: (i) in the case of fraud (as adjudicated by a court of competent jurisdiction or an arbitral tribunal) by a Protected Person who is a member of the Board, the Advisory Board or the Investment Committee; and (ii) in the case of fraud, gross negligence or wilful misconduct (as adjudicated by a court of competent jurisdiction or an arbitral tribunal) by any other Protected Person.

The Fund shall have the authority to make advance payments to a Protected Person provided such Protected Person promises to repay the Fund such advance payments if it is later determined that such Person is not entitled to indemnification. Provided, however, that when Super-Majority of the Contributors bring a claim against a Protected Person, such Person shall not be entitled to advancement for expenses. Provided further that if such Protected Person prevails in the claim, such Protected Person shall be fully indemnified.

A Protected Person shall not be liable to the Fund or to any Contributor for any act or omission suffered or taken by the Protected Person or by any agent acting on such Protected Person's behalf provided that such agent was selected, engaged, and retained by the Protected Person in good faith, or that was suffered or taken in the good faith belief that it was in the best interests of the Fund; except where the Protected Person is adjudicated by a court of competent jurisdiction to have committed actions (or omissions) constituting gross negligence, wilful misconduct or fraud. For avoidance of doubt, the appointment and delegation of any powers to the Investment Manager in relation to the Fund shall be deemed to have been made in good faith.

The Investment Manager shall with the approval of the Board cause the Fund to obtain, at the cost of the Fund, insurance from a reputable insurer, as a cover against and to secure any losses incurred, suffered, sustained, imposed or sought to be imposed on the Protected Person by reason of their lawful activities on behalf of the Fund and includes Liability Insurance ("Insurance"). Indemnification obligations of the Fund may be funded out of any applicable Insurance proceeds obtained in this regard.

If Insurance proceeds are insufficient to satisfy the Fund's indemnification obligations, the Investment Manager may, with the approval of the Board which approval shall not be unreasonably withheld or delayed and subject to the terms of this Agreement, use the Fund's income, or realization proceeds or issue Drawdown Notices to the Contributors seeking contributions to meet the Fund's indemnification obligations. Protected Persons will, or will cause the Fund, to use their best efforts to obtain such funds as may be needed to satisfy their indemnification obligations from any available policies of insurance or from any applicable third parties prior to seeking payment from the Fund.

5.7 Do the general partners', managing members', members of the board or managers of the board of directors, or any of their family members invest in the fund?

_____ ❑Yes ☑No

If 'yes', please attach full details.

5.8. Have there been any changes in senior management in the last five years?

☑Yes ❑No

If 'yes' please attach full details.

Organization structure of senior management remains the same. However, there has been changes due to superannuation or internal transfer, which has been addressed in the Annual Reports available in the public domain.

5.9. Please provide the name of the firm that prepares Applicants independent audited financial statements Provided

M/s K Prasad & Co

Chartered accountants

Firm Registration No. (DE0432)

The financial Statements are also subject to CAG Audit.

5.10. Has the Applicant ever changed the firm that prepares its independent audited financial statements?

❑Yes ☑No

If 'yes' please attach full details, including the time of change and reasons for making such change.

6. Insurance History

6.1. Current insurance. If none, list the most recent insurance for the applicant (in regards to each Portfolio Entity, please refer to Schedule C). If included as an attachment herein please indicate here ❑

	General Partners Liability Insurance	Directors and Officers Liability Insurance	Employment Liability Insurance	Professional liability Insurance
Name of Insurance Co	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Limit of Liability	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Self-Insured Retention	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Policy Expiration Date	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Premium (indicate whether annual or otherwise)	Not Applicable	Not Applicable	Not Applicable	Not Applicable

6.2. Has any insurance carrier refused, cancelled, or not renewed any General Partnership Liability, Directors and Officers Liability, Employment Practices Liability or Errors and Omissions Liability insurance coverage?

❑Yes ☑No

If 'yes' please attach full details including when and reason(s).

7. Claims Information

7.1. (a) Has there been or is there now pending any investigation(s) or claims(s) of or actions(s) against any person proposed for insurance in his of her capacity as a director, officer, management committee member, member of the Board of Directors, general partner or equivalent manager of the Applicant, any Fund, any general Partner, any Subsidiary or any Portfolio Entity or any other insured capacity? ..... ❑Yes ☑No

Please attach complete details. If no such investigation(s), claim(s), action(s) please indicate ..... ☑ None

(b) Has there been or is there now pending any investigation(s) of claim(s) or action(s) against any entity proposed for insurance? ..... ❑Yes ☑No

Please attach complete details. If no such investigation(s), claim(s), action(s) please indicate ..... ☑None

7.2. Please provide the following information with respect to the Applicants two most recent regulatory examinations:

No regulatory examination has taken place

Name of Regulatory Authority	Date	On-site or off-site
NA		

7.3. Have all the recommendations or criticisms of each regulatory examination described above been complied with?

Not Applicable ..... ❑Yes ❑No

7.4. Has any person or entity proposed for insurance have knowledge or information of any fact, circumstance, act, error or omission which might give rise to a claim(s) under the proposed policy?

..... ❑Yes ☑No

7.5. Has the Applicant, any Fund, any General Partner, any subsidiary or any Portfolio Entity or any director, officer, management committee member, member of the Board of Directors, general partner or equivalent manager thereof:

(a) Been involved in any antitrust, copyright or patent litigation?

..... ❑Yes ☑No

(b) Been charged in any civil or criminal action or administrative proceeding with a violation of any federal or state antitrust or fair trade law?

..... ❑Yes ☑No

(c) Been charged in any civil or criminal or administrative proceeding with a violation of any federal or state antitrust or fair trade law?

..... ❑Yes ☑No

(d) Been charged in any civil or criminal action or administrative proceeding with a violation of any federal or state antitrust or fair trade law?

..... ❑Yes ☑No

If 'yes' to any of the above please attach full details.

IT IS AGREED THAT WITH RESPECT TO QUESTION 7.1 TO 7.5 ABOVE, IF SUCH CLAIM PROCEEDING, ACTION, KNOWLEDGE, INFORMATION OR INVOLVEMENT EXISTS, THEN SUCH CLAIM, PROCEEDING, ACTION, OR INVESTIGATION AND/OR ANY CLAIM, PROCEEDING, INVESTIGATION OR ACTION ARISING THEREFROM IS EXCLUDED FROM THE PROPOSED COVERAGE.

8. Additional Information

8.1. Please name the Risk Manager, Human Resource Manager and General Counsel for the Applicant and each other entity proposed for insurance under the Policy, the number of years in current position and phone number

Name	Years held position	Phone Number
SBICAP Ventures Limited	More than 1 year	+91 022 6911 2800
Khaitan & Company - Legal Advisor	More than 1 year	+91 120 479 1000

8.2. During the past five years, name and location (City) of outside law firm(s) for any entity proposed for insurance for the following matters:

Not Applicable

(a) Securities Claims _____

(b) Employment Practices Claims _____

(c) Other (please specify) _____

3. Please attach copies of the following for the applicant and each other entity proposed for insurance:

(a) Latest 2 Annual and quarterly reports ..... _____☑

(b) Latest 2 Audited Financial Statements..... _____☑

(c) Most recent statements filed with SEBI/SEC Form 10-k and 20-k (if applicable) ..... _____❑

(d) Latest interim financial statements available..... _____❑

(e) Copy of the organisational structure chart ..... _____❑

(f) Copy of the indemnification provisions of the organizational documents. Also attach a copy of any other indemnification agreements..... _____❑

(g) Latest management letter along with applicant's responses to any recommendations made therein. ..... _____❑

(h) Each Fund's latest prospectus or offering memorandum _____❑

(i) Each Fund's investment management agreement..... _____❑

(j) Employee Handbook/Human Resources Manual ..... _____❑

SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER TO COMPLETE THIS INSURANCE BUT IT IS AGREED THAT THIS PROPOSAL SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED.

Declaration

I declare on behalf of all insureds, after inquiry, that the statements and particulars in this proposal are true and no material facts have been misstated or suppressed. I agree that this proposal forms, any attachment, any information submitted therewith and any and all other information supplied or requested, shall form the basis of any Contract of Insurance effected thereon. I further undertake to inform Insurers of any material alteration to any information, statements, representations or facts presented in this proposal form occurring after the date this proposal form is signed and before the inception date of the proposed policy.

A material fact is one which would influence the acceptance or assessment of the risk.

All written statements and materials furnished to the insurer in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.

I/We hereby declare and agree that (a) I/We have read the proposal and its details or the same was interpreted to me/us, and the answers, information and particulars entered in the proposal are mine/ours; (b) I/We hereby certify, on behalf of myself/ourselves and on behalf of any person who may have or claim any interest in the said policy, that each of the above answers is full, complete and true and I/We understand that Tata AIG General Insurance Co. Ltd. believing them to be such, will rely and act on them, otherwise the proposed application may be void."

Signing this proposal does not bind the Proposer to complete this insurance.

Signed .....

Title: .....General Manager
(Authorised signatory of the Applicant)

Company: .....NVCFL

Date .....

INSURANCE ACT, 1938

Prohibition of Rebates

Section 41 of this Act reads:-

(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer.

(2) Any person making default in complying with provisions of this Section shall be punishable with fine which may extend to five hundred rupees.

SCHEDULE A - Fund Schedule

Fund	General Partner	FormeAd	Committed Capital	Called Capital	Net Assets	Distributions	IRR	# of LPs	# Investments	# Realized Investments
1. SRI Fund	NSIC Venture Capital Fund Limited (SRI Fund is first scheme of NVCFL)	28 August 2020	INR 1 Crore	Not Applicable	Not Applicable	Not Applicable	Not Applicable	1	Not Applicable	Not Applicable
2. SRI Fund	The National Small Industries (Sponsor)	28 February 1957	INR 5 Crores	Not Applicable	Not Applicable	Not Applicable	Not Applicable	1	Not Applicable	Not Applicable
3. SRI Fund	SBICAP Ventures Limited (Investment Manager)	10 November 2005	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	1	Not Applicable	Not Applicable

SCHEDULE A(i) – List of Directors as on 31/03/2024

	Director Name	Date of On-Board
1.	Mr. Vipul Goel	1/07/2023
2.	Shri Ateesh Singh	28/08/2020
3.	Dr. Ishita G. Tripathy	08/07/2022
4.	Shri Saravana Kumar Ananthan	17/10/2022
5.	Mr. Gaurav Gulati	9/05/2023

SCHEDULE B – Subsidiary/Associated Company Schedule (Please note: Portfolio Entities are not Subsidiaries per the definition of this policy)

Name	Date Acquired/Created	% Ownership	Function	Country of Incorporation
1. Nil				

Is coverage to include all Subsidiaries listed?

Not applicable	❑Yes ❑No. If 'no' please indicate the Subsidiaries for which coverage is desired.

Schedule C – Daughter Fund

S. No.	Name of Daughter Fund (AIF)	Amount Committed	Commitment Under Management	Director(s) on Board (including Shadow Directors and/or Board Observers	Employee/ Executive	Directors & Officers Insurance Held (Limit/ Carrier)	Country of Incorporation
1	Aavishkaar India Fund VI	250	170	Not Applicable	Not Applicable	Not Applicable	India
2	BanyanTree India Growth Capital Fund	145	30	Not Applicable	Not Applicable	Not Applicable	India
3	Carpediem Capital Partners Fund II	135	75	Not Applicable	Not Applicable	Not Applicable	India
4	Cornerstone Venture Partners Fund	40	35	Not Applicable	Not Applicable	Not Applicable	India
5	Enzia Investment Trust	70	25	Not Applicable	Not Applicable	Not Applicable	India
6	Gaja Capital India Fund 2020 LLP	375	255	Not Applicable	Not Applicable	Not Applicable	India
7	IvyCap Ventures Trust Fund III	400	400	Not Applicable	Not Applicable	Not Applicable	India

8	Maharashtra Defence and Aerospace Venture Fund	100	35	Not Applicable	Not Applicable	Not Applicable	India
9	Menterra Social Impact Fund II	140	25	Not Applicable	Not Applicable	Not Applicable	India
10	NABVENTURES Fund I	50	50	Not Applicable	Not Applicable	Not Applicable	India
11	Paragon Partners Growth Fund II	70	40	Not Applicable	Not Applicable	Not Applicable	India
12	Pavestone Technology Fund	100	100	Not Applicable	Not Applicable	Not Applicable	India
13	Pontaq -NextGen Technology Fund-1	130	130	Not Applicable	Not Applicable	Not Applicable	India
14	Sabre Partners Fund – 2019	150	45	Not Applicable	Not Applicable	Not Applicable	India
15	Stakeboat Capital Fund II	150	150	Not Applicable	Not Applicable	Not Applicable	India
16	SVL-SME Fund (Neev II)	270	135	Not Applicable	Not Applicable	Not Applicable	India
17	Tata Capital Healthcare Fund II	60	60	Not Applicable	Not Applicable	Not Applicable	India
18	Ubharte Sitaare Fund	100	50	Not Applicable	Not Applicable	Not Applicable	India
19	Zephyr Peacock India Growth Fund	85	45	Not Applicable	Not Applicable	Not Applicable	India

20	SVAS Winning Businesses	100	100	Not Applicable	Not Applicable	Not Applicable	India
21	GVFL Emerging Enterprises Venture Capital Fund	80	80	Not Applicable	Not Applicable	Not Applicable	India
22	Alkemi Venture Fund II	150	150	Not Applicable	Not Applicable	Not Applicable	India
23	Avaana Sustainability Fund	200	200	Not Applicable	Not Applicable	Not Applicable	India
24	TrueScale Venture Growth Fund I	100	45	Not Applicable	Not Applicable	Not Applicable	India
25	Achieving Women Entrepreneurs Early Growth Fund I	65	65	Not Applicable	Not Applicable	Not Applicable	India
26	Roots Ventures-II Fund	100	100	Not Applicable	Not Applicable	Not Applicable	India
27	Kae Capital Fund III	80	55	Not Applicable	Not Applicable	Not Applicable	India
28	Fireside Ventures Investment Fund III	165	160	Not Applicable	Not Applicable	Not Applicable	India
29	India Advantage Fund S5 I	200	200	Not Applicable	Not Applicable	Not Applicable	India
30	Equanimity Ventures Trust II	95	95	Not Applicable	Not Applicable	Not Applicable	India

31	Omnivore Agritech & Climate Sustainability Fund 3	225	225	Not Applicable	Not Applicable	Not Applicable	India
32	Grand Anicut Fund 3	70	70	Not Applicable	Not Applicable	Not Applicable	India
33	Cactus Partners Fund I	110	75	Not Applicable	Not Applicable	Not Applicable	India
34	Whiteboard Capital Fund – II	25	25	Not Applicable	Not Applicable	Not Applicable	India
35	Singularity Growth Opportunities Fund I	40	40	Not Applicable	Not Applicable	Not Applicable	India
36	9Unicorns Accelerator Fund	25	25	Not Applicable	Not Applicable	Not Applicable	India
37	Amicus Capital Partners India Fund II	200	200	Not Applicable	Not Applicable	Not Applicable	India
38	Arali Ventures II	40	40	Not Applicable	Not Applicable	Not Applicable	India
39	Dallas Venture Capital Fund I	40	35	Not Applicable	Not Applicable	Not Applicable	India
40	Filter Capital India Fund I	75	75	Not Applicable	Not Applicable	Not Applicable	India
41	Exfinity Technology Fund- Series III	80	80	Not Applicable	Not Applicable	Not Applicable	India
42	Somerset Indus Healthcare India Fund III	200	200	Not Applicable	Not Applicable	Not Applicable	India

43	Sorin Trust	40	40	Not Applicable	Not Applicable	Not Applicable	India
44	Ankur Capital Fund III	70	70	Not Applicable	Not Applicable	Not Applicable	India
45	Antler Innovation India Fund I	50	50	Not Applicable	Not Applicable	Not Applicable	India
46	Asha Ventures Fund I	100	100	Not Applicable	Not Applicable	Not Applicable	India
47	Colossa Women First Fund	30	30	Not Applicable	Not Applicable	Not Applicable	India
48	Endiya Partners Trust III	120	120	Not Applicable	Not Applicable	Not Applicable	India
49	Jashvik Capital Fund I	200	200	Not Applicable	Not Applicable	Not Applicable	India
50	IAN Alpha Fund	100	100	Not Applicable	Not Applicable	Not Applicable	India
51	Epiq Capital II	125	105	Not Applicable	Not Applicable	Not Applicable	India
52	Elev8-Capital Fund I	125	125	Not Applicable	Not Applicable	Not Applicable	India
53	Agastya Capital India Growth Fund	200	200	Not Applicable	Not Applicable	Not Applicable	India
	Total	5,420	5,015				

Note: As the investment period of SR Fund is continuing, the new Daughter funds will keep getting added to the list as per the procedures of SRI Fund.

Schedule D– SRI Fund Valuation Process

VALUATION PROCEDURE AND METHODOLOGY

The assets of the Fund shall not have a readily ascertainable market value.

Under the SEBI AIF Regulations, AIFs need to disclose their valuation procedures and the methodology for valuing assets to its investors.

The Fund shall be broadly guided by this valuation policy for valuation of the assets of the Fund. The Fund shall endeavour to use International Private Equity and Venture Capital Valuation (IPEV) guidelines for valuation of its assets. Any material deviation from this valuation policy would require Board approval.

In measuring the Fair Value of an interest in a Fund the Valuer may base their estimate on their attributable proportion of the reported Fund Net Asset Value (NAV) if NAV is derived from the Fair Value of underlying Investments and is as of the same Measurement Date as that used by the Valuer of the Fund interest, except as follows:

i. if the Fund interest is actively traded, Fair Value would be the actively traded price; and

ii. if management of the interest in the Fund has made the decision to sell the Fund interest or portion thereof and the interest will be sold for an amount other than NAV, Fair Value would be the expected sales price.

Fund-of-Funds and investors in Private Capital Funds must value their Interest in an underlying Fund at regular intervals to support their financial reporting. Historically, the Net Asset Value ('NAV') based on the underlying Fair Value of Investments held by a Fund, as reported by the Fund Manager, has been used as the basis for estimating the Fair Value of an interest in an underlying Fund. (Note: As stated above, if the Fund interest is actively traded, Fair Value would be determined using the actively traded price).

Financial Accounting Standards Board (FASB) ASC Topic 820 (820-10-15-4 & 820-10-35-59 to 62) allows the use of NAV to measure Fair Value if certain conditions are met:

- the Investment is in a Fund (as defined by ASC Topic 946); and
- underlying Investments are reported at Fair Value as of the Measurement Date.

IFRS is silent on the use of NAV and provides no further guidance on how to measure the Fair Value of a Fund interest. Generally, under IFRS, NAV is used as a starting point with the Valuer assessing that reported net assets are valued compliant with Fair Value principles.

Fair Value for a Fund interest (where the Unit of Account is the equity interest in the Fund), at its most basic level, equivalent to the summation of the estimated Fair Value of underlying Investments as if realised on the Measurement Date. The proceeds from such hypothetical Realisations would flow through to the investor in an amount equal to Fair Value less a deduction for incentive payments/carried interest due to the Fund Manager based on such hypothetical Realisations. Therefore, NAV, when derived as the Fair Value of underlying Investments and adjusted for incentive payments, etc., provides the best indication of the cash flows an investor would receive at the Measurement Date, and thereby a clear indication of the value of the Fund interest. This concept makes

particular sense for closed-end Fund investors who realise cash returns on their investment when Realisation events occur through the sale of the underlying portfolio companies.

As an investor in a Fund, reliance on a reported NAV provided by the investee Fund Manager canonly be used by the investor, to determine the Fair Value of the Fund interest, to the extent that the investor has evidence that the reported NAV is appropriately derived from the Fair Value of underlying Investments taking into account any incentive payments as part of a robust process.

Typically, evidence as to a Fund Manager's Fair Value approach, estimation procedures, and consistency of application is gathered via initial due diligence, on-going monitoring, and review of financial reporting and governance of the investee Fund by the investor entity.

Therefore, NAV, when derived from the Fair Value of underlying Fund Investments determined in accordance with the principles of Fair Value and these Valuation Guidelines and adjusted for any incentive payments, provides the best estimate upon which to base the Fair Value of an Interest in a Fund.

ADJUSTMENTS TO NET ASSET VALUE

If the Valuer has determined that the reported NAV is an appropriate starting point for determining Fair Value, it may be necessary to make adjustments based on the best available information at the Measurement Date. Although the Valuer may look to the Fund Manager for the mechanics of their Fair Value estimation procedures, the Valuer needs to have appropriate processes and related controls in place to enable the Valuer to assess and understand the valuations received from the Fund Manager. If NAV is not derived from the Fair Value of underlying Investments and / or is not as of the same Measurement Date as that used by the Valuer of the Fund interest, then the Valuer will need to assess whether such differences are significant, resulting in the need to adjust reported NAV.

Factors which might result in an adjustment to the reported NAV would include the following:

- significant time elapsing between the Measurement Date of the Fund NAV and the Value entity's Measurement Date. This would be further exacerbated by:
    - the Fund making subsequent Investments or achieving realizations;
    - the Valuer becoming aware of subsequent changes in the Fair Value of underlying investee companies;
    - subsequent market changes or other economic conditions changing to impact the value of the Fund's portfolio;
- information from an orderly Secondary Transaction if sufficient and transparent;
- the appropriate recognition of potential performance fees or carried interest in the Fund NAV;
- waived management fees included in NAV;
- impact of claw back provisions;
- any features of the Fund agreement that may affect distributions, but which are not captured in the NAV;
- materially different valuations by different general partners (GPs) for common companies and identical securities; and

- any other facts and circumstances which might impact underlying Fund value.

NAV should be adjusted such that it is equivalent to the amount of cash that would be received by the holder of the interest in the Fund if all underlying Investee Companies were realised as at The Measurement Date.

SECONDARY TRANSACTIONS

When a Valuer of an interest knows the relevant terms of a Secondary Transaction in that particular Fund and the transaction is orderly, the Valuer must consider the transaction price as one component of the information used to measure the Fair Value of a Fund Interest.

Limited Secondary Transactions exist for Private Equity Funds. External market transactions for a Fund are typically infrequent, opaque, and information is extremely limited. Secondary prices are negotiated, may be influenced by factors beyond Fair Value and based on assumptions and return expectations that are often unique to the counter-parties. In addition, information relevant to specific transactions may not be deemed orderly and any pricing data available may no longer be current.

In the event that the investor in the Private Capital Fund has decided to sell their interest in that Fund, then data known from orderly Secondary Transaction prices is likely to be better evidence of Fair Value.

Any use of a Secondary Transaction price requires considerable judgement. If orderly Secondary Transaction prices are available, but are not deemed active, then such prices should be augmented with other valuation inputs, generally NAV.

OTHER VALUATION APPROACHES FOR FUND INTERESTS

When NAV is not or cannot be used as a starting point to estimate the Fair Value of a Fund Interest and market information is not available an income-based Valuation Technique would beused to estimate Fair Value of a Fund Interest.

In situations where a Valuer decides not to use or cannot use NAV as a starting point for determining Fair Value and orderly Secondary Transaction information is not available, the primary Valuation Technique available to estimate Fair Value for a Fund interest would be to perform a discounted cash flow analysis of all future cash flows for the Fund. Given the subjectivity involved, it is not expected that the DCF alternative would be used often in practice.

S.No.	Name of MSME	Name of DF	Amount of SRI Contribution	Total Investment to be done at Fund Level	Total Investment Invested at Fund Level	UDHYAM	Type of Enterprise	Founders Gender	SC/OBC/ST	State
1	Medulance Healthcare Private Limited	Alkemi Venture Fund II - Scheme I	1,31,60,000	10,00,00,000	10,00,00,000	UDYAM-DL-04-0003182	Small			Delhi
2	Wholsum Foods Private Limited	Alkemi Venture Fund II - Scheme I	2,30,30,000	17,50,00,000	17,50,00,000	UDYAM-DL-11-0024831	Micro	Female		Delhi
3	Saveo Healthtech Private Limited	Alkemi Venture Fund II - Scheme I	2,36,88,000	18,00,00,000	18,00,00,000	UDYAM-KR-03-0034141	Small			Karnataka
		Alkemi Venture Fund II - Scheme I Total	**5,98,78,000**	**45,50,00,000**	**45,50,00,000**					
4	Abhitech Energycon Limited	Amicus Capital Partners India Fund II	8,10,50,212	50,00,00,000		UDYAM-HP-11-0000637	Medium			HP
5	Aequs Private Limited	Amicus Capital Partners India Fund II	15,00,00,100	75,00,00,499	75,00,00,499	UDYAM-KR-04-0058207	Medium			Karnataka
		Amicus Capital Partners India Fund II Total	**23,10,50,312**	**1,25,00,00,499**	**75,00,00,499**				-	
6	Gajju Technologies Private Limited	Aavishkaar India Fund VI	7,75,30,533	54,21,71,617	54,21,00,000	UDYAM-MH-18-0146430	Micro			Maharasht
7	Mooofarm Private Limited	Aavishkaar India Fund VI	5,81,52,847	40,66,63,400	40,66,59,768	UDYAM-HR05E0017852	Small			Haryana
8	Ulink Agritech Private Limited	Aavishkaar India Fund VI	5,71,99,940	39,99,99,707	40,00,00,000	UDYAM-MH26F0043863	Medium			Maharasht
9	Newtrace Private Limited	Aavishkaar India Fund VI	1,31,81,684	9,21,79,634	9,25,00,000	UDYAM-KR-03-0277106	Micro			Karnataka
		Aavishkaar India Fund VI Total	**20,60,65,004**	**1,44,10,14,358**	**1,44,12,59,768**				-	
10	Pibit Technologies Pvt Ltd	Arali Ventures II	53,33,333	4,00,00,000	4,00,00,000	UDYAM-HR-05-0066026	Micro			Haryana
11	Frigate Engineering Services Pvt Ltd	Arali Ventures II	73,31,456	5,49,85,920	5,49,85,920	UDYAM-TN-27-0010346	Micro		OBC	Tamil Nadı
12	Fluxgen Sustainable Technologies	Arali Ventures II	21,91,124	1,64,33,429	1,64,33,429	UDYAM-KR-03-0164274	Micro			Karnataka
13	Ezo Techonologies Private Limited	Arali Ventures II	44,80,289	3,36,02,166	3,36,02,166	UDYAM-MH-33-0275524	Micro		OBC	Maharasht
14	Protecto India Pvt Ltd	Arali Ventures II	41,16,750	4,12,50,000	4,12,50,000	UDYAM-KR-03-0297123	Micro			Karnataka
15	Fifty Finance Private Limited	Arali Ventures II	59,73,333	4,48,00,000		UDYAM-HR-03-0063717	Micro			Haryana
16	Bidaal Technology Private Limited	Arali Ventures II	68,93,333	5,17,00,000		UDYAM-KR-03-0201939	Micro			Ka
		Arali Ventures II Total	**3,63,19,619**	**28,27,71,515**	**18,62,71,515**				-	
17	IVIA Beaute Private Limited	BanyanTree India Growth Capital Fund	1,62,00,000	15,00,00,000	15,00,00,000	UDYAM-DL-06-0012586	Small			Delhi
18	Epicurian Foods Pvt. Ltd.	BanyanTree India Growth Capital Fund	3,24,00,000	30,00,00,000	30,00,00,000	UDYAM-DL-08-0003353	Small			Delhi
		BanyanTree India Growth Capital Fund	**4,86,00,000**	**45,00,00,000**	**45,00,00,000**				-	
19	Fornax Consulting Private Limited	Carpediem Capital Partners Fund II	8,64,18,229	34,37,62,574	25,31,00,000	UDYAM-KR-03-0186858	Micro			Karnataka
20	Inc5	Carpediem Capital Partners Fund II	4,08,19,342	16,62,34,093	16,62,34,093	UDYAM-MH-18-0033774	Medium	Female		Maharasht
		Carpediem Capital Partners Fund II Total	**12,72,37,571**	**50,99,96,667**	**41,93,34,093**				-	
21	Adventum Student Living Private	Cornerstone Venture Partners Fund	3,39,06,711	35,24,94,170	35,24,94,170	UDYAM-MH-19-0009782	Micro			Maharasht
22	AUK COMMERCE TECH PRIVATE	Cornerstone Venture Partners Fund	57,71,451	6,00,00,000	6,00,00,000	UDYAM-DL-08-0063047	Micro	Female	OBC	Delhi
23	Credilio Financial Technologies Pvt Ltd	Cornerstone Venture Partners Fund	2,25,29,684	23,42,18,592	23,42,18,592	UDYAM-MH-19-0014045	Micro			Maharasht
24	Dhiway Networks Private Limited	Cornerstone Venture Partners Fund	33,65,115	3,49,83,733	3,49,83,733	UDYAM-KR-02-0030537	Micro	Female		Karnataka
25	Enparadigm Performance Solutions Pvt	Cornerstone Venture Partners Fund	1,32,94,633	13,82,10,997	13,82,10,997	UDYAM-MH-18-0006351	Micro			Maharasht
26	Frello Technologies Pvt. Ltd	Cornerstone Venture Partners Fund	61,06,517	6,34,83,350	1,34,83,350	UDYAM-TN-02-0116191	Micro			Tamil Nadı
27	Green Enabled IT Solutions Pvt.	Cornerstone Venture Partners Fund	2,43,85,131	25,35,07,827	20,35,07,827	UDYAM-KR-03-0077314	Micro			Karnataka
28	HIGHSTREET3D PRIVATE LIMITED	Cornerstone Venture Partners Fund	40,11,158	4,17,00,000	4,17,00,000	UDYAM-KR-02-0042583	Micro			Karnataka
29	IntelligenceNode Consulting Pvt. Ltd	Cornerstone Venture Partners Fund	1,65,09,968	17,16,37,625	17,16,37,625	UDYAM-MH-19-E0010624	Small			Maharasht
30	Karomi Technologies Pvt. Ltd	Cornerstone Venture Partners Fund	96,19,902	10,00,08,497	10,00,08,497	UDYAM-TN-02-0025214	Micro			Tamil Nadı
31	Mystifly Consulting (India) Private	Cornerstone Venture Partners Fund	3,37,68,169	35,10,53,892	35,10,53,892	UDYAM-KR-03-0188648	Medium	Female		Karnataka
	Newspace Research Technologies	Cornerstone Venture Partners Fund	2,88,57,299	30,00,00,482	30,00,00,482		Dup			
32	Olive Gaea India Private Limited	Cornerstone Venture Partners Fund	80,98,456	8,41,91,551	5,13,91,458	UDYAM-UP-74-0006498	Small	Female		Uttar Prad
33	Paperplane Communications Pvt. Ltd	Cornerstone Venture Partners Fund	17,32,579	1,80,11,892	1,80,11,892	UDYAM-GJ-06-0008489	Small			Gujrat
34	Platform Nine and Three Quarters	Cornerstone Venture Partners Fund	4,81,435	50,05,000	50,05,000	UDYAM-KL-09-0026269	Micro	Female		Kerala
35	Sekhmet Technologies Private Limited	Cornerstone Venture Partners Fund	1,92,37,226	19,99,90,200	19,99,90,200	UDYAM-HR-05-0021558	Micro	Female		Haryana
36	Sharpsell Technology Solutions Private	Cornerstone Venture Partners Fund	77,07,689	8,01,29,140	8,01,29,140	UDYAM-MH-18-0151699	Micro			Maharasht
37	Statlabs Analytics Ventures Pvt	Cornerstone Venture Partners Fund	1,29,89,541	13,50,39,266	10,50,39,266	UDYAM-KR-03-0062915	Micro			Kerala
38	Watch Your Health.com India Private	Cornerstone Venture Partners Fund	1,44,28,626	15,00,00,000		UDYAM-MH-33-0119367	Micro	Female		Maharasht
39	Wootag India Pvt. Ltd	Cornerstone Venture Partners Fund	73,29,742	7,62,00,000	7,62,00,000	UDYAM-MH-18-0139952	Small			Maharasht
		Cornerstone Venture Partners Fund Total	**27,41,31,032**	**2,84,98,66,214**	**2,53,70,66,121**					
	Heuristix Digital Technologies Private	Dallas Venture Capital Fund I	1,62,73,126	14,23,89,850	14,23,89,850		Dup			
	IntelleWings Private Limited	Dallas Venture Capital Fund I	17,14,286	1,50,00,000	1,50,00,000	UDYAM-HR-13-0004884	Dup			
40	Blusapphire Cyber Systems Private	Dallas Venture Capital Fund I	1,82,87,135	16,00,12,427	16,00,12,427	UDYAM-TS-02-0026737	Micro			Telangana
41	Vunet Systems Private Limited	Dallas Venture Capital Fund I	91,38,471	7,99,61,623	7,99,61,623	UDYAM-KR-03-0068084	Small			Karnataka
42	Lyceum Development Center Private	Dallas Venture Capital Fund I	46,93,961	4,10,72,155	4,10,72,155	UDYAM-TN-02-D0182593	Micro			Tamil Nadı
		Dallas Venture Capital Fund I Total	**5,01,06,978**	**43,84,36,055**	**43,84,36,055**				-	
43	Circle Healthcare Pvt Ltd (Alignment	Enzia Investment Trust	1,33,71,492	7,58,72,472	7,58,72,472	UDYAM-KR-03-0151342	Micro			Karnataka
44	Curiosity Edtech Pvt Ltd	Enzia Investment Trust	35,25,013	2,00,02,626	2,00,02,626	UDYAM-HR-05-0038463	Micro			Haryana
45	Konflake Tech Pvt Ltd	Enzia Investment Trust	1,35,89,765	7,69,39,546	6,69,45,258	UDYAM-DL-02-0026429	Micro	Female		Delhi
46	Zenheal Wellness Private Ltd	Enzia Investment Trust	72,23,008	4,09,86,834	4,09,86,834	UDYAM-MH-19-0106848	Micro			Maharasht
47	DIGITAL ECOINNOVISION PRIVATE	Enzia Investment Trust	79,78,725	3,99,99,122	3,99,99,122	UDYAM-HR-05-0038220	Micro			Haryana
48	Docube Healthcare Private Limited	Enzia Investment Trust	39,89,450	2,00,00,000	2,00,00,000	UDYAM-TS-02-0139910	Micro			Telangana
49	Zenthrive Technologies Private Limited	Enzia Investment Trust	75,40,060	3,78,00,000	3,78,00,000	UDYAM-TS-02-0114691	Micro			Telangana
50	Bombay Autism Services Private	Enzia Investment Trust	1,72,78,350	9,00,00,000	4,00,00,000	UDYAM-MH-33-0185606	Micro	Female		Maharasht
		Enzia Investment Trust Total	**7,44,95,863**	**40,16,00,600**	**34,16,06,312**					
51	Teachmint Technologies Private	Epiq Capital II	2,15,96,136	33,47,33,940	33,47,33,940	UDYAM-KR-03-0180277	Micro			Karnataka
52	Parviom Technologies Private Limited	Epiq Capital II	6,81,39,541	1,05,61,43,425	1,05,61,43,425	UDYAM-DL-11-0020781	Micro			Delhi
53	Engineer.AI India Private Limited	Epiq Capital II	7,89,30,269	1,22,00,00,000	1,22,00,00,000	UDYAM-HR-05-0020970	Micro			Delhi
		Epiq Capital II Total	**16,86,65,947**	**2,61,08,77,365**	**2,61,08,77,365**				-	
54	Saturday Technologies Private Limited	Equanimity Ventures Trust II	32,63,327	2,39,95,054	2,39,95,054	UDYAM-MH-18-0111433	Micro			Maharasht
55	Optimized Electrotech Private Limited	Equanimity Ventures Trust II	88,88,836	6,53,59,087	6,53,59,087	UDYAM-GJ-01-0009335	Small			Gujrat
56	Filosha Infotech Private Limited	Equanimity Ventures Trust II	68,07,812	5,00,57,442	5,00,57,442	UDYAM-MH-18-0025161	Micro			Maharasht
57	Monitra Healthcare Private Limited	Equanimity Ventures Trust II	47,60,000	3,50,00,000	3,50,00,000	UDYAM-TS-02-0102897	Micro			Telangana
58	Neuron Energy Private Limited	Equanimity Ventures Trust II	81,61,632	6,00,12,000	6,00,12,000	UDYAM-MH-19-0170836	Micro			Maharasht
		Equanimity Ventures Trust II	**3,18,81,607**	**23,44,23,583**	**23,44,23,583**					
	Sekhmet Technologies Private Limited	Filter Capital India Fund I	7,72,75,666	60,00,01,000	60,00,01,000	UDYAM-HR-05-0021558	Dup			
59	Capillary Technologies India Limited	Filter Capital India Fund I	5,40,93,017	42,00,00,812	42,00,00,812	UDYAM-KR-03-0009949	Medium			Karnataka
		Filter Capital India Fund I Total	**13,13,68,683**	**1,02,00,01,812**	**1,02,00,01,812**					
60	Market Xpander Services Private	Gaja Capital India Fund 2020 LLP	20,13,79,927	1,37,61,28,852	1,35,28,59,792	UDYAM-KR-03-0057235	Small			Karnataka
61	MADSTREET DEN TECHNOLOGIES	Gaja Capital India Fund 2020 LLP	24,23,79,251	1,41,76,20,749		UDYAM-TN-02-0059786	Small			Tamil Nadı
62	Signzy Technologies Private Limited	Gaja Capital India Fund 2020 LLP	23,11,66,641	1,57,96,76,229	1,06,80,00,000	UDYAM-MH-19-0039496	Small			Maharasht
63	Amber Internet Solutions Private	Gaja Capital India Fund 2020 LLP	21,95,06,982	1,50,00,00,000	1,50,00,00,000	UDYAM-MH-26-0439524	micro			Maharasht
		Gaja Capital India Fund 2020 LLP Total	**89,44,32,801**	**5,87,34,25,831**	**3,92,08,59,792**				-	
64	Celcius Logistics Solutions Pvt Ltd	IvyCap Ventures Trust Fund III	9,59,91,202	54,01,42,980	35,01,22,231	UDYAM-MH-19-0060985	Micro			Maharasht
65	Clover Ventures Private Limited	IvyCap Ventures Trust Fund III	9,16,00,129	50,99,99,215	50,99,99,215	UDYAM-KR-03-0121508	Small			Karnataka
66	Convosight Analytics Pvt Ltd	IvyCap Ventures Trust Fund III	2,95,62,476	16,45,94,086	16,45,94,086	UDYAM-DL-08-005987	Micro	Female		Delhi
67	Elucidata Data Consulting Private Ltd	IvyCap Ventures Trust Fund III	3,93,76,799	21,92,36,990	21,92,36,990	UDYAM-DL-10-0031657	Micro			Delhi
68	Expertrons Technologies Pvt Ltd	IvyCap Ventures Trust Fund III	18,13,448	1,00,96,676	1,00,96,676	UDYAM-MH-19-0046314	Micro			Maharasht
69	Nomisma Mobile Solutions Pvt Ltd	IvyCap Ventures Trust Fund III	2,73,01,405	15,20,05,192	15,20,05,192	UDYAM-MH-19-0118631	Small			Maharasht
70	Nupa Technologies Private Limited	IvyCap Ventures Trust Fund III	8,09,83,930	45,08,91,728	45,08,91,728	UDYAM-BR-24-0001562	Small			Bihar
71	Purplefirst Technologies Pvt Ltd	IvyCap Ventures Trust Fund III	61,49,038	3,42,35,808	3,42,35,808	UDYAM-MH-18-0139962	Micro			Maharasht
72	RN Chidakashi Technologies Pvt Ltd	IvyCap Ventures Trust Fund III	10,09,93,705	56,22,99,536	56,22,99,536	UDYAM-MH-19-0115585	Small			Maharasht
73	Sky Gate Hospitality Pvt Ltd	IvyCap Ventures Trust Fund III	8,28,85,524	46,14,79,177	46,14,79,177	UDYAM-HR-05-0003218	Small			Haryana
74	Transactree Technologies Private	IvyCap Ventures Trust Fund III	1,11,17,846	6,19,00,488	6,19,00,488	UDYAM-DL-08-0054603	Micro			Delhi
75	ZestIoT Technologies Pvt Ltd	IvyCap Ventures Trust Fund III	2,96,32,585	16,49,84,430	16,49,84,430	UDYAM-HR-10-0006999	Micro			Haryana
76	Virya Logistics Technologies Pvt Ltd	IvyCap Ventures Trust Fund III	9,42,94,392	52,49,99,981	52,49,99,981	UDYAM-TN-02-0118887	Micro			Tamil Nadı
77	Gradright Edtech Pvt Ltd	IvyCap Ventures Trust Fund III	5,38,83,686	30,00,06,540	30,00,06,540	UDYAM-TS-02-0043032	Micro			Telangana
78	Snitch Apparels Private Limited	IvyCap Ventures Trust Fund III	9,29,60,594	51,75,73,833	51,75,73,833	UDYAM-KR-03-0238256	Micro			Karnataka
79	Livespire Private Limited	IvyCap Ventures Trust Fund III	17,96,776	1,00,03,857	1,00,03,857	UDYAM-MH-26-0438719	Micro			Maharasht
80	Clootrack Software Labs Pvt Ltd	IvyCap Ventures Trust Fund III	8,98,04,186	50,00,00,000			Micro			Kerala
		IvyCap Ventures Trust Fund III Total	**93,01,47,721**	**5,18,44,50,516**	**4,49,44,29,767**				-	
81	Sparsh Foods India Pvt. Ltd.	Jashvik Capital Fund I	14,66,66,667	1,10,00,00,000		UDYAM-KR-02-0006267	Micro			Karnataka
82	Jabsons Foods Private Limited	Jashvik Capital Fund I	6,66,67,580	50,00,06,852	50,00,06,852	UDYAM-GJ-06-0000562	Medium			Gujrat
83	Dr Batras Positive Health Clinic Private	Jashvik Capital Fund I	19,33,33,333	1,45,00,00,000		UDYAM-MH-19-0000244	Medium			Maharasht
		Jashvik Capital Fund Total	**40,66,67,580**	**3,05,00,06,852**	**50,00,06,852**				-	
84	Bizcon Innovations Private Limited	Kae Capital Fund III	1,29,05,550	17,90,22,570	17,90,22,570	UDYAM-HR-16-000018	Small			Haryana
85	Hatica Technologies Private Limited	Kae Capital Fund III	43,25,337	5,99,99,994	5,99,99,994	UDYAM-HR-05-0037423	Micro			Haryana
86	Tradyl Private Limited	Kae Capital Fund III	58,84,738	8,32,08,240	8,32,08,240	UDYAM-KR-03-0084549	Micro	Female		Karnataka
87	Tatvartha Health Private Limited	Kae Capital Fund III	1,52,13,745	27,21,57,926	27,21,57,926	UDYAM-GJ-25-0019233	Micro	Female		Gujrat
88	Assurekit Technologies & Service	Kae Capital Fund III	83,63,935	11,60,22,412	11,60,22,412	UDYAM-MH-33-0097733	Micro			Maharasht
89	Rooters Mobility Private Limited	Kae Capital Fund III	21,62,535	2,99,98,150	2,99,98,150	UDYAM-KR-03-0003852	Micro			Karnataka
90	Foxtale Consumer Private Limited	Kae Capital Fund III	1,96,73,533	38,88,12,304	38,88,12,304	UDYAM-MH-19-0125924	Micro	Female		Maharasht
91	L8 Cones Interactive Private Limited	Kae Capital Fund III	17,25,445	2,39,34,939	2,39,34,939	UDYAM-KR-02-0034203	Micro			Karnataka
92	CONTLO TECHNOLOGIES PRIVATE	Kae Capital Fund III	1,72,62,881	23,94,66,375	23,94,66,375	UDYAM-KR-02-0035274	Micro			Karnataka
93	Eight Network Creations Private	Kae Capital Fund III	58,89,383	8,16,96,048	8,16,96,048	UDYAM-HR-05-0022496	Micro			Haryana
94	Lodestone Healthcare Private Limited	Kae Capital Fund III	1,24,13,710	17,21,99,877	17,21,99,877	UDYAM-KR-25-0028610	Micro			Karnataka
95	Gobblecube Technologies Private	Kae Capital Fund III	1,01,75,238	14,11,48,360	14,11,48,360	UDYAM-HR-05-0053258	Micro			Haryana

96	Onwo Trade India Private Limited	Kae Capital Fund III	58,84,801	12,16,60,840	12,16,60,840	UDYAM-KR-03-0194817	Micro				Karnataka
		Kae Capital Fund III Total	**12,18,80,831**	**1,90,93,28,035**	**1,90,93,28,035**					-	
97	Accurate Industrial Controls Private	Maharashtra Defence and Aerospace	3,00,00,000	30,00,00,000	30,00,00,000	UDYAM-MH-26-0004780	Small	Female			Maharasht
98	Aman Aviation and Aerospace	Maharashtra Defence and Aerospace	1,60,00,000	16,00,00,000	16,00,00,000	UDYAM-MH-18-0053219	Small	Female			Maharasht
99	Badawe Engineers Private Limited	Maharashtra Defence and Aerospace	1,20,00,000	12,00,00,000	6,98,00,000	UDYAM-MH-26-0049513	Small				Maharasht
100	Core Energy Sysems Private Limited	Maharashtra Defence and Aerospace	3,00,00,000	30,00,00,000	30,00,00,000	UDYAM-MH33D0006442	Small	Female			Maharasht
101	Crimson Energy Experts Private	Maharashtra Defence and Aerospace	75,00,000	7,50,00,000	7,50,00,000	UDYAM-MH-26-0016661	Small				Maharasht
102	Cyronics Innovation Labs Private	Maharashtra Defence and Aerospace	46,50,000	4,65,00,000	4,65,00,000	UDYAM-MH-26-0010594	Small				Maharasht
103	Dimension NXG Private Limited	Maharashtra Defence and Aerospace	43,00,000	4,30,00,000	4,30,00,000	UDYAM-MH-33-0117166	Small				Maharasht
104	Dynalog India Limited	Maharashtra Defence and Aerospace	1,80,00,000	18,00,00,000	10,00,00,000	UDYAM-MH-18-0010318	Medium	Female			Maharasht
105	FFS Industries Private Limited	Maharashtra Defence and Aerospace	1,78,50,000	17,85,00,000	17,85,00,000	UDYAM-MH19A0114711	Micro				Maharasht
106	JSR Dynamics Private Limited	Maharashtra Defence and Aerospace	2,99,80,000	29,98,00,000	29,98,00,000	UDYAM-MH-20-0038375	Micro	Female			Maharasht
107	Krasny Defence Technologies Limited	Maharashtra Defence and Aerospace	2,26,51,873	30,00,00,000	30,00,00,000	UDYAM-MH-33-0016069	Small				Maharasht
108	Revamp Moto Private Limited	Maharashtra Defence and Aerospace	15,00,000	1,50,00,000	50,00,000	UDYAM-MH-23-0046209	Micro		OBC		Maharasht
109	RRP S4E Innovation Private Limited	Maharashtra Defence and Aerospace	69,80,000	6,98,00,000	6,98,00,000	MH18A0020440	Micro				Maharasht
110	Sagar Defence Engineering Private	Maharashtra Defence and Aerospace	2,28,80,986	30,40,00,000	30,40,00,000	UDYAM-MH-26-0217376	Small				Maharasht
111	Shree Refrigerations Private Limited	Maharashtra Defence and Aerospace	2,65,82,266	30,00,00,000	30,00,00,000	UDYAM-MH-30-0003507	Small	Female			Maharasht
112	Techera Engineering (India) Private	Maharashtra Defence and Aerospace	1,52,91,133	17,00,00,000	12,00,00,000	UDYAM-MH-26-0064789	Small				Maharasht
113	Varsity Instruments Private Limited	Maharashtra Defence and Aerospace	3,00,00,000	30,00,00,000	30,00,00,000	UDYAM-TS-02-0012530	Medium				Telangana
114	Zeus Numerix Private Limited	Maharashtra Defence and Aerospace	90,00,000	9,00,00,000	9,00,00,000	U72900MH2004PTC147993	Micro				Maharasht
115	Yeoman Marine Services Private	Maharashtra Defence and Aerospace	1,97,46,800	30,00,00,000	30,00,00,000	UDYAM-MH-26-0010594	Medium				Maharasht
		Maharashtra Defence and Aerospace	**32,49,13,058**	**3,55,16,00,000**	**3,36,14,00,000**					-	
116	Akshaamala Solutions Pvt Ltd	NABVENTURES Fund I	3,34,95,786	40,06,09,621	40,06,09,621	UP28D0013593	Micro				Uttar Pard
117	GFM Retail Private Limited	NABVENTURES Fund I	3,92,62,676	46,95,81,632	46,95,81,632	UDYAM-TN-08-0022236	Small				Tamil Nadı
118	Klonec Automation Systems Pvt Ltd	NABVENTURES Fund I	33,43,903	3,99,93,096	3,99,93,096	UDYAM-KR-26-0003519	Micro				Karnataka
	Nupa Technologies Private Limited	NABVENTURES Fund I	1,97,88,602	23,66,00,000	23,66,00,000	UDYAM-BR-24-0001562	Dup				
119	Satyukt Analytics Pvt Ltd	NABVENTURES Fund I	1,08,67,825	12,99,79,200	12,99,79,200	UDYAM-KR-03-0021308	Micro	Female			Karnataka
120	Vilcart Solutions Private Limited	NABVENTURES Fund I	2,21,67,119	26,51,18,827	26,51,18,827	UDYAM-KR-21-0003450	Small				Karnataka
121	VnF Ideas Private Limited	NABVENTURES Fund I	1,33,77,917	15,99,99,888	15,99,99,888	MH19E0083918	Small				Maharasht
122	TraceX Technologies Private Limited	NABVENTURES Fund I	55,03,959	6,61,06,368	6,61,06,368	KR03A0111542	Micro				Karnataka
123	SLO Technologies Private Limited	NABVENTURES Fund I	2,17,38,964	25,99,98,023	25,99,98,023	UDYAM-MH-19-0010943	Medium				Maharasht
124	KBCols Sciences Pvt. Ltd	NABVENTURES Fund I	31,35,275	3,74,97,900	3,74,97,900	UDYAM-MH-26-0510409	Micro	Female			Maharasht
125	Dr Jackfruit India Private Limited	NABVENTURES Fund I	2,34,03,660	27,99,07,780	20,15,08,831	UDYAM-KL-01-0000434	Micro				Kerala
126	Growth logistics Pvt Limited	NABVENTURES Fund I	25,08,147	2,99,97,440	2,99,97,440	UDYAM-MH-19-0132193	Micro	Female			Maharasht
127	Homeville Consulting Private Limited	NABVENTURES Fund I	4,76,48,829	56,98,80,000	56,98,80,000	UDYAM-MH-26-0410059	Micro				Maharasht
		NABVENTURES Fund I Total	**24,62,42,662**	**2,94,52,69,776**	**2,86,68,70,827**					-	
128	Fibmold Packaging Private Limited	Omnivore Agritech & Climate Sustainability	4,60,31,979	32,42,00,000	32,42,00,000	UDYAM-KR-02-0051867	Micro				Karnataka
129	Finhaat Technologies Private Limited	Omnivore Agritech & Climate Sustainability	3,90,46,250	27,50,00,000	22,50,00,000		Micro				Maharasht
130	Ayekart Fintech Private Limited	Omnivore Agritech & Climate Sustainability	3,54,96,591	25,00,00,000	12,50,00,000	UDYAM-MH-18-0058125	Micro				Maharasht
131	Alt Material Innovations Private	Omnivore Agritech & Climate Sustainability	3,40,76,728	24,00,00,000	23,30,00,000	UDYAM-KR-03-0279033	Micro				Karnataka
		Omnivore Agritech & Climate Sustainability	**15,46,51,548**	**1,08,92,00,000**	**90,72,00,000**					-	
132	Camions Logistics Solutions Private	Paragon Partners Growth Fund II	5,55,34,678	75,00,02,162	75,00,02,162	UDYAM-HR-05-0005672	Medium				Haryana
	GFM Retail Private Limited	Paragon Partners Growth Fund II	7,78,85,812	1,04,44,20,676	1,04,44,20,676	UDYAM-TN-08-002236	Dup				
133	Pep Technologies Private Limited	Paragon Partners Growth Fund II	5,96,53,819	84,99,52,760	84,99,52,760	MH18D0153338	Micro				Maharasht
134	Mountain Trail Foods Private Limited	Paragon Partners Growth Fund II	1,27,19,626	17,17,80,000	17,17,80,000	UDYAM-KR03F0048611	Medium				Karnataka
135	Everest Fleet Private Limited	Paragon Partners Growth Fund II	3,67,88,444	50,38,18,716	50,38,18,716	UDYAM-MH-19-0064617	Medium				Maharasht
		Paragon Partners Growth Fund II Total	**24,25,82,378**	**3,31,99,74,314**	**3,31,99,74,314**					-	
136	Light Information Systems Private	Pavestone Technology Fund	9,76,53,741	50,00,00,000	50,00,00,000	UDYAM-MH-26-0095637	Micro				Maharasht
137	Newspace Research and Technologies	Pavestone Technology Fund	11,31,42,266	70,00,00,000	70,00,00,000	UDYAM-UP-28-0017008	Small				Uttar Pard
138	Bellatrix Aerospace Private Limited	Pavestone Technology Fund	1,66,64,658	10,00,00,000	10,00,00,000	UDYAM-KR-03-0060763	Small				Karnataka
139	LivNSense Technologies	Pavestone Technology Fund	1,33,33,328	8,00,00,000	8,00,00,000	KR03D0075439	Small	Female			Karnataka
		Pavestone Technology Fund Total	**24,07,93,993**	**1,38,00,00,000**	**1,38,00,00,000**					-	
140	Deepvision Technologies Pvt Ltd,	Pontaq – NextGen Technology Fund-1	4,34,070	25,04,250	25,04,250	UDYAM-KR-03-0142905	Micro		OBC		Karnataka
141	FX UAV Technologies Pvt Ltd, Cuttack.	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-OD-07-0006577	Micro				Orrisa
142	HFIL Technologies Pvt Ltd, Kangra, HP	Pontaq – NextGen Technology Fund-1	4,33,415	25,00,470	25,00,470	UDYAM-HP-04-0001787	Micro				Himachal F
143	Arkinsion AI Pvt. Ltd.	Pontaq – NextGen Technology Fund-1	1,73,420	10,00,500	10,00,500	UDYAM-UP-31-0004765	Micro				Uttar Prad
144	Arms4Ai Pvt. Ltd.	Pontaq – NextGen Technology Fund-1	4,33,552	25,01,250	25,01,250	UDYAM-DL-11-0003182	Micro	Female			Uttar Prad
145	Black Eye Technologies Private Limited	Pontaq – NextGen Technology Fund-1	4,34,455	25,06,471	25,06,471	UDYAM-PB-12-0047445	Micro				Punjab
146	Cappatery Pvt ltd	Pontaq – NextGen Technology Fund-1	4,33,885	25,03,182	25,03,182	UDYAM-OD-19-0022775	Micro				Orrisa
147	Clarila Technologies Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-KR-03-0152884	Micro				Karnataka
148	Coratia Technologies Pvt Ltd	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-OD-30-0008349	Micro		OBC		Orrisa
149	Dweepi Innovations Pvt Ltd	Pontaq – NextGen Technology Fund-1	4,33,194	24,99,196	24,99,196	AP10A0016043	Micro	Female			Andhra Pra
150	Electromotion Evidyut Vehicles	Pontaq – NextGen Technology Fund-1	4,34,460	25,06,500	25,06,500	UDYAM-CG-14-0022232	Micro				Chandigarl
151	Inovmac Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-AP-10-0005556	Micro				Andhra Pra
152	Intellewings	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-HR-13-0004884	Micro				Haryana
153	Poultrymon (MLIT SOL Private	Pontaq – NextGen Technology Fund-1	17,33,333	1,00,00,000	1,00,00,000	UDYAM-TS-09-0032644	Micro	Female	OBC		Telangana
154	Primary Health tech Pvt Ltd, Delhi	Pontaq – NextGen Technology Fund-1	4,35,846	25,14,494	25,14,494	UDYAM-AS-16-0000802	Micro				Assam
155	Schooglink Pvt. Ltd.	Pontaq – NextGen Technology Fund-1	4,33,631	25,01,715	25,01,715	KR02E0016293	Small				Karnataka
156	Sensegiz Technologies Pvt Ltd,	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-KR-04-0001440	Micro				Karnataka
157	Suhora Technologies Pvt Ltd,	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UP28E0035232	Micro				Uttar Prad
158	VRRSP Technologies Pvt Ltd (Interview	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-MH33D0011396	Micro	Female			Maharasht
159	Arivation FashionTech Private Limited.	Pontaq – NextGen Technology Fund-1	4,34,982	25,09,509	25,09,509	UDYAM-HR-05-0037675	Micro				Haryana
160	Axle Mechanic Technologies Private	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-HR-05-0024600	Micro				Haryana
161	Cognicue Analytics Private Limited	Pontaq – NextGen Technology Fund-1	4,33,449	25,00,669	25,00,669	UDYAM-GA-01-0008128	Micro		SC		Goa
162	Ecoprosus India Private Limited	Pontaq – NextGen Technology Fund-1	4,33,554	25,01,272	25,01,272	UDYAM-KR-03-0004978	Micro				Karnataka
163	Felis Leo Widgets Private Limited	Pontaq – NextGen Technology Fund-1	8,66,762	50,00,550	50,00,550	UDYAM-OD-19-0023655	Micro	Female			Orrisa
164	Krishigati Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-MH-26-0208414	Micro	Female	OBC		Maharasht
165	Learning Matters Private Limited	Pontaq – NextGen Technology Fund-1	4,33,244	24,99,487	24,99,487	UDYAM-KR-03-0086991	Micro				Karnataka
166	Les Aider Wellness Private Limited	Pontaq – NextGen Technology Fund-1	1,73,472	10,00,800	10,00,800	UDYAM-WB-10-0044915	Micro	Female			West Beng
167	Moon Light Global Solutions Private	Pontaq – NextGen Technology Fund-1	3,46,709	20,00,244	20,00,244	UDYAM-AP-10-0023309	Micro	Female			Andhra Pra
168	One12 Innovations Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-PY-03-0006014	Micro				Pondicher
169	Ouranos Robotics Private Limited	Pontaq – NextGen Technology Fund-1	4,33,767	25,02,500	25,02,500	UDYAM-MP-24-0016220	Micro	Female			Madhya Pr
170	R2E Technologies Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-UK-08-00000095	Micro	Female			Uttrakhan
171	Sequretek IT Solutions Private Limited	Pontaq – NextGen Technology Fund-1	4,33,365	25,00,182	25,00,182	UDYAM-MH-19-0054040	Small				Maharasht
172	Shomish Edtech Private Limited	Pontaq – NextGen Technology Fund-1	4,33,335	25,00,010	25,00,010	UDYAM-TR-08-0003250	Micro				Tripura
173	Shreem Datatech Solutions Private	Pontaq – NextGen Technology Fund-1	4,33,593	25,01,500	25,01,500	UDYAM-KR-03-0147304	Micro				Karnataka
174	SPK-MAK Technologies Private Limited	Pontaq – NextGen Technology Fund-1	4,33,366	25,00,190	25,00,190	UDYAM-OD-19-0023919	Micro		SC		Orrisa
175	Sunne Edtech Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-TN-02-0116422	Micro	Female			Tamil Nadı
176	Thinkraw innovative solutions private	Pontaq – NextGen Technology Fund-1	4,33,724	25,02,256	25,02,256	UDYAM-OD-15-0002965	Micro	Female			Orrisa
177	Umarobotics Technology Private	Pontaq – NextGen Technology Fund-1	4,33,827	25,02,849	25,02,849	UDYAM-UK-06-0012021	Micro				Uttrakhan
178	Water N Spices Foodsz Private Limited	Pontaq – NextGen Technology Fund-1	2,62,947	15,17,000	15,17,000	UDYAM-JH-20-0002827	Micro				Jharkhand
179	Waterbot Online Solutions Private	Pontaq – NextGen Technology Fund-1	4,34,373	25,06,000	25,06,000	UDYAM-KR-03-0025566	Micro	Female			Karnataka
180	Wonderquill Business Solutions	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-TS-02-0054684	Micro	Female			Telangana
181	Silvergenie Private Limited	Pontaq – NextGen Technology Fund-1	1,72,702	9,96,360	9,96,360	UDYAM-DL-08-0001259	Micro				Delhi
182	Tenvo Business Solutions Private	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-TN-02-0129713	Micro	Female			Tamil Nadı
183	Govidyouth Mobility Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-MH-26-0283172	Micro				Maharasht
184	Arficus Private Limited	Pontaq – NextGen Technology Fund-1	4,33,358	25,00,140	25,00,140	UDYAM-RJ-32-0014907	Micro				Rajasthan
185	Raamsetu Agrotech Private Limited	Pontaq – NextGen Technology Fund-1	4,33,265	24,99,604	24,99,604	UDYAM-MP-08-0007084	Micro		OBC		Madhya Pr
186	Shree Raj Govind Technologies	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-RJ-25-0038808	Micro				Rajasthan
187	Fides Medtech Private Limited	Pontaq – NextGen Technology Fund-1	4,33,203	24,99,250	24,99,250	UDYAM-TS-09-0023290	Micro	Female	OBC		Telangana
188	Manodayam Private Limited	Pontaq – NextGen Technology Fund-1	4,33,333	25,00,000	25,00,000	UDYAM-DL-11-0049075	Micro				Delhi
		Pontaq – NextGen Technology Fund-1 Total	**2,19,40,256**	**12,65,78,400**	**12,65,78,400**					-	
189	Aayuv Technologies Private Limited	Sabre Partners Fund – 2019	3,91,97,093	24,00,00,000	24,00,00,000	UDYAM-TS-02-0004508	Small				Telangana
190	Cointribe Technologies Pvt Ltd	Sabre Partners Fund – 2019	1,60,19,199	9,80,86,175	9,80,86,175	DL03E0004771	Small				Delhi
191	Monepeak Fintech Pvt Ltd	Sabre Partners Fund – 2019	2,23,56,179	13,68,00,000	13,68,00,000	UDYAM-KR-03-0075530	Micro				Karnataka
192	Veeda Clinical Research Pvt Ltd	Sabre Partners Fund – 2019	9,63,55,997	58,99,91,508	58,99,91,508	UDYAM-GJ-01-0002792	Medium				Gujrat
193	Wellspring Healthcare Private Limited	Sabre Partners Fund – 2019	10,93,32,097	66,94,44,675	66,94,44,675	UDYAM-MH-19-0058910	Small				Maharasht
		Sabre Partners Fund – 2019 Total	**28,32,60,564**	**1,73,43,22,358**	**1,73,43,22,358**					-	
194	Blue Planet Environmental Solutions	SVL-SME Fund (Neev II)	13,50,00,558	1,00,00,00,000	1,00,00,00,000	MH33A0224837	Micro				Maharasht
195	Chakr Innovation Private Limited	SVL-SME Fund (Neev II)	9,44,99,980	70,00,00,000	70,00,00,000	DL01B0003067	Micro				Delhi
196	GPS Renewables Private Limited	SVL-SME Fund (Neev II)	16,87,49,929	1,25,00,00,000	1,25,00,00,000	KR03A0041057	Small				Karnataka
197	Hygenco Green Energies Private	SVL-SME Fund (Neev II)	17,48,24,833	1,29,50,00,000	1,29,50,00,000	UDYAM-MP-20-0010225	Micro				Madhya Pr
198	Nutrifresh Farm Tech India Private	SVL-SME Fund (Neev II)	17,00,99,976	1,26,00,00,000	1,26,00,00,000	UDYAM-MH-26-0023775	Micro				Maharasht
		SVL-SME Fund (Neev II) Total	**74,31,75,276**	**5,50,50,00,000**	**5,50,50,00,000**					-	
199	Atulaya Healthcare Private Limited	Tata Capital Healthcare Fund II	3,43,75,001	55,00,00,000	55,00,00,000	UDYAM-CH-01-0000264	Small				Chandigah
200	Linux Laboratories	Tata Capital Healthcare Fund II	4,06,25,000	65,00,00,000	65,00,00,000	UDYAM-TN-02-0113332	Medium				Tamil Nadı
201	Anderson Diagnostic Services Private	Tata Capital Healthcare Fund II	3,43,75,000	55,00,00,000	55,00,00,000	UDYAM-TN-02-0014425	Medium				Tamil Nadı
202	Cellcure Cancer Centre Private Limited	Tata Capital Healthcare Fund II	4,68,75,000	75,00,00,000	75,00,00,000	UDYAM-MH-19-0033135	Small				Maharasht

203	Apex Kidney Care	Tata Capital Healthcare Fund II	4,02,66,903	65,50,00,000	65,50,00,000	UDYAM-MH-18-0287569	Small			Maharasht
		Tata Capital Healthcare Fund II Total	**19,65,16,904**	**3,15,50,00,000**	**3,15,50,00,000**					
204	Covalense Digital Solutions Pvt. Ltd.	Ubharte Sitaare Fund	4,37,50,000	25,00,00,000	25,00,00,000	UDYAM-KR-03-0030969	Small			Karnataka
205	Serosoft Solutions Private Limited	Ubharte Sitaare Fund	5,25,00,000	30,00,00,000	30,00,00,000	UDYAM-MP-23-0047330	Micro			Madhya Pr
206	Omnibrx Biotechnologies Pvt Ltd	Ubharte Sitaare Fund	5,25,00,000	30,00,00,000	30,00,00,000	UDYAM-GJ-01-0087940	Micro			Gujrat
	Transformative Learnings	Ubharte Sitaare Fund	5,25,00,000	30,00,00,000	30,00,00,000	UDYAM-HR-05-0054863	Dup			
	Waterwala Labs Private Limited	Ubharte Sitaare Fund	2,27,50,000	13,00,00,000		UDYAM-KR-03-0059915	Dup			
207	Myelin Foundry Private Limited	Ubharte Sitaare Fund	4,37,50,000	25,00,00,000		UDYAM - KR- 03-0116853	Micro			Karnataka
208	OTPless Solutions Private Limited	Ubharte Sitaare Fund	2,90,50,000	16,60,00,000		UDYAM-GJ-22-0246173	Micro			Gujrat
		Ubharte Sitaare Fund Total	**29,68,00,000**	**1,69,60,00,000**	**1,15,00,00,000**				**-**	
209	Surfboats Solutions Private Limited	Roots Ventures-II Fund	3,32,49,882	24,99,99,110	24,99,99,110	UDYAM-GJ-01-0171864	Small			Gujrat
210	Godesi Mandi Private Limited	Roots Ventures-II Fund	1,32,99,518	9,99,96,375	9,99,96,375	UDYAM-KR-03-0076828	Micro	Female		Karnataka
211	Illuminify Technologies Private Limited	Roots Ventures-II Fund	13,29,159	99,93,674	3,50,00,000	UDYAM-TN-02-0007249	Micro			Tamil Nadı
212	Asar Green Kabadi Private Limited	Roots Ventures-II Fund	1,59,86,667	12,00,00,000	6,50,00,000	UDYAM-MP-10-0001198	Micro			Madhya Pr
		Roots Ventures-II Fund Total	**6,38,65,226**	**47,99,89,159**	**44,99,95,485**				**-**	
213	Aqgromalin Farmtech Services Private	Zephyr Peacock India Growth Fund	1,68,76,160	8,99,05,875	8,99,05,875	UDYAM-TN-11-0004773	Micro			Tamil Nadı
214	Intelligent Retail Private Limited	Zephyr Peacock India Growth Fund	8,66,64,420	50,00,00,000	49,81,57,770	UDYAM-KR-03-0027888	Small			Karnataka
215	ZippMat Private Limited	Zephyr Peacock India Growth Fund	2,39,19,528	12,74,28,637	12,74,28,637	UDYAM-MH-33-0118047	Micro			Maharasht
216	Batx Energies Private Limited	Zephyr Peacock India Growth Fund	2,83,97,856	25,35,00,000	25,21,41,495	UDYAM-HR-05-0005446	Micro			Haryana
217	Shambhu Technology Services Private	Zephyr Peacock India Growth Fund	3,20,59,031	22,32,00,000	21,77,47,389	UDYAM-DL-01-0001977	Micro			Delhi
		Zephyr Peacock India Growth Fund Total	**18,79,16,995**	**1,19,40,34,512**	**1,18,53,81,166**				**-**	
218	Zoivane Naturale Cosmetics Private	GVFL Emerging Enterprises Venture Capital	80,00,000	5,00,00,000	5,00,00,000	UDYAM-GJ-22-0118071	Micro			Gujrat
219	Gamerji E-Sports Pvt Ltd	GVFL Emerging Enterprises Venture Capital	1,60,00,000	10,00,00,000	10,00,00,000	UDYAM-GJ-01-0162341	Micro			Gujrat
220	Saarthi Pedagogy Pvt Ltd	GVFL Emerging Enterprises Venture Capital	1,60,00,000	10,00,00,000	10,00,00,000	UDYAM-GJ-01-0070669	Micro			Gujrat
221	Heni Innovations Private Limited	GVFL Emerging Enterprises Venture Capital	1,60,00,000	10,00,00,000	10,00,00,000	UDYAM-GJ-22-0150182	Micro			Gujrat
		GVFL Emerging Enterprises Venture Capital	**5,60,00,000**	**35,00,00,000**	**35,00,00,000**					
222	Angel Expanders Private Limited	SVAS Winning Businesses	6,40,00,000	32,00,00,000	32,00,00,000	UDYAM-DL-08-0006194	Micro			Delhi
223	Multi-Verse Technologies Private	SVAS Winning Businesses	1,97,06,667	9,85,33,333	7,85,33,333	UDYAM-KR-03-0163204	Micro			Karnataka
224	Dhanush Healthcare systems Private	SVAS Winning Businesses	80,00,000	4,00,00,000	4,00,00,000	UDYAM-TS-02 E-0040697	Micro			Telangana
225	Creyatech Private Limited	SVAS Winning Businesses	1,03,33,333	5,16,66,666	5,16,66,666	UDYAM-DL-03-00006532	Micro			Delhi
		SVAS Winning Businesses Total	**10,20,40,000**	**51,01,99,999**	**49,01,99,999**				**-**	
226	Indifi Technologies Private Limited	India Advantage Fund S5 I	11,31,78,779	1,70,00,00,000	1,70,00,00,000	UDYAM-HR-05-0066168	Small			Haryana
		India Advantage Fund S5 I Total	**11,31,78,779**	**1,70,00,00,000**	**1,70,00,00,000**					
227	Eeki Automation Private Limited	Avaana Sustainability Fund	2,07,48,418	10,37,42,088	10,37,42,088	UDYAM-RJ-24-0024121	Micro			Rajasthan
228	Aerem Solutions Private Limited	Avaana Sustainability Fund	3,66,86,000	18,34,30,000	18,28,77,193	UDYAM-MH-18-0118077	Micro			Maharasht
229	Kazam EV Tech Private Limited	Avaana Sustainability Fund	3,45,00,000	17,25,00,000	17,25,00,716	UDYAM-MH-33-0078284	Micro			Maharasht
230	Carboledger India Private Limited	Avaana Sustainability Fund	38,57,989	2,06,93,790	2,06,93,790	UDYAM-MH-27-0090289	Micro			Maharasht
231	Sentra World Technologies Private	Avaana Sustainability Fund	2,30,70,986	12,37,50,000	12,37,50,000	UDYAM-KR-03-0236343	Micro			Karnataka
		Avaana Sustainability Fund Total	**11,88,63,393**	**60,41,15,878**	**60,35,63,787**				**-**	
232	AMPM Fashions Pvt Ltd	Cactus Partners Fund I	2,81,11,111	23,00,00,000	6,19,86,754	UDYAM-DL-09-0002870	Small	Female		Delhi
233	Rubix Data Sciences Pvt Ltd	Cactus Partners Fund I	75,76,159	6,20,00,000	25,00,01,090	UDYAM-MH-19-0028772	Micro			Maharasht
234	Zenith Drinks Pvt Ltd	Cactus Partners Fund I	1,77,72,679	14,54,00,000	14,54,12,827	UDYAM-DL-03-0004991	Micro			Delhi
235	Lohum Cleantech Pvt Ltd	Cactus Partners Fund I	5,46,74,418	44,72,70,000	12,01,45,993	UDYAM-DL-02-0004158	Micro			Delhi
236	Vitraya Technologies Pvt Ltd	Cactus Partners Fund I	1,46,84,510	12,01,09,612	50,50,00,000	UDYAM-PB-20-0010470	Micro	Female		Punjab
237	Adjetter Media Network Private	Cactus Partners Fund I	3,91,11,111	32,00,00,000	31,99,93,632	UDYAM-KR-03-0063779	Small			Karnataka
		Cactus Partners Fund I Total	**16,19,29,989**	**1,32,47,79,612**	**1,40,25,40,296**				**-**	
238	Transformative Learnings Pvt Ltd	Grand Anicut Fund 3	4,10,05,064	50,56,01,548	29,28,00,000	UDYAM-HR-05-0054863	Micro			Haryana
239	Neemans Pvt Ltd	Grand Anicut Fund 3	2,42,19,458	27,29,96,126	17,28,00,000	UDYAM-TS-02-0057000	Micro			Telangana
240	Earth Rhythm Pvt Ltd	Grand Anicut Fund 3	2,52,02,190	36,00,15,644	18,00,00,000	UDYAM-HR-05-0010228	Micro			Haryana
241	Wheelocity Fresh Pvt Ltd	Grand Anicut Fund 3	1,71,64,606	24,56,04,332	12,30,00,000	UDYAM-TN-02-0162939	Micro			Tamil Nadı
242	Muhavra Enterprises Pvt Ltd	Grand Anicut Fund 3	2,80,01,966	34,98,22,932	22,06,00,000	UDYAM-HR-05-0015540	Micro			Haryana
243	XYXX Apparels Private Limited	Grand Anicut Fund 3	2,65,99,567	17,60,00,000	19,25,00,000	UDYAM-GJ-22-0147062	Small			Gujrat
		Grand Anicut Fund 3 Total	**16,21,92,851**	**1,91,00,40,582**	**1,18,17,00,000**					
244	Sukino Healthcare Solutions Private	Stakeboat Capital Fund II	7,23,02,844	50,00,00,000	50,00,00,000	UDYAM-KR-03-0061561	Small			Karnataka
245	Newgen Digitalworks Private Limited	Stakeboat Capital Fund II	8,81,99,669	61,00,00,000	61,00,00,000	UDYAM-TN-02-0002532	Small			Tamil Nadı
246	SBCDC Software Private Limited	Stakeboat Capital Fund II	8,88,02,868	61,24,33,572	61,40,00,000	UDYAM -KR-03-0280873	Micro			Karnataka
		Stakeboat Capital Fund II Total	**24,93,05,381**	**1,72,24,33,572**	**1,72,40,00,000**					
247	GigaFun Studios Private Limited	Fireside Ventures Investment Fund III	56,66,966	6,48,00,000	6,48,00,000	UDYAM-KR-03-0221366	Micro			Karnataka
	Intelligent Retail Private Limited	Fireside Ventures Investment Fund III	5,07,23,123	58,00,00,000	58,00,00,000	UDYAM-KR-03-0027888	Dup			
248	Jetapult Private Limited	Fireside Ventures Investment Fund III	3,61,77,278	44,00,00,000	41,40,81,109	UDYAM-MH-26-0351204	Micro			Maharasht
249	Summersalt Lifestyle Private Limited	Fireside Ventures Investment Fund III	2,03,74,861	25,00,00,000	23,32,08,400	UDYAM-HR-05-0055902	Small			Haryana
250	Fraicheur Retail Private Limited	Fireside Ventures Investment Fund III	2,79,57,636	34,00,00,000	33,61,99,982	UDYAM-KR-03-0293897	Micro			Delhi
251	Samplytics Technologies Private	Fireside Ventures Investment Fund III	72,33,259	8,27,10,076	8,27,10,076		Micro			Karnataka
252	Seven Turns Private Limited The Good	Fireside Ventures Investment Fund III	2,49,76,941	28,56,03,600	28,56,03,600	UDYAM-TN-02-0091737	Micro			Tamil Nadı
253	Sweet Karam Coffee India Private	Fireside Ventures Investment Fund III	1,04,94,446	12,00,00,744	12,00,00,744	UDYAM-TN-02-0174156	Micro			Tamil Nadı
254	Renaura Wellness Private Limited -	Fireside Ventures Investment Fund III	2,62,35,952	30,00,00,000	26,25,03,360	UDYAM-KR-03-0004845	Micro			Karnataka
255	Mindcrescent Wellness Ventures	Fireside Ventures Investment Fund III	3,18,32,955	36,40,00,000	36,43,93,040	UDYAM-MH-19-0232585	Micro			Maharasht
256	Happi Planet Eco Products Private	Fireside Ventures Investment Fund III	74,07,284	8,47,00,000	8,46,16,495	UDYAM-MH-19-0125951	Micro			Maharasht
257	Dev Milk Foods Private Limited-Frubon	Fireside Ventures Investment Fund III	2,62,35,952	30,00,00,000	30,00,00,000	UDYAM-RJ-17-0049337	Small			Rajasthan
		Fireside Ventures Investment Fund III Total	**27,53,16,652**	**3,21,18,14,420**	**3,12,81,16,806**				**-**	
258	Exotel Techcom Private Limited	Singularity Growth Opportunities Fund I	75,32,949	8,47,10,682	8,47,10,682	UDYAM-KR-03-0071163	MEDIUM			Karnataka
259	Service Lee Technologies Private	Singularity Growth Opportunities Fund I	4,46,08,179	50,16,34,760	38,83,97,118	UDYAM-MH-19-0077405	MEDIUM			Maharasht
	Pep Technologies Private Limited	Singularity Growth Opportunities Fund I	3,55,72,262	40,00,22,670	40,00,22,670	UDYAM-MH-18-0165342	Dup			
	Xyxx Apparels Private Limited	Singularity Growth Opportunities Fund I	2,52,54,856	28,39,99,798	28,39,99,798	UDYAM-GJ-22-0147062	Dup			
260	Webklipper Technologies Private	Singularity Growth Opportunities Fund I	3,11,23,819	34,99,98,363	34,99,98,363	UDYAM-MH-18-0216406	Medium			Maharasht
261	Purple Style Labs Private Limited	Singularity Growth Opportunities Fund I	2,92,56,527	32,50,00,000	35,00,00,000	MH19D0059762	Micro			Maharasht
262	Orocorp Technologies Private Limited	Singularity Growth Opportunities Fund I	2,48,86,334	28,00,00,000	27,99,88,263	UDYAM-TN-02-0198399	Micro			Tamil nadı
263	More Consumer Brands Private	Singularity Growth Opportunities Fund I	88,92,561	10,00,00,000	5,00,00,000	UDYAM-MH-19-0028186	Micro			Maharasht
	Lohum Cleantech Private Limited	Singularity Growth Opportunities Fund I	2,66,77,684	30,00,00,000	22,73,52,252	UDYAM-DL-02-0004158	Dup	Female		
	Veeda Clinical Research Limited	Singularity Growth Opportunities Fund I	2,66,77,712	30,00,00,308	30,00,00,012	UDYAM-GJ-01-0002792	Dup			
264	TOMORROWLAND APPARELS PRIVATE	Singularity Growth Opportunities Fund I	2,22,31,404	25,00,00,000		UDYAM-MH-19-0269752	Small			Maharasht
265	Extrapolate Advisors Private Limited	Singularity Growth Opportunities Fund I	1,33,38,842	15,00,00,000		UDYAM-WB-10-0012963	Micro			West Beng
		Singularity Growth Opportunities Fund I	**29,60,53,130**	**3,32,53,66,581**	**2,71,44,69,158**				**0**	
266	All Building Materials Technologies	Whiteboard Capital Fund – II	20,00,000	2,80,00,000	-	UDYAM-TS-02-0070356	Micro			Telangana
267	Aroleap Fitness Private Limited	Whiteboard Capital Fund – II	21,72,477	3,04,14,678	1,50,11,226	UDYAM-KR-03-0041446	Micro			Karnataka
268	Blutron Technologies Private Limited	Whiteboard Capital Fund – II	16,66,264	2,00,00,000	2,00,03,170	UDYAM-DL-03-0026874	Micro			Delhi
269	Chaupal (Bosna Digital Entertainment	Whiteboard Capital Fund – II	28,57,143	4,00,00,000	50,00,000	UDYAM-CH-01-0007672	Micro			Chandigarl
270	Custiv Manufacturing Solutions	Whiteboard Capital Fund – II	15,25,190	2,13,52,656	2,13,36,873	UDYAM-KR-03-0015057	Micro			Karnataka
271	Dezerv Investments Private Limited	Whiteboard Capital Fund – II	6,94,052	97,16,722	97,16,722	UDYAM-MH-18-0076277	Micro			Maharasht
272	Digiaccel Technologies Private Limited	Whiteboard Capital Fund – II	14,75,490	2,06,56,860	2,06,56,860	UDYAM-KR-03-0188600	Micro			Karnataka
273	Early Steps Academy Private Limited	Whiteboard Capital Fund – II	16,18,563	2,26,59,888	2,23,51,257	UDYAM-KR-3-240005	Micro	Female		Karnataka
274	Finnoto Solutions Private Limited	Whiteboard Capital Fund – II	19,64,286	2,75,00,000	2,75,00,811	UDYAM-KR-03-0238265	Micro			Karnataka
275	Healthlicious Basil Foodtech Private	Whiteboard Capital Fund – II	14,99,761	2,09,96,657	1,94,81,995	UDYAM-DL-06-0072679	Micro	Female		Delhi
276	Klip Solutions Private Limited	Whiteboard Capital Fund – II	10,28,634	1,44,00,880	1,44,00,914	UDYAM-HR-05-0060826	Micro			Haryana
277	Listed Dotfans Private Limited	Whiteboard Capital Fund – II	28,57,143	4,00,00,000	4,09,00,000	UDYAM-DL-02-0043283	Micro			Delhi
278	Mindgrove Technologies Private	Whiteboard Capital Fund – II	5,61,321	78,58,488	78,58,625	UDYAM-TN-02-0113886	Micro			Tamil Nadı
279	Moreficent (Xvirtual Systems Private	Whiteboard Capital Fund – II	7,35,116	1,02,91,623	99,98,250	UDYAM-DL-09-0011292	Micro			Delhi
280	Mymuse India Private Limited	Whiteboard Capital Fund – II	14,34,803	2,00,87,246	5,50,92,968	UDYAM-MH-19-0028215	Micro	Female		Maharasht
281	Now&Me Enterprises Private Limited	Whiteboard Capital Fund – II	13,03,255	1,82,45,575	1,82,45,575	UDYAM-DL-11-0051510	Micro	Female		Delhi
	Onwo Trade India Private Limited	Whiteboard Capital Fund – II	3,64,286	51,00,000	51,02,830	UDYAM-KR-03-0194817	Dup			
282	Openvitae Technologies Private	Whiteboard Capital Fund – II	18,75,000	2,62,50,000	2,62,50,525	UDYAM-KL-02-0052465	Micro	Female		Kerala
283	Palaestra Technologies Private Limited	Whiteboard Capital Fund – II	7,99,089	1,11,87,243	1,10,40,241	UDYAM-KR-03-0240054	Micro			Karnataka
284	Poincare Technologies Pvt Ltd	Whiteboard Capital Fund – II	1,33,277	18,65,873	18,65,873	UDYAM-KR-03-0258067	Micro			Karnataka
285	Praxia (Novus Procura India Private	Whiteboard Capital Fund – II	18,57,143	5,60,00,000	2,26,82,781	UDYAM- MH-27-0057703	Micro			Maharasht
286	Profectus Technologies Private Limited	Whiteboard Capital Fund – II	30,13,289	4,21,86,045	5,21,83,461	UDYAM-KR-03-0142293	Micro			Karnataka
287	Radio Rocket Private Limited	Whiteboard Capital Fund – II	21,42,620	2,99,96,677	2,99,96,677	UDYAM-DL-08-0027197	Micro			Delhi
288	Remedo Clinitech Private Limited	Whiteboard Capital Fund – II	21,38,819	2,99,43,470	5,99,44,698	UDYAM-MH-19-0049978	Micro			Maharasht
289	Revoh (Revoh Innovations Private	Whiteboard Capital Fund – II	12,50,000	1,75,00,000	1,75,00,080	UDYAM-TN-02-0071976	Micro			Tamil Nadı
290	Shouto (Shouto Technologies Private	Whiteboard Capital Fund – II	8,92,857	1,25,00,000	Not going ahead with t	UDYAM-KR-03-0237046	Micro			Karnataka
291	Stimveda Neurosciences Private	Whiteboard Capital Fund – II	16,07,786	3,37,59,000	1,12,59,000	UDYAM-DL-03-0027160	Micro	Female		Delhi
292	The Unbottled Company (Unbottle	Whiteboard Capital Fund – II	21,42,857	3,00,00,000	3,00,00,161	UDYAM-KR-03-0159221	Micro	Female		Karnataka
	Tradyl Private Limited	Whiteboard Capital Fund – II	11,65,516	2,43,31,297	1,63,17,292	UDYAM-KR-03-0084549	Dup	Female		
293	Waltr (Kre38 Labs Private Limited)	Whiteboard Capital Fund – II	14,28,571	4,00,02,559	4,00,02,557	UDYAM-KR-03-0237046	Micro			Karnataka
294	Breeo Solutions Private Limited	Whiteboard Capital Fund – II	17,09,431	2,05,21,380	3,00,23,994	UDYAM-KR-03-0262872	Micro			Karnataka
	Brio Hospitality Private Limited	Whiteboard Capital Fund – II	37,48,443	4,49,99,316	4,49,97,116		Dup			
295	Griot Retail Tech Pvt. Ltd. (Doto Kids)	Whiteboard Capital Fund – II	29,15,500	3,50,00,000	3,65,18,031	UDYAM-KR-03-0292025	Micro			Karnataka
296	Jugyah Real Estate Services Private	Whiteboard Capital Fund – II	6,84,226	82,14,000	82,14,000	UDYAM-MH-18-0295918	Micro			Maharasht
297	Neuracle Health Pvt Ltd (Marble	Whiteboard Capital Fund – II	11,49,540	1,38,00,000		UDYAM-DL-03-0027160	Micro			Delhi

		Whiteboard Capital Fund – II Total	**5,64,11,748**	**83,53,38,134**	**75,14,54,563**					
298	Iron Kettle Private Limited	Menterra Social Impact Fund II	1,04,90,630	5,62,00,000	5,62,00,000	UDYAM-KR-03-0159548	Micro			Karnataka
299	Teralumen Solutions Pvt Ltd	Menterra Social Impact Fund II	4,66,665	25,00,000	25,00,000	UDYAM-TN-08-0000211	Micro			Tamil Nadu
300	Medhavi Professional Services Pvt Ltd	Menterra Social Impact Fund II	23,89,325	1,28,00,000	1,28,00,000	UDYAM-DL10D0014650	Micro			Delhi
		Menterra Social Impact Fund II Total	**1,33,46,620**	**7,15,00,000**	**7,15,00,000**					
301	Heuristix Digital Technologies Private	TrueScale Venture Growth Fund I	5,81,14,039	26,00,17,941	26,00,17,941	UDYAM-MH-18-0008015	Small			Maharasht
302	Octopolis Technologies Private Limited	TrueScale Venture Growth Fund I	2,50,90,255	18,81,76,912	18,81,76,912	UDYAM-KR-03-0080596	Micro			Karnataka
		TrueScale Venture Growth Fund I Total	**8,32,04,294**	**44,81,94,853**	**44,81,94,853**					
303	Aeroquill Technologies Private Limited	Antler Innovation India Fund I Total	23,30,942	2,79,82,500	2,79,82,500	UDYAM-KR-03-0330736	Micro			Karnataka
304	Allevaraev Labs Private Limited	Antler Innovation India Fund I Total	20,84,366	2,50,22,400	2,50,22,400	UDYAM-MH-26-0562701	Micro			Maharasht
305	Antler Incubator Private Limited	Antler Innovation India Fund I Total	1,91,69,477	23,01,25,769	24,30,74,669	UDYAM-KR-03-0329822	Micro			Karnataka
306	Cattleguru Private Limited	Antler Innovation India Fund I Total	16,66,000	2,00,00,000	2,00,00,000	UDYAM-HR-07-0009077	Micro			Haryana
307	Climb Foods Private Limited	Antler Innovation India Fund I Total	17,51,323	2,10,24,291	2,10,24,291	UDYAM-RJ-17-0064320	Micro			Rajasthan
308	Cricinshots Gaming Private Limited	Antler Innovation India Fund I Total	11,51,623	1,38,25,000	2,05,00,000	UDYAM-MH-26-0278566	Micro			Maharasht
309	Deftronin Technologies Private Limited	Antler Innovation India Fund I Total	12,09,139	1,45,15,476	1,45,15,476	UDYAM-KR-03-0330290	Micro			Karnataka
310	Figrfast Systems Private Limited	Antler Innovation India Fund I Total	16,66,000	2,00,00,000	2,00,00,000	UDYAM-DL-06-0103794	Micro			Delhi
311	Good Memories Private Limted	Antler Innovation India Fund I Total	15,81,242	1,89,82,500	1,89,82,500	UDYAM-KR-03-0089543	Micro			Karnataka
312	Growthduty AI Private Limited	Antler Innovation India Fund I Total	17,27,536	2,07,38,732	2,07,38,732	UDYAM-KR-03-0330082	Micro			Karnataka
313	Guardians EMS Private Limited	Antler Innovation India Fund I Total	17,43,053	2,09,25,000	2,09,25,000	UDYAM-DL-10-0056290	Micro			Delhi
314	IDQ Innovation Private Limited	Antler Innovation India Fund I Total	29,79,314	3,57,66,080	3,57,66,080	UDYAM-DL-09-0011592	Micro			Delhi
315	Innobits Solutions Private Limited	Antler Innovation India Fund I Total	24,59,018	2,95,20,024	2,95,20,024	UDYAM-KR-03-0129794	Micro			Karnataka
316	Inspecity Space Laboratories Private	Antler Innovation India Fund I Total	19,98,902	2,39,96,424	2,39,96,424	UDYAM-MH-33-0241542	Micro		OBC	Maharasht
317	Magneum Techonology Private Limited	Antler Innovation India Fund I Total	24,53,561	2,94,54,512	2,94,54,512	UDYAM-UP-28-0031526	Micro			Uttar Prad
318	Mysa Innovations Private Limited	Antler Innovation India Fund I Total	22,01,046	2,64,23,124	2,64,23,124	UDYAM-KR-03-0313875	Micro			Karnataka
319	Neobrix SaaS Solutions Private Limited	Antler Innovation India Fund I Total	20,65,840	2,48,00,000	2,48,00,000	UDYAM-MH-33-0404018	Micro			Maharasht
320	Neofinverv Technologies Private	Antler Innovation India Fund I Total	15,82,875	1,90,02,100	1,90,02,100	UDYAM-HR-05-0087435	Micro			Haryana
321	OnArrival Travel Technology Private	Antler Innovation India Fund I Total	11,07,890	1,33,00,000	1,33,00,000	UDYAM-KR-03-0332579	Micro			Karnataka
322	Platiga Technologies Private Limited	Antler Innovation India Fund I Total	23,34,415	2,80,24,186	2,80,24,186	UDYAM-MH-18-0290792	Micro			Maharasht
323	Sahaj Gaming and Edutainment	Antler Innovation India Fund I Total	23,90,703	2,86,99,920	2,86,99,920	UDYAM-KR-03-0330702	Micro			Karnataka
324	Sangti Solutions Private Limited	Antler Innovation India Fund I Total	17,43,053	2,09,25,000	2,09,25,000	UDYAM-MP-23-0117020	Micro			Madhya Pr
325	Yellowpedal Technologies Private	Antler Innovation India Fund I Total	34,36,702	4,12,56,923	4,12,56,923	UDYAM-DL-11-0064467	Micro			Delhi
		Antler Innovation India Fund I Total	**6,28,34,019**	**75,43,09,961**	**77,39,33,861**					
326	Dhruva Space Private Limited	IAN Alpha Fund	2,46,15,385	16,00,00,000	16,00,00,000	UDYAM-TS-02-0054772	Micro			Telangana
		IAN Alpha Fund Total	**2,46,15,385**	**16,00,00,000**	**16,00,00,000**					
327	A-1 Cuisines Private Limited	9Unicorns Accelerator Fund	5,19,124	1,07,10,000	1,07,10,000	UDYAM-MH-19-0011209	Micro			Maharasht
328	Adonmo Private Limited	9Unicorns Accelerator Fund	11,52,236	2,37,71,658	2,37,71,658	TS09D0025300	Small			Telangana
329	Aesthetic Nutrition Private Limited	9Unicorns Accelerator Fund	70,75,627	14,59,76,500	14,59,76,500	UDYAM-DL-08-0028263	Small			Delhi
330	Alnourish Healthy Foods Private	9Unicorns Accelerator Fund	1,83,220	37,80,000	37,80,000	UDYAM-HR-05-0041646	Micro			Haryana
331	Alphaa Ai Data Private Limited	9Unicorns Accelerator Fund	8,96,724	1,85,00,208	1,85,00,208	UDYAM-DL-02-0008545	Micro			Delhi
332	Andor Communications Private Limited	9Unicorns Accelerator Fund	12,11,942	2,50,03,440	2,50,03,440	DL02E0020475	Small			Delhi
333	Ans Digital Private Limited	9Unicorns Accelerator Fund	7,27,065	1,50,00,000	1,50,00,000	Not Available	Micro			Delhi
334	Assiduus Distribution Private Limited	9Unicorns Accelerator Fund	36,35,325	7,50,00,001	7,50,00,001	UDYAM-KR03D0066222	Small	Female		Karnataka
335	August Jewellery Private Limited	9Unicorns Accelerator Fund	53,07,957	10,95,07,894	10,95,07,894	UDYAM-KR-03-0000062	Medium			Karnataka
336	Axiom Ayurveda Private Limited	9Unicorns Accelerator Fund	29,08,261	6,00,02,859	6,00,00,019	UDYAM-HR-01-0008093	Medium			Haryana
337	Basic Enterprises Private Limited	9Unicorns Accelerator Fund	2,90,857	60,00,640	60,00,640	UDYAM-HR-05-0000843	Micro			Haryana
338	Biddano Private Limited	9Unicorns Accelerator Fund	4,99,657	1,03,08,363	1,03,08,363	UDYAM-MH-26-0516978	Micro			Maharasht
339	Bigfoot Retail Solutions Private Limited	9Unicorns Accelerator Fund	45,60,516	9,40,87,531	9,40,87,531	UDYAM-MH-19-0056617	Small			Maharasht
340	Blu-Smart Mobility Private Limited	9Unicorns Accelerator Fund	26,65,905	5,50,00,000	5,50,00,000	UDYAM-GJ-01-0039950	Micro			Gujrat
	Bombay Autism Services Private	9Unicorns Accelerator Fund	11,19,680	2,31,00,000	2,31,00,000	UDYAM-MH-33-0185606	Dup	Female		
341	Brio Hospitality Private Limited	9Unicorns Accelerator Fund	12,11,681	2,49,98,052	2,49,98,052	UDYAM-MH-19-0142739	Micro			Maharasht
342	Bycyshare Technologies Private	9Unicorns Accelerator Fund	65,53,723	13,52,09,166	6,50,11,627	UDYAM-HR-05-0017664	Micro	Female		Haryana
343	Celebrity Konnections Tech Private	9Unicorns Accelerator Fund	7,27,128	1,50,01,302	1,50,01,302	MH26D0222780	Micro			Maharasht
344	Crescere Technologies Private Limited	9Unicorns Accelerator Fund	4,85,195	1,00,10,000	1,00,10,000	UDYAM-DL-08-0036698	Micro			Delhi
345	Curapy Health Private Limited	9Unicorns Accelerator Fund	4,12,246	85,05,000	85,05,000	UDYAM-KR-03-0019502	Micro	Female		Karnataka
346	Cusmat Technologies Private Limited	9Unicorns Accelerator Fund	4,84,753	1,00,00,879	1,00,00,879	TS02E0064431	Small			Telangana
347	Dcg Tech Limited	9Unicorns Accelerator Fund	6,97,982	1,44,00,000	1,44,00,000	UDYAM-HR-05-0008967	Small			Haryana
348	Deepsync Technologies Private Limited	9Unicorns Accelerator Fund	1,69,680	60,03,510	35,00,652	UDYAM-CH-01-0013460.	Micro			Chandigarh
349	Ecovia Tech Private Limited	9Unicorns Accelerator Fund	18,17,624	3,74,99,211	3,74,99,211	UDYAM-GJ-22-0038506	Micro			Gujrat
350	Edgeneural Ai Private Limited	9Unicorns Accelerator Fund	1,33,460	27,53,405	27,53,405	MH30D002978	Small			Maharasht
351	Ekank Technologies Private Limited	9Unicorns Accelerator Fund	9,08,773	1,87,48,800	1,87,48,800	UDYAM-DL-10-0020385	Micro			Delhi
352	Elec Torq Technologies Private Limited	9Unicorns Accelerator Fund	27,38,149	5,64,90,462	1,64,90,462	UDYAM-DL-10-0022992	Micro			Delhi
353	Ethereal Machines Private Limited	9Unicorns Accelerator Fund	11,27,265	2,32,56,482	1,50,04,092	UDYAM-KR-03-0172242	Micro			Karnataka
354	Evenflow Brands Tech Private Limited	9Unicorns Accelerator Fund	30,49,068	6,29,05,000	6,29,05,000	UDYAM-MH-19-0092812	Micro			Maharasht
355	Extraaedge Technology Solutions	9Unicorns Accelerator Fund	2,90,544	59,94,177	59,94,177	UDYAM-MH-26-0412255	Micro			Maharasht
356	Fashor Lifestyle Pvt Ltd	9Unicorns Accelerator Fund	9,69,355	1,99,98,660	1,99,98,660	UDYAM-RJ-17-0064712	Small	Female		Rajasthan
357	Feed Forward Technologies Private	9Unicorns Accelerator Fund	2,42,926	50,11,776	50,11,776	UDYAM-BR-26-0030809	Micro			Bihar
358	Fembuddy Private Limited	9Unicorns Accelerator Fund	10,90,565	2,24,99,329	74,99,441	UDYAM-KR-03-0141607	Micro	Female		Karnataka
359	Fitterfly Healthtech Private Limited	9Unicorns Accelerator Fund	40,74,016	8,40,50,592	8,40,50,592	UDYAM-MH-19-0114396	Micro			Maharasht
360	Fleek Technologies Private Limited	9Unicorns Accelerator Fund	13,23,424	2,73,03,415	73,03,415	UDYAM-KR-03-0105471	Micro		Karnataka	
361	Flickstree Productions Private Limited	9Unicorns Accelerator Fund	19,34,616	3,99,12,852	3,99,12,852	UDYAM-MH-18-0175135	Micro			Maharasht
362	Flive Consulting Private Limited	9Unicorns Accelerator Fund	9,49,530	1,95,89,645		UDYAM-DL-03-0004235	Small			Delhi
363	Freightbro Logistics Private Limited	9Unicorns Accelerator Fund	2,42,174	49,96,268	49,96,268	UDYAM-TN-02-0038589	Small			Tamil Nadu
364	Freightify Solutions India Private	9Unicorns Accelerator Fund	8	170	170	UDYAM-TN-02-0038589	Small			Tamil Nadu
	Gajju Technologies Private Limited	9Unicorns Accelerator Fund	36,36,654	7,50,27,428	7,50,27,428	MH18D0211204	Dup			
365	Gamepe Technologies Private Limited	9Unicorns Accelerator Fund	10,47,938	2,16,19,893	2,16,19,893	UDYAM-MP-15-0000211.	Micro			Madhya Pr
366	Gigforce Private Limited	9Unicorns Accelerator Fund	16,97,345	3,50,17,752	3,50,17,752	UDYAM-HR-03-0015146	Micro			Haryana
367	Goat Brand Labs Private Limited	9Unicorns Accelerator Fund	54,55,056	11,25,42,678	11,25,42,678	UDYAM-KR-03-0085194	Micro			Karnataka
368	Greenikk Sustainable Ventures Private	9Unicorns Accelerator Fund	3,13,964	64,77,363	64,77,363	UDYAM-KL-12-0029613	Micro			Kerala
369	Growthpond Technology Private	9Unicorns Accelerator Fund	17,71,178	3,65,40,984	3,65,40,984	UDYAM-KR-03-0141643	Micro			Karnataka
370	Gsharp Media Private Limited	9Unicorns Accelerator Fund	7,25,987	1,49,77,770	1,49,77,770	UDYAM-MH-19-0056617	Micro			Maharasht
371	Hesa Enterprises Private Limited	9Unicorns Accelerator Fund	3,63,532	75,00,000	75,00,000	TS02E0048677	Micro	Female		Telangana
372	Instoried Research Labs Private	9Unicorns Accelerator Fund	27,75,064	5,72,52,046	5,72,52,046	UDYAM-KR-03-0112732	Micro			Karnataka
	Jetapult Private Limited (Jetapult).	9Unicorns Accelerator Fund	33,94,573	7,00,33,076	7,00,33,076	UDYAM-MH-26-0351204	Dup			
373	Join Ventures Private Limited	9Unicorns Accelerator Fund	54,52,667	11,24,93,400	11,24,93,400	UDYAM-MH-33-0176960	Micro			Maharasht
374	Kid Aptivity Technologies Private	9Unicorns Accelerator Fund	3,61,400	74,56,010	74,56,010	Not Available	Micro			Delhi
375	Knoctowl Technologies Pvt Ltd	9Unicorns Accelerator Fund	3,87,668	79,97,941	79,97,941	UDYAM-MH-26-0099762	Micro			Maharasht
376	Leaf And Nuts Private Limited	9Unicorns Accelerator Fund	4,85,266	1,00,11,474	1,00,11,474	UDYAM-KR-03-0119945	Micro			Karnataka
377	Leverage Ed-Tech Private Limited	9Unicorns Accelerator Fund	36,35,544	7,50,04,514	7,50,04,514	UDYAM-DL-08-0059443	Small			Delhi
378	Mannatron Tech Private Limited	9Unicorns Accelerator Fund	10,66,486	2,20,02,568	2,20,02,568	UDYAM-MH-18-0089257	Micro	Female		Maharasht
379	Meme Chat Private Limited	9Unicorns Accelerator Fund	2,47,471	51,05,552	51,05,552	UDYAM-HR-05-0050139	Small			Haryana
380	Merapashu360 Private Limited	9Unicorns Accelerator Fund	10,66,362	2,20,00,000	2,20,00,000	UDYAM-DL-06-0032968	Micro			Delhi
381	Mitron Tv Private Limited	9Unicorns Accelerator Fund	13,68,820	2,82,39,980	2,82,39,980	UDYAM-KR-03-0006944	Micro			Karnataka
382	Mjvs Fashion Services Private Limited	9Unicorns Accelerator Fund	42,42,424	8,75,25,000	5,74,91,148	UDYAM-MH-18-0155941	Micro			Maharasht
383	Nabosh Technologies Private Limited	9Unicorns Accelerator Fund	18,43,520	3,80,33,461	3,80,33,461	UDYAM-KR-03-0118728	Micro			Karnataka
384	Navia Life Care Private Limited	9Unicorns Accelerator Fund	9,69,463	2,00,00,888	2,00,00,888	UDYAM-DL-08-0005856	Micro	Female		Delhi
385	Numadic Iot Private Limited	9Unicorns Accelerator Fund	17,01,841	3,51,10,505	3,51,10,505	UDYAM-GA-01-0003748	Micro			Goa
386	Omnia Information Private Limited	9Unicorns Accelerator Fund	20,60,757	5,82,63,428	2,25,02,341	UDYAM-DL-10-0052571	Micro			Delhi
387	One Stack Solution Private Limited	9Unicorns Accelerator Fund	5,81,313	1,19,93,000	69,93,000	UDYAM-MH-18-0047074	Small			Maharasht
388	Opus Net Private Limited	9Unicorns Accelerator Fund	96,942	20,00,001	20,00,001	UDYAM-MH-26-0097149	Small			Maharasht
389	Oshun Food Products Private Limited	9Unicorns Accelerator Fund	3,63,288	74,94,948	74,94,948	UDYAM-MH-19-0114514	Micro			Haryana
390	Prescinto Technologies Private Limited	9Unicorns Accelerator Fund	11,29,859	2,33,10,000	2,33,10,000	UDYAM-GJ-01-0040292	Micro			Gujrat
391	Qans Consumer Products Private	9Unicorns Accelerator Fund	3,63,487	2,74,98,446	74,99,052	UDYAM-KR-03-0070876	Micro			Karnataka
392	Quality Tutorials Private Limited	9Unicorns Accelerator Fund	18,17,686	3,75,00,480	3,75,00,480	Not Available	Micro			Maharasht
393	Quantduo Technologies Private	9Unicorns Accelerator Fund	10,82,492	2,23,32,769	2,23,32,769	UDYAM-KR-03-0165198	Micro	Female		Karnataka
394	Qzense Labs Private Limited	9Unicorns Accelerator Fund	1,17,252	24,19,020	24,19,020	UDYAM-KR-03-0040334	Micro	Female		Karnataka
395	Raidenbit Interactive Private Limited	9Unicorns Accelerator Fund	5,63,065	1,16,16,538	1,16,16,538	UDYAM-DL-11-0067592	Micro			Delhi
396	Renee Cosmetics Private Limited	9Unicorns Accelerator Fund	82,40,354	17,00,05,870	10,00,04,519	UDYAM-GJ-01-0085106	Micro	Female		Gujrat
397	Rooter Sports Technologies Private	9Unicorns Accelerator Fund	36,35,581	7,50,05,286	7,50,05,286	UDYAM-DL-08-0041099	Micro			Delhi
398	Shapos Services Private Limited	9Unicorns Accelerator Fund	36,37,666	7,50,48,292	7,50,48,292	UDYAM-KR-03-0031162	Micro			Karnataka
399	Sharenest Private Limited	9Unicorns Accelerator Fund	4,87,134	1,00,50,000	1,00,50,000	UDYAM-MH-18-0144102	Micro			Maharasht
400	Shodashi Sutras Private Limited	9Unicorns Accelerator Fund	4,36,912	90,13,884	90,13,884	UDYAM-MH-19-0081018	Micro	Female		Maharasht
401	Shorea Softech Private Limited	9Unicorns Accelerator Fund	26,91,095	5,55,19,690	2,55,02,400	UDYAM-DL-08-0033260	Micro			Delhi
402	Signalx Private Limited	9Unicorns Accelerator Fund	2,42,884	50,10,908	50,10,908	Not Available	Micro			Telangana
403	Skintouch Beauty Private Limited	9Unicorns Accelerator Fund	4,61,668	95,24,628	95,24,628	UDYAM-GJ-05-0014308	Micro	Female		Gujrat
404	Smooth Tag Technologies Private	9Unicorns Accelerator Fund	2,42,655	50,06,190	50,06,190	UDYAM-MP-23-0060991	Micro	Female		Madhya Pr
405	Stella Shared Spaces Private Limited	9Unicorns Accelerator Fund	14,53,555	2,99,88,140	2,99,88,140	UDYAM-KR-03-0119778	Micro			Karnataka
406	Superkwik Foods (India) Private	9Unicorns Accelerator Fund	1,45,534	30,02,489	30,02,489	UDYAM-HR-05-0007510	Micro			Haryana
407	Sustainable Reference Analytics	9Unicorns Accelerator Fund	4,85,510	1,00,16,511	1,00,16,511	Not Available	Micro	Female		Maharasht

408	Swmabhan Commerce Private Limited	9Unicorns Accelerator Fund	6,10,316	1,25,91,369	98,57,781	UDYAM-DL-03-0008467	Micro			Delhi
409	Tanvi Fitness Private Limited	9Unicorns Accelerator Fund	20,35,878	4,20,01,984	4,20,01,984	UDYAM-DN-01-0007433	Medium			Dadra and
410	Tartanhq Solutions Private Limited	9Unicorns Accelerator Fund	10,16,909	2,09,79,750	2,09,79,750	UDYAM-MH-33-0065859	Micro			Maharasht
411	Tech4Billion Media Private Limited	9Unicorns Accelerator Fund	17,82,448	3,67,73,496	3,67,73,496	UDYAM-KR-03-0010252	Micro			Karnataka
412	Tru Native F&B Private Limited	9Unicorns Accelerator Fund	3,39,357	70,01,231	70,01,231	MH-19-0138322	Micro			Maharasht
413	Trudel Fashions Private Limited	9Unicorns Accelerator Fund	10,60,011	2,18,68,967	2,18,68,967	UDYAM-KR-03-0154900	Micro	Female		Karnataka
414	Tyreplex Technologies And Commerce	9Unicorns Accelerator Fund	17,66,179	3,64,37,846	3,64,37,846	UDYAM-DL-10-0011085	Micro			Delhi
415	Vc Agritech Private Limited	9Unicorns Accelerator Fund	1,69,722	35,01,524	35,01,524	Not Available	Medium			Karnataka
416	Vsa Health & Wellness Private Limited	9Unicorns Accelerator Fund	7,26,412	1,49,86,534	1,49,86,534	UDYAM-HR05A0017582	Micro			Haryana
417	Waterwala Labs Private Limited	9Unicorns Accelerator Fund	36,35,440	7,50,02,370	7,50,02,370	UDYAM-KR-03-0059915	Micro			Karnataka
	Zenith Drinks Private Limited	9Unicorns Accelerator Fund	6,10,739	1,26,00,090	1,26,00,090	UDYAM-DL-03-0004991	Dup			
418	Zingbus Technology Private Limited	9Unicorns Accelerator Fund	4,22,624	87,19,107	87,19,107	HR07A0000763	Micro			Haryana
419	Zorro Internet Private Limited	9Unicorns Accelerator Fund	17,92,640	3,69,83,772	3,69,83,772	UDYAM-DL-05-0010094	Micro			Delhi
420	Biz Hero India Private Limited (Now	9Unicorns Accelerator Fund	12,02,289	2,00,07,405	2,00,07,405	UDYAM-WB-10-0005093	Small			West Beng
421	Earth Crust Private Limited (Let'S Try)	9Unicorns Accelerator Fund	24,03,667	3,99,99,638	-	UDYAM-DL-06-0008341	Micro			Delhi
422	Flickstree Productions Private Limited	9Unicorns Accelerator Fund	9,01,383	1,50,00,000	-	UDYAM-MH-18-0175135	Micro			Maharasht
423	Greenikk Sustainable Ventures Private	9Unicorns Accelerator Fund	4,50,692	75,00,000	-	UDYAM-KL-12-0029613	Micro			Kerela
424	Aubotz Labs Pvt Ltd (Peppermint	9Unicorns Accelerator Fund	24,03,688	4,00,00,000	-	UDYAM-MH-19-0037341	Micro			Maharasht
		9Unicorns Accelerator Fund Total	**15,47,03,565**	**3,35,24,33,130**	**2,88,08,41,771**				**0**	
425	Baldor Technology Private Limited	Elev8-Capital Fund I	4,93,82,716	59,06,17,284	59,06,17,284	UDYAM-MH-19-0014887	Medium			Maharasht
		Elev8-Capital Fund I Total	**4,93,82,716**	**59,06,17,284**	**59,06,17,284**					
426	AI Palette India Pvt Ltd	Exfinity Technology Fund- Series III	1,57,02,368	15,70,23,680	15,70,23,680	UDYAM-KR-03-0220858	Micro			Karnataka
427	Awidit Systems Pvt Ltd	Exfinity Technology Fund- Series III	2,25,16,784	22,51,67,844	22,51,67,844	UDYAM-DL-01-0002896	Micro			Delhi
428	Qritive AI India Pvt Ltd	Exfinity Technology Fund- Series III	97,85,625	9,78,56,250	9,78,56,250	UDYAM-MH-26-0358281	Micro	Female		Maharasht
429	AMIDC Automation Technologies Pvt	Exfinity Technology Fund- Series III	1,83,47,001	18,34,70,005	15,59,22,849	UDYAM-KR-03-0066017	Small			Karnataka
430	Chara Technologies Pvt Ltd	Exfinity Technology Fund- Series III	1,58,99,858	15,89,98,584	15,89,98,584	UDYAM-KR-03-0032333	Micro			Karnataka
	Credilio Financial Technologies Pvt Ltd	Exfinity Technology Fund- Series III	1,74,95,522	17,49,55,224	7,50,44,864	UDYAM-MH-19-0014045	Dup			
431	Cyllid Technologies Private Limited	Exfinity Technology Fund- Series III	1,61,97,664	16,19,76,640	16,19,76,640	UDYAM-KR-03-0069124	Micro			Karnataka
432	Autoverse Mobility Private Limited	Exfinity Technology Fund- Series III	1,20,00,067	12,00,00,667	12,00,00,667	UDYAM-KR-03-0258324	Micro			Karnataka
433	Ragaai Private Limited	Exfinity Technology Fund- Series III	41,00,000	4,10,00,000	4,10,00,000	UDYAM-KR-03-0289432	Micro			Karnataka
434	Zyla Health Private Limited	Exfinity Technology Fund- Series III	1,60,00,000	16,00,00,000	18,50,00,000	UDYAM-DL-08-0005883	Micro			Delhi
		Exfinity Technology Fund- Series III Total	**14,80,44,890**	**1,48,04,48,894**	**1,37,79,91,378**				**0**	

Self Reliant India (SRI) Fund

SRI FUND
SELF RELIANT INDIA FUND

Report for the month ended 31st March 2024
Date: 8th April 2024

Submitted by: SBICAP Ventures Ltd. (SVL)

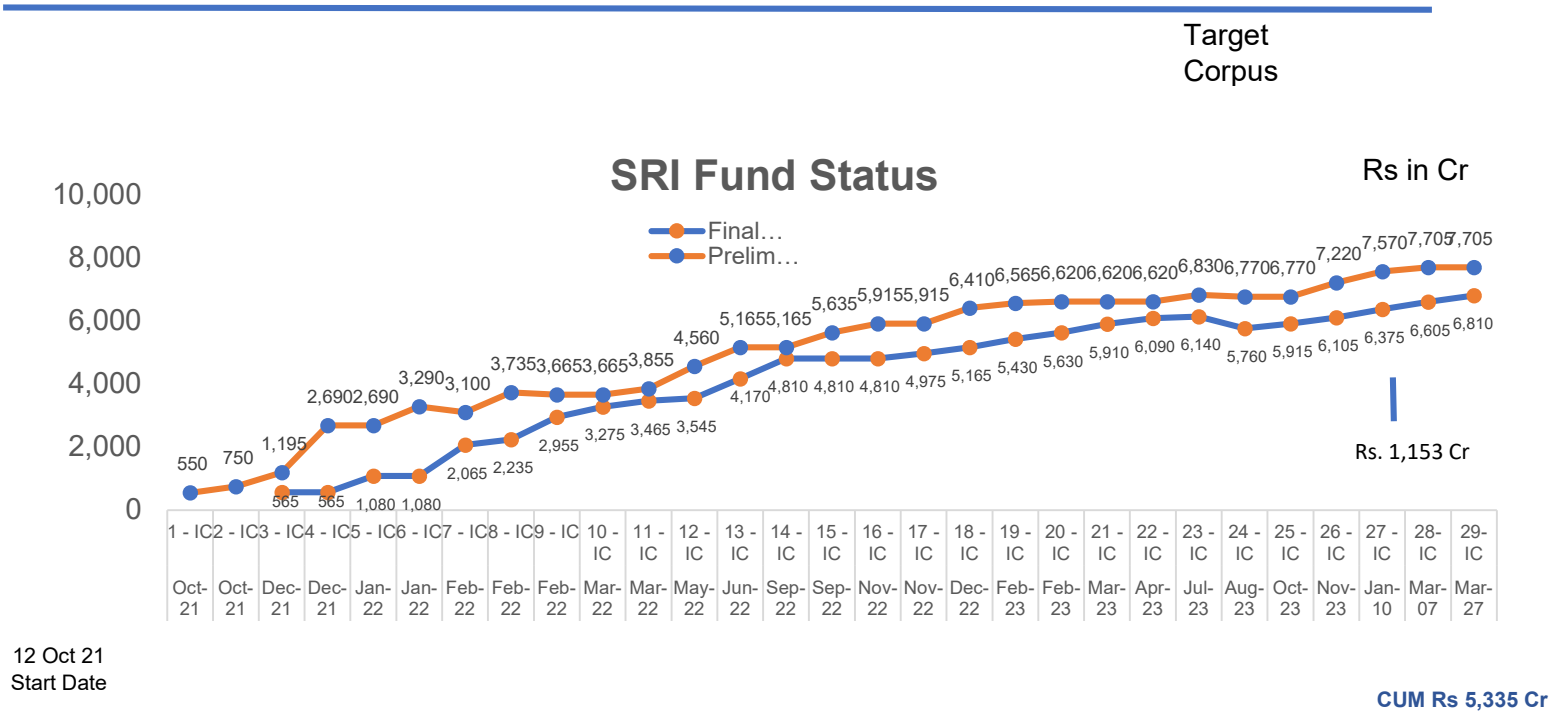
1. About SRI Fund:

The 'Self Reliant India (SRI) Fund' was launched as the first scheme of NSIC Venture Capital Fund Limited (NVCFL), a 100% subsidiary of The National Small Industries Corporation Limited (NSIC), a Mini-Ratna Corporation of Government of India under Ministry of Micro, Small and Medium Enterprises (MoMSME). SRI Fund employs a 'Fund-of-Fund' investment strategy wherein the Fund invests in SEBI registered, Category I and Category II Alternative Investment Funds ("Daughter Funds"), which in turn invest in MSMEs (called the investee or portfolio companies). The Daughter Funds are required to invest at least 5 times the amount of capital contribution received from SRI Fund (net of fees and expenses) in MSMEs, designated as such as per the MSMED Act.

Status of the SRI Fund

The Contribution Agreement was signed between the Anchor Investor (Govt. of India through the MoMSME), Sponsor (NSIC), Investment Manager (SBICap Ventures Ltd.) and the AIF company (NVCFL) on the 12th October 2021.

Since the signing of the Contribution Agreement, meetings of the duly constituted Investment Committee (IC) of SRI Fund are being regularly held and till date, 29 IC meetings have been held. As per the Investment Process stated in PPM, each investment proposal is subject to two reviews by the Investment Committee. First during the Preliminary Investment Committee meeting - wherein proposals are considered for in-principle approval to go-ahead for detailed processing. Secondly, the Final Investment Committee meeting, to consider the proposal for final approval, after considering the findings of the detailed due diligence conducted by the independent professional agency including legal due diligence by Khaitan & Co, Legal Advisor to SRI Fund and Finance/ other Due diligence by E & Y or Deloitte. The performance of the Fund, as on 31st March 2024, can be summarised as under:



Details	March 2024 (Current Month)	Feb 2024 (Previous Month)	FY 23-24 (Current FY)	FY 22-23 (Previous FY)	2021-22	Inception-to-date (ITD)
Number of IC meetings held	-	-	8	10	11	29
Number of proposals placed before IC	-	-	15 (Rs 1,330)	26 (Rs. 2,815 Cr)	26(Rs 3,855 Cr)	66 (Rs.8.105 Cr)
Preliminary approvals	-	-	15 (Rs 1,330)	26 (Rs. 2,815 Cr)	25 (Rs 3,425 Cr)	65 (Rs. 8,055 Cr)
Final approvals	-	-	15 (Rs 1,525)	23 (Rs. 2,440 Cr)	25 (Rs 3,085 Cr)	57 (Rs.6,725 Cr)
Documents signed	-	-	13 (Rs 1,410)	22 (Rs. 2,220 Cr)	20(Rs 3,200 Cr)	53 (Rs. 6,445 Cr)
Commitment Under Management (CUM)	-	-				53 (Rs. 5,335 Cr)
Number of Daughter funds drawdown requests	3	1	40	38	16	45
Drawdown Amount Requested	Rs. 3 Cr	Rs. 3 Cr	Rs 580 Cr	Rs. 393 Cr	Rs 180 Cr	Rs.1,153[1] Cr

It is pertinent to mention that deployment of funds is in phases as per demands raised by the empanelled Daughter Funds. The Daughter Funds are required to mobilise the funds committed by SRI Fund from other investors and must seek funds on a backended basis for investment in investee companies.

CUM is defined as *Commitment Under Management the final commitment amounts calculated basis the revised Target size changes for each Daughter Fund after the final close or revision of Target corpus as communicated by respective Daughter Funds (DF) to SVL from time to time.*

S. No.	Name of Daughter Fund	Amount Committed	Commitment Under Management	Reduction in Commitment
1	BanyanTree India Growth Capital Fund	145	30	115
2	Cornerstone Venture Partners Fund	40	35	5
3	Gaja Capital India Fund 2020 LLP	375	255	120
4	Kae Capital Fund III	80	55	25
5	Fireside Ventures Investment Fund III	165	160	5
6	Zephyr Peacock India Growth	85	45	40
7	Paragon Partners Growth Fund II	70	40	30
8	Sabre Partners Fund – 2019	150	45	105

[1] Drawdown amount includes Rs. 18.5 Cr for fees and expenses

9	TrueScale Venture Growth Fund I / 360 One	100	45	55
10	Aavishkaar India Fund VI	250	170	80
11	Enzia Investment Trust	70	25	45
12	Carpediem Capital Partners Fund II	135	75	60
13	Maharashtra Defence and Aerospace Venture Fund	100	35	65
14	Dallas Venture Capital Fund I	40	35	5
15	Epiq Capital II	125	105	20
16	Menterra Social Impact Fund II	140	25	115
17	Cactus Partners Fund I	110	75	35
18	SVL-SME Fund (NEEV II)	270	135	135
19	Ubharte Sitaare Fund	100	50	50
	Total	**2,550**	**1,440**	**1,110**

**MegaDelta Fund II (Commitment of Rs 380 Cr withdrawn as they did not do the first close within 18 months of sanction) + Edhina Sustainability Fund I (Commitment of Rs 80 Cr cancelled by DF)*

Outstanding Commitment

Sr No	Name of Fund	Amount Approved (Rs Cr)	IC approval status
1	JM Financial India Growth Fund III	100	Final IC approved but side letter not accepted.
2	Your Nest Innovative Products VC Fund III	65	
3	RVCF India Growth Fund IV	30	Final IC approved but documentation pending
4	Orios Venture Partners Fund III	85	
	Total Commitment	**280**	

The above amount though included in final sanctioned amount but excluded while calculating Capital Under Management.

2. Drawdown from SRI Fund till 31st March 2024

Rs 6.5 Cr Drawdown was processed during March 2024 and cumulatively total Drawdown of Rs. 1,153 Cr has been requested by SRI Fund from its investors until 31st March 2024. The breakup of the drawdown among the investors, and the purpose of the drawdown, are as below:

Investor-wise Drawdown

S. No.	Name of Investors	Amount Drawdown (Rs Cr)	
		March 24	ITD
1	Government Of India - Ministry of Micro Small and Medium Enterprises	6.49	1,151.9
2	NSIC Venture Capital Fund Limited	0.003	0.6
3	The National Small Industries Corporation Limited	0.001	0.1
	Total	**6.49**	**1,152.6**

Category-wise Drawdown from Investors

S. No.	Purpose of Drawdown	Amount Drawdown Cumulative (Rs Cr)	
		March 24	ITD
1	Investment in Daughter Fund	6.41	1,134.0
2	Management Fees to NVCFL @1 % (incl GST)	0.08	13.5
3	Expenses (incl GST)	-	5.1
	Total	**6.49**	**1,152.6**

3. Utilisation at Daughter Funds level till 31st March 2024

Break Up of Drawdown from SRI Fund to invest in Daughter Funds (DF)

S. No.	Name of Investors	Amount Drawdown (Rs Cr)	
		March 24	ITD
1	Investment in Portfolio Companies via Daughter Funds (DF)	5.49	968.3
2	Management Fees paid to DF (incl 18% GST)	0.81	143.6
3	Organizational & Operating Expenses paid to DF (incl 18% GST)	0.11	22.1
	Total	**6.41**	**1,134.0**

Drawdown for March 2024: **(Rs in Cr)**

S. No.	Name of Daughter Fund	Daughter Fund wise Drawdown	Daughter Fund wise Investment in MSMEs from SRI Fund	Daughter Fund wise Investment in MSMEs from all investors
1	9Unicorns Accelerator Fund	1.22	0.95	4.79
2	Whiteboard Capital Fund – II	3.18	2.70	19.39
3	Arali Ventures II	2.00	1.82	12.39

Drawdown since inception till March 2024:

Amounts in Rs. crore

Total Number of Daughter Funds	Amount Committed from SRI Fund(Document Signed)	Commitment Under Management	Aggregate Drawdown	No of MSME	Total Investment in MSMEs from SRI Fund	Total Investment in MSMEs from other investors	Total Investment in MSMEs	Total Investment Invested at Fund Level
53	6,445	5,335	1,153	434	893	6,756	7,649	6,689

Detailed, Daughter Fund wise list of Drawdown since inception is attached as Annexure 1 and MSME in Annexure 2.

4. Details of Investment in MSME

Details of new Investments through Daughter Funds in MSME Companies in the current month

(Rs in Cr)

Sr No	Name of MSME	Name of Daughter Fund	DF Investment in MSME from SRI Fund	DF Investment in MSME from all investors
1	Earth Crust Private Limited (Let'S Try)	9Unicorns Accelerator Fund	0.24	3.99
2	Flickstree Productions Private Limited		0.09	1.50
3	Greenikk Sustainable Ventures Private Limited (Greenikk).		0.05	0.75
4	Aubotz Labs Pvt Ltd (Peppermint Robotics)		0.24	4.00
5	Remedo Clinitech Private Limited	Whiteboard Capital Fund – II	0.25	3.00
6	Breeo Solutions Private Limited		0.17	2.05
7	Brio Hospitality Private Limited		0.38	4.49
8	Griot Retail Tech Pvt. Ltd. (Doto Kids)		0.29	3.5
9	Healthlicious Basil Foodtech Private Limited)		0.05	0.65
10	Jugyah Real Estate Services Private Limited		0.06	0.82
11	Mymuse India Private Limited		0.29	3.50
12	Neuracle Health Pvt Ltd (Marble Health)		0.11	1.38
13	Fluxgen Sustainable Technologies Private Limited	Arali Ventures II	0.14	2.74
14	Fifty Finance Private Limited		0.59	4.48
15	Bidaal Technology Private Limited		0.69	5.17

Total Investment in MSMEs, through Daughter Funds, since inception:

Number of MSMEs	Number of Daughter Funds	DF Investment in MSMEs from SRI Fund	DF Investment in MSMEs from all investors
434	53	893	7,649

Female founder companies	Founders OBC	Founders SC/ST	Male Employment	Female Employment	Total Employment	MICRO MSME	SMALL MSME	Medium MSME
70	11	2	74,338	23,945	98,333	331	77	26

5. Exits from Daughter Fund to SRI Fund

(Rs in Cr)

Sr.No.	Name of Daughter Fund	Name of MSME	Cost of Investment	Profit / Loss	Capital distributed
1	NABVENTURES Fund I	VnF Ideas Private Limited	1.34	1.90	3.24
2	Maharashtra Defence and Aerospace Venture Fund	FFS Industries Private Limited	1.75	0.11	1.86
3	Cactus Partners Fund I	Rubix Data Sciences Pvt Ltd	0.79	0.71	1.50
4	Pontaq – NextGen Technology Fund-1	Suhora Technologies Private Limited	0.04	0.05	0.01
		Cognotia Institute Private Limited	0.03	0.03	0.00
5	Paragon Partners Growth Fund II	GFM Retail Private Limited	7.78	-5.69	2.09
	Total		**11.73**	**-2.89**	**8.7**

6. Details of Investments through Daughter Funds in Non-MSME Companies

(Rs in Cr)

Sr.No.	Name of Daughter Fund	Name of Non MSME	DF Investment in Non MSMEs from SRI Fund	DF Investment in Non MSMEs from all investors
1	India Advantage Fund S5 I	Cello World Private Limited	16.1	240.0
2		Pritam International Private Limited	17.3	180.0
3	Singularity Growth Opportunities Fund I	LCNC Services Private Limited	3.1	35.0
4	Exfinity Technology Fund- Series III	Unscript AI Pvt Ltd	0.4	4.0
5		Neural Garage Pvt Ltd	0.6	5.6
6	Filter Capital India Fund I	M/S Loadshare Networks Private Limited	5.3	41.1
7	9Unicorns Accelerator Fund	Shop Kirana E Trading Private Limited	0.4	7.0
8		Vedantu Innovations Private Limited	0.5	10.0
9		Inai Technologies Co.	0.2	4.0
10	Epiq Capital II	GHV Advanced Care Private Limited (Pristyncare)	4.8	74.8
11		Lenskart Solutions Private Limited (Lenskart)	11.2	172.9
12	Tata Capital Healthcare Fund II	Sakar Healthcare Limited	3.7	60.0
13	Grand Anicut Fund 3	Illumine-i	2.4	36.4
14	IvyCap Ventures Trust Fund III	Bluestone Jewellery and Lifestyle Pvt Ltd (Bluestone)	8.9	50.0
15	Arali Ventures II	Radar Ventures Pvt. Ltd.	0.4	3.0
	Total		**75.3**	**923.8**

The respective drawdown requests were in order, as opined by Khaitan & Co., Legal Advisor to SRI Fund, vide their letter dated 27th January 2022 that SRI Fund, being registered as a Category II AIF with SEBI, is a pooling vehicle as per SEBI Regulations and, therefore, the stipulation of 5x times of SRI Fund investment being in MSMEs can be reckoned only at the end of the commitment period.

7. State wise details of Investee Companies 31st March 2024

Details of Investments through Daughter Funds in MSME Companies

Name of State	No of Investee Companies
Andhra Pradesh	3
Assam	1
Bihar	2
Chandigarh	3
Chhattisgarh	1
Delhi	57
Dadra and Nagar Haveli	1
Goa	2
Gujarat	18
Haryana	36
Himachal Pradesh	2
Jharkhand	1
Kerala	6
Karnataka	109
Madhya Pradesh	8
Maharashtra	114
Odisha	6
Puducherry	1
Punjab	2
Rajasthan	6
Tamil Nadu	24
Tripura	1
Telangana	18
Uttarakhand	2
Uttar Pradesh	7
West Bengal	3
Total	**434**

Details in Annexure 2

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

[For private circulation only]

SELF RELIANT INDIA (SRI) FUND

(A Category II Alternative Investment Fund registered with the Securities and Exchange Board of India by NVCFL, a company organised in India)

Registration Number: IN/AIF2/21-22/0924

March 2024

INVESTMENT MANAGER
SBICAP Ventures Limited

SPONSOR
The National Small Industries Corporation Limited

ANCHOR INVESTOR
Government of India

Name of the Investor: **Copy No:**

DISCLAIMER AND IMPORTANT NOTICE

This private placement memorandum is being furnished to the Contributors on a confidential basis for them to consider investing in the units of **Self Reliant India (SRI) Fund** (the "**Fund**" or "**SRI Fund**"), and may not be used for any other purpose. The Fund is the first scheme of NSIC Venture Capital Fund Limited ("**NVCFL**") and is established with the object of supporting certain Daughter Funds (as defined below) which will in turn provide growth capital to Micro, Small and Medium Enterprises (MSMEs).

The information contained in this Memorandum may not be provided to others who are not directly concerned with your decision regarding such investment. This Memorandum may not be reproduced or provided to others without the prior written consent of the Investment Manager. By accepting delivery of this Memorandum, you agree to the foregoing, and to return this Memorandum if you do not purchase the Units (as defined herein) of the Fund, as the case may be. The information contained in this Memorandum is not open to public circulation and if the same were to fall into the hands of an unauthorised person, the offer made in this Memorandum shall not be valid to them; however, such person shall be bound by the confidentiality of this Memorandum.

Name of investor: _____ Copy No: _____

DISCLAIMER

THIS MEMORANDUM IS ISSUED IN CONNECTION WITH AND RELATES TO AN INVESTMENT IN THE FUND OPERATING TO ASSISTAND SUPPORT THE DAUGHTER FUNDS (AS DEFINED BELOW), ORGANIZED AS A PUBLIC LIMITED COMPANY UNDER THE COMPANIES ACT, 2013AND IS REGISTERED WITH SEBI AS A CATEGORY II AIF UNDER THE AIF REGULATIONS.

NO PERSON HAS BEEN AUTHORISED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN AS CONTAINED IN THIS MEMORANDUM. IF GIVEN OR MADE, SUCH ADDITIONAL INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE UNITS OF THE FUND DESCRIBED HEREIN IN ANY STATE OR OTHER JURISDICTION WHERE, OR TO ANY PERSON OR ENTITY TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

THE UNITS MENTIONED HEREIN ARE NOT BEING OFFERED FOR SALE OR SUBSCRIPTION,BUT ARE BEING PRIVATELY PLACED WITH A LIMITED NUMBER OF INVESTORS IN INDIA.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF PERSONS INTERESTED IN A POSSIBLE INVESTMENT IN THE FUND, AND ANY REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS WITHOUT THE PRIOR WRITTEN CONSENT OF THE INVESTMENT MANAGER IS STRICTLY PROHIBITED. THE INFORMATION CONTAINED IN THIS MEMORANDUM OR ANY PART THEREOF MAY NOT BE DISCLOSED IN ANY MANNER TO OTHER PERSON WHO IS NOT DIRECTLY AND IMMEDIATELY RESPONSIBLE FOR OR ASSISTING THE PROSPECTIVE INVESTORS WITH THEIR DECISION REGARDING AN INVESTMENT IN THE FUND, AND PROSPECTIVE INVESTORS WILL ENSURE THAT ANY PERSON TO WHOM INFORMATION CONTAINED IN THIS MEMORANDUM IS DISCLOSED BY THEM IN ACCORDANCE WITH THE ABOVE WILL ALSO MAINTAIN CONFIDENTIALITY OF SUCH INFORMATION. BY ACCEPTING DELIVERY OF THIS MEMORANDUM, EACH RECIPIENT AGREES TO THE FOREGOING AND TO RETURN THIS MEMORANDUM AND ANY COPIES THEREOF (INCLUDING ANY SOFT COPIES IF ANY) IF THEY DO NOT PURCHASE AN INTEREST IN THE FUND.

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THE INVESTMENT MANAGER HAS TAKEN ALL REASONABLE CARE TO ENSURE THAT THE INFORMATION IN THIS MEMORANDUM IS TRUEAND ACCURATE IN ALL MATERIAL RESPECTS AND THAT THERE ARE NO MATERIAL FACTS, THE OMISSION OF WHICH WOULD MAKE MISLEADING ANY STATEMENT IN THIS MEMORANDUM, WHETHER OF FACT OR OPINION. NO OTHER REPRESENTATION, WARRANTY OR UNDERTAKING IS GIVEN IN RESPECT OF THE INFORMATION IN THIS MEMORANDUM BY THE INVESTMENT MANAGER OR BY ANY OTHER PERSON ANDNEITHER THE INVESTMENT MANAGER NOR ANY OTHER PERSON TAKES RESPONSIBILITY FOR THE CONSEQUENCES OF RELIANCE UPON ANY STATEMENT OR INFORMATION CONTAINED IN, OR ANY OMISSIONS FROM, THIS MEMORANDUM. INVESTORS SHOULD REVIEW THE FUND DOCUMENTS CAREFULLY. NOTHINGIN THIS MEMORANDUM, THE INFORMATION CONTAINED IN IT OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE FUND (OTHER THAN THE FUND DOCUMENTS, THE TERMS SET OUT IN THE SUMMARY OF PRINCIPAL TERMS SECTION OF THIS MEMORANDUM TO THE EXTENT INCORPORATED IN THE FUND

DOCUMENTS BY REFERENCE, AND THE CONFIDENTIALITY UNDERSTANDING CONTAINED HEREIN) SHALL FORM THE BASIS OF ANY CONTRACT.

THE INFORMATION IN THIS MEMORANDUM IS CURRENT AS AT THE DATE OF THIS MEMORANDUM, AND MAY BE SUPPLEMENTED, AMENDED OR MODIFIED FROM TIME TO TIME BY ANY FURTHER INFORMATION IN A SUPPLEMENTAL INFORMATION MEMORANDUM IN WHICH EVENT THE INFORMATION IN THIS MEMORANDUM SHALL BE READ AS SUPPLEMENTED, AMENDED OR MODIFIED BY SUCH ADDITIONAL INFORMATION, AS THE CASE MAY BE.

PAST PERFORMANCE OF INVESTMENTS MADE BY THE AFFILIATES, DIRECTORS OR EMPLOYEES OF THE INVESTMENT MANAGER IS NOT AN ASSURANCE OF THE RESULTS OF FUTURE INVESTMENTS. THROUGHOUT THIS MEMORANDUM, EXCEPT AS OTHERWISE NOTED, THE PERFORMANCE INFORMATION PRIMARILY RELATES TO THE PERFORMANCE OF THE OTHER FUNDS MANAGED BY THE INVESTMENT MANAGER. THE INFORMATION RELATING TO CERTAIN PRIOR INVESTMENTS MADE BY SUCH OTHER FUNDS IS INCLUDED TO HELP ILLUSTRATE THE PROPOSED INVESTMENT APPROACH OF THE FUND. THE FUND MAY OR MAY NOT PARTICIPATE IN ANY OF THESE INVESTMENTS, AND THERE CAN BE NO ASSURANCE THAT COMPARABLE INVESTMENTS WILL BE AVAILABLE TO THE FUND. IT SHOULD NOT BE ASSUMED THAT INVESTMENTS MADE BY THE FUND IN THE FUTURE WILL BE PROFITABLE OR WILL EQUAL THE PERFORMANCE OF THE INVESTMENTS INCLUDED IN ANY SUCH LIST.

THE FUND ALSO RESERVES THE RIGHT TO CLOSE THE CONTRIBUTION BOOKS BEFORE THE INDICATED AMOUNT OF CAPITAL HAS BEEN CONTRIBUTED AND MAY CONTINUE TO SOLICIT CAPITAL COMMITMENTS AFTER THE CLOSING OF THE CONTRIBUTION BOOKS.

INVESTORS IN THE FUND ARE NOT BEING OFFERED ANY GUARANTEED OR ASSURED RETURNS. INVESTMENTS BY THE FUND ARE SUBJECT TO MARKET RISKS AND THERE IS NO ASSURANCE OR GUARANTEE THAT THE OBJECTIVES OF THE FUND WILL BE ACHIEVED. HOWEVER, INVESTMENT MANAGER SHALL TAKE ADEQUATE EFFORTS TOWARDS ENSURING THE INVESTMENT OBJECTIVE OF THE FUND. AS WITH ANY SECURITIES INVESTMENT, THE NET ASSET VALUE OF THE UNITS CAN GO UP OR DOWN ON ACCOUNT OF FACTORS AND FORCES AFFECTING THE VALUES AND INCOME GENERATED BY THE FUND'S PORTFOLIO OF SECURITIES SUCH AS ANY CHANGE IN CAPITAL AND MONEY MARKETS, INTEREST RATES, TRADING VOLUMES, GOVERNMENT AND / OR RESERVE BANK OF INDIA POLICY, TAXATION, POLITICAL, ECONOMIC OR OTHER DEVELOPMENTS. THE FUND IS NOT ASSURING THAT IT WILL MAKE PERIODICAL DISTRIBUTIONS, THOUGH IT COULD HAVE AN INTENTION OF DOING SO. ALL DISTRIBUTIONS BY THE FUND ARE DEPENDENT ON THE RETURNS ACHIEVED AND SUBJECT TO AVAILABILITY OF DISTRIBUTABLE SURPLUS IN THE FUND.

INVESTMENT IN UNITS OF THE FUND IS BEING OFFERED TO INVESTORS WHO ARE BASED IN INDIA AND INVOLVES SIGNIFICANT RISKS. SEE **"SECTION VIII:RISK FACTORS AND CONFLICTS OF INTEREST"** FOR A DISCUSSION OF SOME OF THE RISK FACTORS THAT SHOULD BE CONSIDERED BY THE PROSPECTIVE INVESTORS. CONTRIBUTORS (AS DEFINED HEREIN) SHOULD HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE RISKS AND LACK OF LIQUIDITY, WHICH ARE CHARACTERISTICS OF THE INVESTMENTS DESCRIBED HEREIN. THERE WILL BE NO PUBLIC MARKET FOR THE OWNERSHIP INTERESTS IN THE FUND AND SUCH INTERESTS WILL NOT, SUBJECT TO CERTAIN LIMITED EXCEPTIONS, BE TRANSFERABLE.

IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND DOCUMENTS (AS DEFINED HEREIN) AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE UNITS HAVE NOT BEEN RECOMMENDED BY ANY SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, NO AUTHORITY HAS CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY

REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INFORMATION ON TAXATION CONTAINED IN THIS MEMORANDUM IS A SUMMARY OF CERTAIN TAX CONSIDERATIONS BUT IS NOT INTENDED TO BE A COMPLETE DISCUSSION OF ALL TAX IMPLICATIONS. THE CONTENTS OF THIS MEMORANDUM ARE NOT TO BE CONSTRUED AS INVESTMENT, LEGAL, OR TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN COUNSEL, ACCOUNTANT, OR INVESTMENT MANAGER AS TO LEGAL, TAX, AND RELATED MATTERS CONCERNING THEIR INVESTMENT. THIS MEMORANDUM IS QUALIFIED IN ITS ENTIRETY BY THE FORMS OF CONTRIBUTION AGREEMENT AND THE INVESTMENT MANAGEMENT AGREEMENT,(AS AMENDED FROM TIME TO TIME) AS APPLICABLE, PROVIDED HEREWITH AND ANY CONFLICT BETWEEN ANY STATEMENT MADE HEREIN AND ANY PROVISION OF THE CONTRIBUTION AGREEMENT OR THE INVESTMENT MANAGEMENT AGREEMENT, AS THE CASE MAY BE, SHALL BE RESOLVED IN FAVOUR OF THE LATTER THREE DOCUMENTS.

UNITS THAT ARE ACQUIRED BY ANY PERSON, OR IN ANY TRANSACTION, IN VIOLATION OF APPLICABLE LAW OR THIS MEMORANDUM, AS DETERMINED BY THE INVESTMENT MANAGER IN ITS SOLE DISCRETION OR BY LAW OR OTHERWISE, MAY BE REQUIRED TO BE MANDATORILY REDEEMED.

CERTAIN ECONOMIC AND FINANCIAL MARKET INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM PUBLISHED SOURCES PREPARED BY OTHER PARTIES. WHILE SUCH SOURCES ARE BELIEVED TO BE RELIABLE, NEITHER THE INVESTMENT MANAGER,SPONSOR,THE FUND NOR ANY OF THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES ASSUMEANY RESPONSIBILITY FOR ACCURACY OF SUCH INFORMATION.

WE HAVE INCLUDED STATEMENTS IN THIS MEMORANDUM THAT CONTAIN WORDS OR PHRASES SUCH AS “WILL”, “AIM”, “WILL LIKELY RESULT”, “BELIEVE”, “EXPECT”, “WILL CONTINUE”, “ANTICIPATE”, “ESTIMATE”, “INTEND”, “PLAN”, “CONTEMPLATE”, “SEEK TO”, “FUTURE”, “OBJECTIVE”, “GOAL”, “PROJECT”, “SHOULD”, “WILL PURSUE” AND SIMILAR EXPRESSIONS OR VARIATIONS OF SUCH EXPRESSIONS, THAT ARE FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS, UNCERTAINTIES AND ASSUMPTIONS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THE RELEVANT FORWARD-LOOKING STATEMENT. IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER ARE DISCUSSED UNDER “**SECTION VIII: RISK FACTORS AND CONFLICTS OF INTEREST**” IN THIS MEMORANDUM.THE INFORMATION CONTAINED HEREIN IS SUBJECT TO CHANGE PRIOR TO CLOSING WITHOUT ANY PRIOR NOTICE AND THE INVESTMENT MANAGER DOES NOT ASSUME ANY RESPONSIBILITY TO UPDATE THE SAME.

CONTRIBUTORS WHO DESIRE ADDITIONAL INFORMATION MAY CONTACT:

Name: Mr. Rajesh Madan, General Manager, NVCFL
Board Line:011-26924510 and 26926275 (Ext: 542)
Email: osd@nvcfl.co.in;

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SECTION I: EXECUTIVE SUMMARY

Introduction

The **'Self Reliant India (SRI) Fund'** ("**Fund**" or "**SRI Fund**") is organised as the first scheme of NSIC Venture Capital Fund Limited ("**NVCFL**"), a wholly owned subsidiary of NSIC, which is registered with SEBI as a Category II AIF vide registration number IN/AIF2/21-22/0924 and is organised as a public limited company under the Companies Act, 2013. SBICAP Ventures Limited ("**Investment Manager**"), will act as the investment manager to the Fund which shall operate with the objective of supporting Daughter Funds (as defined below) which will in turn provide growth capital to the MSME sectors. This will facilitate them in becoming 'National and International Champions' by growing beyond the bracket of MSMEs.

The objective of the Fund is to provide funding support to the Daughter Funds for onward provision to MSMEs as growth capital, through equity, quasi-equityand debt,as may be permitted under relevant SEBI guidelinesto achieve the following objectives:

(i) Enhancing equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines, to MSMEs;

(ii) supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities;

(iii) supporting enterprises which have the potential to graduate beyond the MSME bracket and become National / International champions; and

(iv) supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services.

The Fund has been sponsored by the National Small Industries Corporation Ltd. (the "**Sponsor**" or "**NSIC**"), a mini-Ratna Corporation of the Government of India under the Ministry of Micro, Small and Medium Enterprises. The principal office of the Fund is located at "NSIC Bhawan", Okhla Industrial Estate,New Delhi-110020.

Offer

The Fund is targeting to raise a corpus of INR 10,006 crores (Indian Rupees Ten Thousand and Six Crores).

The target group of the Fund's funding, through the Daughter Funds would be MSMEs, as defined under the Micro, Small & Medium Enterprises Development Act 2006 ("**MSMED Act**"), who have a marked potential to grow, but are unable to do so because their requirement for growth capital remains unfulfilled. Non-profit institutions, NBFCs, financial inclusion sector, micro credit sector, SHGs and other financial intermediaries shall, however, not be eligible for consideration. The Fund will invest in other Daughter Funds, which may be Category I or II AIFs, registered with SEBI, who, in turn, will be investing in MSME units. The Fund will invest into the Daughter Fundsby following due process, as laid down under this Memorandum.

Board of Directors of NVCFL

NVCFLwill have an independent board with CMD NSIC as its Chairman, 2 (two) Government nominated

Directors, 1 (one) NSIC nominated Director and a professional CEO ("**Board**"). Pursuant to the Investment Management Agreement, the investment management of the Fund and its investments in Daughter Funds will be carried out by the Investment Manager, as approved by the Board.

The Management Team

The Fund will be managed by the Investment Manager. The Investment Manager's team ("**Management Team**") has extensive experience in asset management business.

The principals of the Management Team are professionals with more than 70(seventy) years of collective experience in banking, capital markets and private equity. In addition, the principals of the Management Team expect to engage seasoned operating executives to help provide managerial expertise and operating guidance to Daughter Funds as may be needed.

Please refer to "**SECTION VI: MANAGEMENT AND ADMINISTRATION**" for detailed profiles of the present members of the Management Team.

Investment Committee

The Investment Manager has constituted an Investment Committee comprising of experienced professionals including investment professionals, risk managers etc. during first close. The Investment Committee is chaired by an eminent professional with adequate and rich experience in finance/banking and/or capital markets. The Investment Manager proposes the investments in Daughter Funds to the Investment Committee which evaluates the same and give its preliminary recommendation by way of unanimous receipt of consent from the members present in the meeting. Post receipt of the preliminary recommendation from the Investment Committee, the due diligence process is conducted by the Investment Manager. Post conducting due diligence, the detailed proposal is put up to the Investment Committee for their final approval. Any other material decision, in relation to the portfolio of the Fund, including material matters arising at the Daughter Fund level, which requires an approval of the Fud is taken by the Investment Manager or the Investment Committee as required under the procedure laid down by the Board from time to time. All investment proposals approved by the Investment Committee are in accordance with the Investment Guidelines laid down in the Fund Documents including the Operating Guidelines.

The Investment Committee comprise of at least 5 (five) members. The decisions of the Investment Committee would be taken on the basis of unanimous approval of the members present at the meeting of the Investment Committee. Participation in the proceedings of the Investment Committee may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing. Any member participating through such modes shall be counted towards quorum. The quorum for a valid meeting of the Investment Committee will be any 4 (four) members of the Investment Committee. However, the presence of the nominees of both NVCFL and the Sponsor shall be mandatory. It is clarified that the Investment Committee will at all times be in compliance with the provisions as stated under Regulation 20(8) of the AIF Regulations. Further, subject to any change in the Applicable Law, it is clarified that the Investment Committee shall not have members who are *not* resident Indian citizens.

Advisory Board

Government of India, the Anchor Investor, has constituted an Advisory Board of eminent domain specialists in the field of private equity and venture capital, and senior government officials from Government of India. The Advisory Board is chaired by the Secretary (MSME), Government of India.

The Advisory Board formulates broad guidelines for investment from the Fund, including empanelment of Daughter Funds, investment guidelines including return on investment and tenure, exit options, sectoral focus and segmental focus, etc. The Advisory Board also monitors the progress of the Fund periodically. The Advisory Board shall comprise of at least 7(seven) members. Participation in the proceedings of the Advisory Board may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing.

Reporting and Governance

The Board of NVCFL maintains oversight over the operations of the Fund to ensure that all the decisions of the Fund including those by the Investment Manager and Investment Committee, are in compliance with the AIF Regulations, the terms of this Memorandum, agreements made with the investors, other Fund Documents and Applicable Law.

The Fund adopts high standards of corporate governance and investor reporting to ensure complete transparency and timely information to all investors. It endeavours to ensure that any conflict of interest with the Sponsor or the Investment Manager is mitigated appropriately. Please refer to paragraph titled 'Reporting' given under '**SECTION VII: SUMMARY OF PRINCIPAL** TERMS' of this Memorandum for detailed reporting obligations of the Fund.

Overview of the Principal Terms

The principal terms are summarized in the following table. The information in this table is subject to more detailed information provided elsewhere in this Memorandum. Investors should read the entire Memorandum before making an investment.

Fund Capital Structure	**:**	The capital of the Fund is divided into 2 (two) classes of Units as follows: i) Class A Units of face value of INR 1,00,00,000 (Rupees One Crore) per Unit to be allocated to the Anchor Investor; and ii) Class B Units of face value of INR 1,00,00,000 (Rupees One Crore) per Unit to be allocated to the Sponsor. The Fund issue Units in dematerialised form subject to the conditions specified by SEBI from time to time. For more details, please refer to paragraph titled 'Fund Capital Structure' given under '**SECTION VII: SUMMARY OF PRINCIPAL** TERMS' of this Memorandum.
Term of Fund	:	The Fund is a close ended fund and the term of the Fund will be a period of 15 (Fifteen) years from the date of the Closing ("**Term**"), which may be extended for a period of 2 (two) additional 1 (one) year periods by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value) in accordance with the AIF Regulations. The Term may be further extended by any

		additional period, subject to the provisions of the AIF Regulations, by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value).
Sponsor Commitment	**:**	A minimum of 2.5% of the aggregate Capital Commitments or of INR 5,00,00,000 (Rupees Five Crores), whichever is lower as required under the AIF Regulations.
Commitment Period	:	The commitment period of the Fund begins from the date of Closing and terminate upon the expiry of 13 (Thirteen) years from the date of Closing.
Closing	:	The closing of the Fund shall be held on such date as may be determined by the Investment Manager and the Sponsor, subject to the Fund having obtained Capital Commitments of INR 10,000 crore (Indian Rupees Ten thousand crore) from the Anchor Investor. First and Final close was announced on 12th October 2021.
Drawdown Notice Period	**:**	A Drawdown is a Capital Contribution made by a Contributor to the Fund pursuant to the issuance of a notice. NVCFL while issuing the Drawdown Notice to the Contributors shall include the period/date by which the Contributors will be obligated to make the Capital Contributions, which period shall be no less than 15 (Fifteen) Business Days from the date of the Drawdown Notice.
Drawdown	**:**	The Capital Commitments of the Contributors shall be drawn down by NVCFL on an "as needed" basis, by issuing a Drawdown Notice to the Contributors. For more details, please refer to paragraph titled 'Drawdown' given under '**SECTION VII: SUMMARY OF PRINCIPAL** TERMS**'** of this Memorandum.
Expenses	**:**	The following are the list of expenses associated with the Fund: ▪ ***Recurring Annual Operating Expenses***: The Fund shall bear the Recurring Annual Operating Expenses. ▪ ***Non-recurring Operating Expenses***: Charged at actuals and borne by the Fund. ▪ ***Establishment Expenses***:Charged at actuals and borne by the Fund. ▪ ***Investment Manager Expenses***: The Investment Manager will be responsible for and bear all its expenses

in connection with the management of the Fund as laid down in the AMC Agreement.

For more details, please refer to paragraphs titled 'Expenses charged to the Fund' and 'Investment Manager Expenses' given under **'SECTION VII: SUMMARY OF PRINCIPAL TERMS**' and '**SCHEDULE III: ILLUSTRATION OF EXPENSES**' of this Memorandum.

Management Fee	**:**	NVCFL shall be entitled to charge a management fee at the rate of 1% (one percent) of the corpus actually placed at the disposal of the Fund. For more details, please refer to paragraph titled 'Fees to be charged to the Fund' given under '**SECTION VII: SUMMARY OF PRINCIPAL TERMS**' of this Memorandum.
Operating Fees	**:**	The Investment Manager shall be entitled to receive operating fees at 0.10% per annum of the commitments and outstanding capital commitments made by the Fund to the Daughter Funds (i.e. funds committed but not yet deployed) and 0.29% per annum of the funds contributed/deployed by the Fund to the Daughter Funds and outstanding thereof (i.e. funds deployed and outstanding). For more details, please refer to paragraph titled 'Fees to be charged to the Fund' given under '**SECTION VII: SUMMARY OF PRINCIPAL TERMS**' of this Memorandum.
Auditor	**:**	M/s K Prasad & Co (DE0432)having its registered office at G-1, Ground Floor, South Extension Part-II, New Delhi 110049 will be the Auditor of NVCFL for FY 2023-2024.
Custodian	**:**	SBI-SG Global Securities Services Pvt. Ltd., (A Joint Venture of State Bank of India & Société General) having its registered office at B Wing, "Jeevan Seva" Annexe Bldg., Ground Floor, S.V. Road, Santacruz (W), Mumbai – 400054 India bearing registration number IN/CUS/022 will be the Custodian of NVCFL.
Registrar and Transfer Agent	**:**	NSDL Database Management Limited (NDML), a wholly owned subsidiary of National Securities Depository Limited (NSDL) having registered office at Trade World, A Wing Kamala Mills Compound, Lower Parel Mumbai – 400013
Legal and Tax Advisor	**:**	Khaitan & Co.
Merchant Banker	**:**	**Name**: Keynote Financial Services Limited **Address**: The Ruby, 9th Floor, Senapati Bapat Marg, Dadar, Mumbai – 400028

SECTION II: ECONOMY AND FOCUSED SECTOR OPPORTUNITY

The Micro, Small & Medium Enterprises ("**MSME**") sector is very important for the Indian economy in terms of contribution to India's GDP and employment generation. India has over 6 (six) crore MSMEs across manufacturing and service sectors which employ over 11 (eleven) crore people. MSMEs also contribute immensely in exports from the country. The MSMEs are spread in every nook and corner of the country. However, one of the biggest challenges faced by MSMEs in India is the inadequate availability of capital. MSMEs have limited access to external equity primarily because only a handful of players provide early stage equity capital.

Even if such equity is made available, the uptake would remain low due to:

- Legal structure of MSMEs which prevents infusion of external equity;
- Smaller investment size per enterprise tends to increase transaction cost and management costs for equity investors making this segment relatively less attractive;
- Information asymmetry between promoters, investors and other stakeholders;
- Entrepreneur's concern regarding control and management; and
- Low probability of non-linear return discouraging the VC funding.

The current venture capital ("**VC**") ecosystem seeks technology driven enterprises and have exponential exit stipulations. It is also noted that VCs generally offer early stage funding but very few VCs are available to provide growth funding stage. It is believed that this is one among the primary reasons that MSMEs have not grown beyond a limit. Also, while listing on an exchange provides lot of benefits to MSMEs and their stakeholders, but MSMEs often shy away from listing due to increased disclosure requirements and compliance burden. Listing can help the MSMEs grow faster and more sustainably over the long term.

It is believed that setting up an MSME-focused fund would squarely address these challenges, give them a thrust to break their barriers, encourage corporatization and allow them to grow to their full inherent potential. The SRI Fund would be able to channelize diverse variety of funds into underserved MSMEs and address the growth needs of viable and high growth MSMEs.

Promoting the MSME Investment Ecosystem

MSMEs are dispersed across the country and have structures which are quite different than startup and VC investing. It would thus be important to create and cultivate new set of institutions & entities who can help setup MSME investing ecosystem by contributing to Daughter Funds.

Banks/Insurance Companies/Pension Funds/Central & State PSUs/Financial Institutions/Industrial Development Institutions can work to promote MSMEs they are already dealing with or promoting. These entities can identify the MSMEs and promote them in following ways:

(a) PSUs/Financial Institutions/Industrial Development Institutions may function as mentors to these MSMEs for growth and scale;

(b) PSUs/Financial Institutions/Industrial Development Institutions which have already established teams for investing in respective sectors (Oil, PSUs, EIL etc.) can contribute by investing in the MSMEs and can thus act both as a mentor and an investor; and

PSUs/Financial Institutions/Industrial Institutions may invest in Daughter Funds as well.

INDIAN ECONOMY OVERVIEW

1. The India Growth Story

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. The factors contributing to India's high growth rate include a large and growing middle class, growing incomes and increasing consumption, improved demographics including reducing size of families and a young workforce, entrepreneurship, healthy inflows of capital from external sources and continued investments in industry and infrastructure.

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. The sectors that are likely to have a low impact include power, healthcare, pharmaceuticals and food & agriculture.

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[1] 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.

2. 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. It has been contributing significantly to the expansion of entrepreneurial endeavours through business innovations. The MSMEs are widening their domain across sectors of the economy,

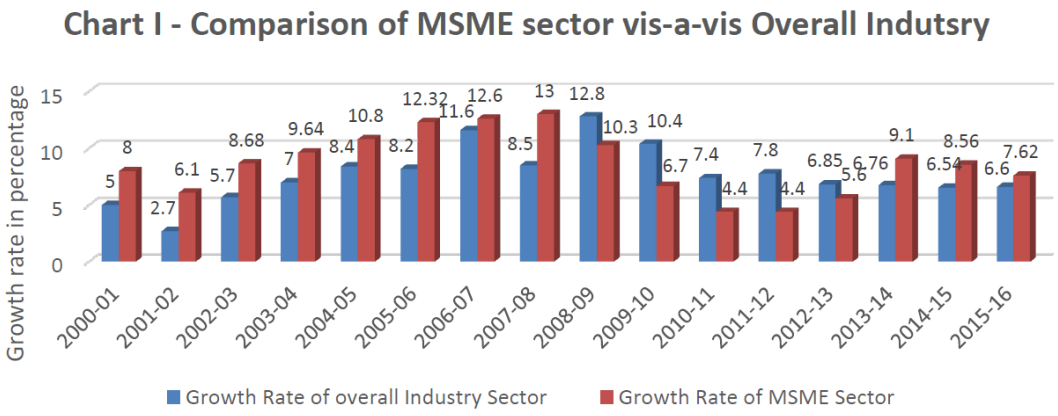
1https://www.businesstoday.in/current/corporate/govt-announces-atmanirbhar-bharat-30-covid-stimulus-worth-rs-29-lakh-crore/story/421809.html

producing diverse range of products and services to meet demands of domestic as well as global markets. MSME's have grown rapidly, visibly so, creating wealth and generating employment, especially in the past twenty years.

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[2].

Taking cognisance 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[3].

MSMEs have been consistently growing at faster rate compared to overall industry:

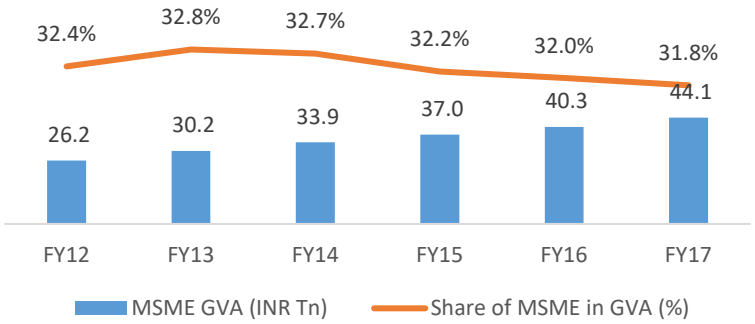


Source: Report of the Expert Committee on Micro, Small and Medium Enterprises dated 25 June 2019

Below is a snapshot of the MSME sectors' contribution to the Gross Value Added (GVA).

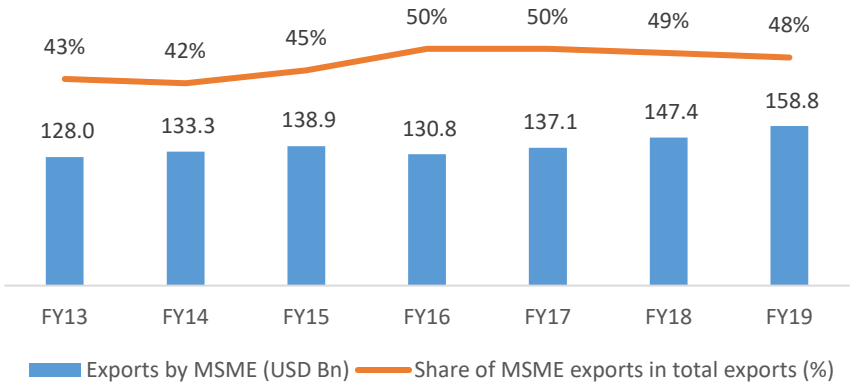
2Report of the Expert Committee on Micro, Small and Medium Enterprises dated June 2019

3https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1652664



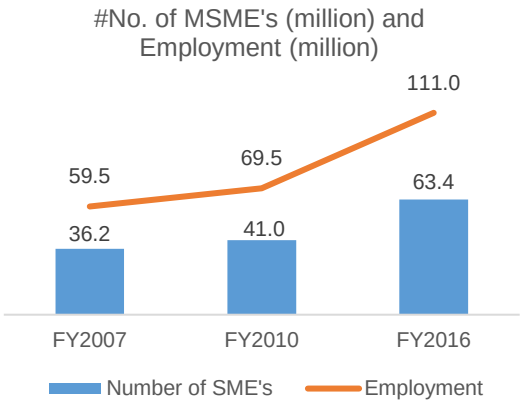
Source: MSME Annual Report released by Ministry of MSME

The share of MSME sector in India's merchandise exports stood at around 48% in 2018-19. This signifies that Indian MSMEs are becoming globally competitive and their products/services are being accepted overseas.



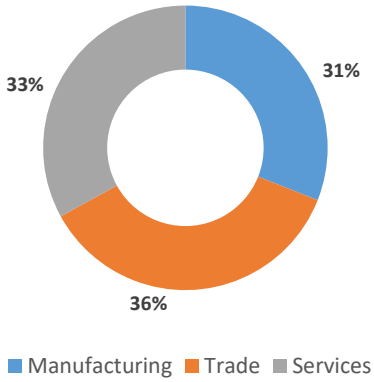
Source: Report of the Expert Committee on Micro, Small and Medium Enterprises dated 25 June 2019, PIB press release on Exports from India dated 18 March 2020 and PIB press release on Export of MSME Products dated 19 March 2020

The increase in number of SMEs over the years, has led to an increase in employment as depicted below:



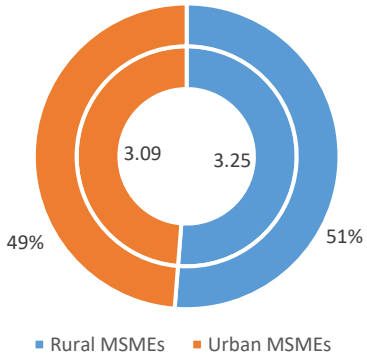
Source: MSME Annual report released by Ministry of MSME

Within MSME sector, each of the three sub-sectors, namely, trade, manufacturing and other services accounted for about a third of total employment.



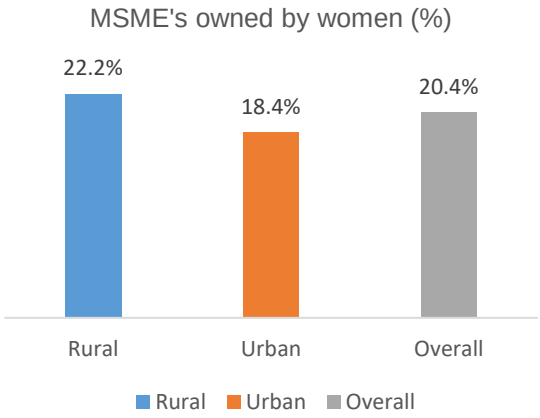
Source: MSME Annual report released by Ministry of MSME

Around 51% of the total MSMEs operate in rural areas and provide 45% of total employment.

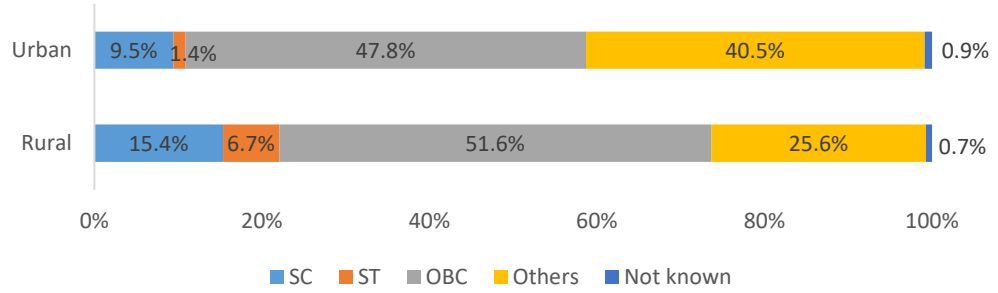


Source: *MSME Annual report released by Ministry of MSME (Number of MSME's in crores)*

More than 20% MSME's are owned by women in rural areas. Further, MSME's provide employment to 26.5 million women in rural and urban area.

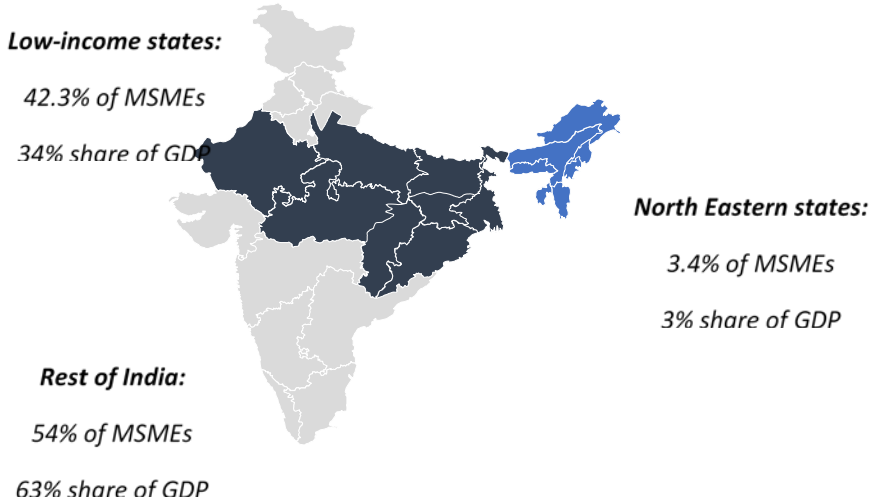


Source: *MSME Annual report released by Ministry of MSME*
Also, MSME sectors supports a high percentage of people from socially backward classes, with almost 66.27% of MSMEs owned by socially backward groups.



Source: *MSME Annual report released by Ministry of MSME*

Further, significant number of MSMEs originate from low-income states



Source: IFC report dated November 2018: Financing India's MSMEs

Key Challenges faced by MSMEs

(a) **Funding:** Timely and adequate access to funding has been one of the major barriers for growth and development of MSMEs. The primary source of funding for MSMEs has been the seed capital brought in by the entrepreneur and/or relatives and there is a limit to the capital an entrepreneur can bring in.

(b) **Working capital management:** MSME's face problems of delayed payments due to low bargaining power with larger corporates, and other counterparties. It is estimated that average debtor days for MSME's is over 90 (ninety) days while the working capital cycle is extremely high with over 300 (three hundred) days. This causes significant strain on the cash flow of the business.

(c) **Policy and institutional interventions:** There are various institutions such as Ministry of MSME, SIDBI, RBI and SEBI that are involved in the growth of MSME. However, these institutions operate independently of each other and hence the implementation of policies is time consuming and challenging.

(d) **Lack of knowledge:** There is a general lack of awareness among MSME's about various government schemes, equity capital, stock markets and funding options, other than banks

limits the growth of MSME's.

(e) **Availability of skilled workers:** Due to financial constraints, MSME struggle to get skilled workers leading to operational inefficiency and cost overruns.

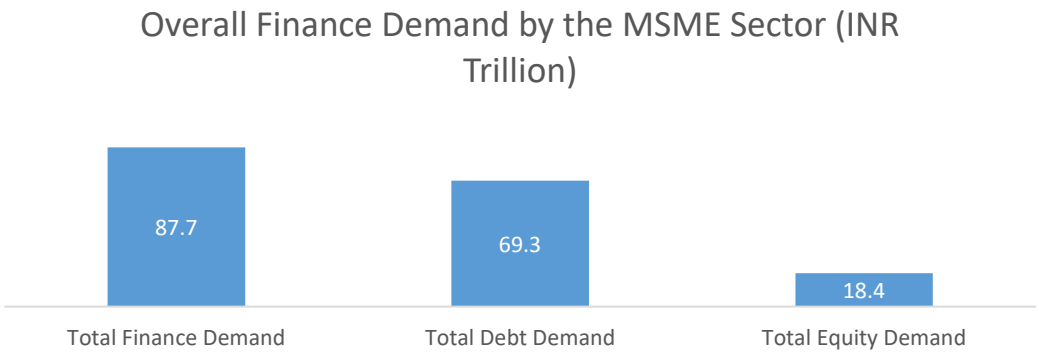
(f) **Addressing Infrastructure bottlenecks:** Limited access to infrastructure such as power, water and roads increases operational costs for MSMEs and makes their businesses uncompetitive.

(g) **Limited business experience:** Lot of entrepreneurs especially amongst micro and small enterprises are first generation entrepreneurs and have limited track record and experience in managing businesses.

(h) **Obsolete technology:** The MSME sector are usually laggards when it comes to adoption of technology, which negatively impacts the sector's competitiveness.

Funding gap in MSME space

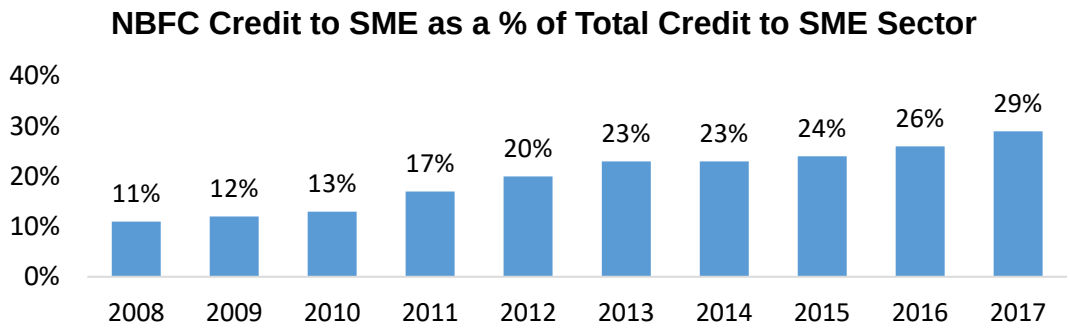
The MSME sector in India is essential to achieving the targeted growth rate. The growth and development of MSME is linked to access to capital at the right time. The capital gap to be addressed is for equity more than debt as the number of players providing debt products are currently more than equity providers. As per an 6 report titled, "Financing India's MSMEs" published in November 2018, the total finance demand in India is estimated to be INR 87.7 trillion. Out of INR 87.7 trillion, the total debt demand is estimated to be INR 69.3 trillion, whereas the balance INR 18.4 trillion is the equity demand. Below is the graphical representation of the total funding demand by MSME's in India.



Source: IFC report dated November 2018: Financing India's MSMEs

(a) Debt Gap Funding for SME's

The debt gap is increasingly being bridged by NBFCs. The trend of NBFC credit to MSMEs is as below:



Source: IFC report dated November 2018: Financing India's MSMEs

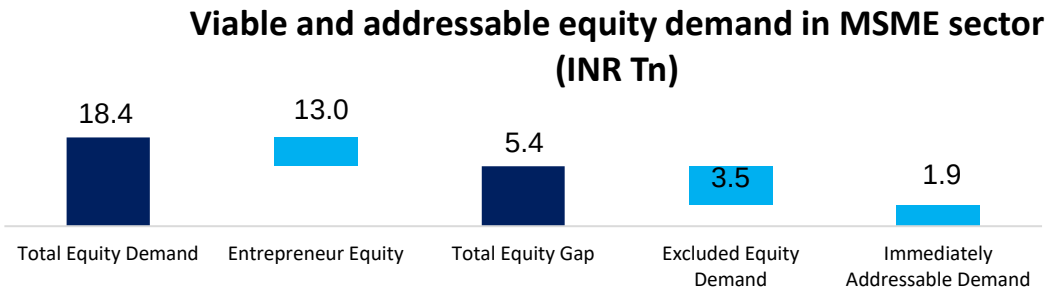
However, certain challenges exist, namely:

- Large component of bank loans are collateral backed and not cash flow based lending which is due to lack of timely and error-free balance sheet statements from MSMEs
- This lack of representative data incentivizes the MSMEs to provide collateral for obtaining credit and precludes reliance and inspection of balance sheets by lenders
- Lending has been in the form of 'Loan Against Property', requiring borrower to pledge own property (for example: residence) to borrow
- Asset and Collateral based lending is an 'across the board' feature for all lenders, including private sector banks, NBFCs and public sector banks due to the above situation

(b) Equity Demand for MSME's

The small and medium businesses are more receptive for private equity capital compared to earlier as the funds can bring in expertise of running a business in structured manner, improve corporate governance and open up new markets for expansion. It also endeavours to provide mentoring support and other value addition to enable funded companies to achieve rapid growth and achieve and maintain their competitive edge in domestic and international markets. There is a general lack of awareness among MSMEs about equity capital, stock markets and funding options, other than banks. So far, there have been only debt-financing options, without any access to alternative equity options. There exists an opportunity for MSME focussed Private Equity funds to bridge the equity shortfall at attractive return propositions.

As per IFC report titled "Micro, Small and Medium Enterprise Finance in India" published in 2012, entrepreneurs fund ~70% of the total equity demand through own funds, internal accruals and borrowings from relative, while the balance 30% is the equity gap which remains unfunded. The report further states that out of the total equity gap which remains unfunded only 30% of the equity gap can be funded as there are demand-side challenges such as the legal structures of enterprises and lack of reliable data. Extrapolating the 2012 report findings, out of the current total equity demand of INR 18.4 trillion, the total equity gap is expected to be INR 5.4 trillion (30% of INR 18.4 trillion). Out of total equity gap of INR 5.4 trillion, immediately addressable equity demand (demand that can be met in a time frame of 1-2 year) is expected to be INR 1.9 trillion. Below is the graphical representation of the estimated total funding gap for the SME sector



Source: IFC report dated November 2018: Financing India's MSMEs

While globally, MSMEs are well capitalized, in India MSMEs remain capital starved despite their significant contribution to the economy. Given MSMEs inclusive impact, it is essential to mobilize large investment in MSMEs to help them catapult into large companies.

Private Equity/ Venture Capital (PE/ VC) funding can play a critical role in bridging this investment gap. In order to create a multiplier effect the Government of India has planned a Fund to invest in PE/ VC funds (to be empanelled as Daughter Funds) who would in-turn raise additional capital from other investors like insurance companies, pension funds, banking institutions, family offices, etc. These Daughter Funds will focus on investing in companies in the MSME space.

Benefits of PE/ VC funding

(a) **Key Growth Driver and Employment Generation:** Funding from private equity funds help companies spend on capital expenditure, research and development, employment, working capital requirements, technological development driving demand for products and services leading to a multiplier effect on the economy.

(b) **Long term capital:** Private equity fund provide patient capital with an average holding period of 4-7 years depending on the sector and size of the company. The long-term nature of the capital helps the promoter put his plan to work effectively in a sustainable manner.

(c) **Access to debt:** Post funding from private equity players, it becomes easier for MSME's to raise capital from banks and financial institutions at attractive interest rates as systems and processes are established and the information asymmetry is minimized to a large extent. Further, with private equity funding, the MSME's can raise anywhere between 2-3 times the amount funded by private equity, thus helping in rapid expansion.

(d) **Value creation:** Private equity funds through its deep expertise and skills can unlock value by working with the companies to help the owners understand the efficient capital structure, fine tune business plans, identify SBU's, forming strategic relationships, negotiating contracts, characteristics of the market demand, as well as pricing, human resources and marketing and strong corporate governance policies thus leading to value creation.

(e) **Capital allocation:** The management of the company is usually faced with a challenge on which projects to invest into. The funds ideate with the management for allocating capital that generates strong financial returns and creates a long-term sustainable value.

(f) **Export Competitiveness:** The implementation of transparent financial planning, ERP systems and integration of strong corporate governance policies in combination with a comprehensive business plan promote firms' access to finance and also its potential to integrate into export markets and strengthen their competitiveness.

Recent initiatives by the Government

MSMEs have been inordinately affected by the COVID induced lockdown, transport disruptions, severance of supply chains, social distancing measures owing to their dominant presence in economic sectors like retail, trading and services. 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.

A major structural reform, in this direction, has been undertaken by the Government of India by adopting a new composite formula of classification for manufacturing and service units in MSME sector with effect from 1st July 2020.

Under the new definition, an enterprise qualifies as a micro, small or a medium enterprise depending upon the broadened thresholds of amount of investment made with respect to (i) plant and machinery in case it undertakes manufacturing; or (ii) equipment in case it provides services. In addition to this existing investment conditionality, a new criterion for turnover has been introduced.

Enterprise Size	Investment criteria (in plant & machinery or equipment)	Turnover criteria
Micro	INR 0 – 10 (millions)	INR 0 – 50 (millions)
Small	INR 10-100(millions)	INR 50 – 500 (millions)
Medium	INR 100 – 500(millions)	INR 500 – 2500 (millions)

The change in the definition of MSME is one of the most significant enabling changes made to the legal regime governing MSMEs. The expanded ambit of the MSME Act has now allowed the larger pool of enterprises, both manufacturing and service enterprises, to avail the benefits of the Act as well as of the reforms introduced by the Government for the MSME sector during the pandemic, without any additional tax liability. It is likely to improve the ease of doing business in operation for MSMEs, and in the process, make it easier for them to attract investments and create more jobs.

Additionally, the Government has undertaken an array of initiatives in various sectors, to unshackle the growth of MSMEs:

Segments/ Sectors	Initiatives and Associated Opportunities
Ease of Doing Business for MSMEs	New Registration of MSMEs through 'Udyam Registration' with link to:- (i) GeM portal for ensuring their participation in Government procurements, (ii) TreDS platform for helping the MSMEs in realizing their delayed payments

	Based on self-declaration with no requirement to upload documents, papers, certificates or proof. Hassle free transition from old system of Udyog Aadhaar Memorandum to Udyam Registration till 31.03.2021. Launch of CHAMPIONS portal to help the MSMEs in terms of finance, raw materials, labour, permissions, etc. The portal also seeks to help MSMEs to tap into new opportunities with a long-term view to identify the MSMEs with growth potential. SAMADHAAN portal to enable Micro & Small Enterprises (MSEs) to directly register their cases on the portal relating to delayed payments by Central Ministries / Departments/ CPSEs/ State Government & other buyers. PSUs directed to clear payment within 45 days of acceptance of goods/services. SAMBANDH Portal for monitoring the implementation of Public Procurement Policy for micro and small enterprises in the country. Global tenders in Government procurement schemes up to INR 200 crores will no longer be allowed.
Labour Market	Government has simplified, amalgamated and rationalised 44 central labour laws into broad four codes namely codes on wages, industrial relations, social security and operational safety, health and working conditions. These codes are set to promote ease of doing business and instigate investor confidence in MSME sector as it intends to reduce the burden of compliance of labour regulations. The drastic reductions in compliance stem from (i) 44 central labour laws being reduced to four, (ii) the number of sections falling by 60% from about 1200 to 480, (iii) the maze due to the number of minimum wages being reducing from about 2000 to 40, (iv) one registration instead of six, (v) one license instead of four, and (vi) de-criminalisation of several offences.
Credit Support	INR 3 trillion Emergency Working Capital Facility for Businesses including MSMEs. Loans worth INR 1.86 trillion have been sanctioned under 100% Emergency Credit Line Guarantee Scheme, of which INR 1.32 trillion has already been disbursed to 27.09 lakh borrowers, as on 29th September 2020. Distressed Assets Fund–Sub-ordinate Debt for MSMEs: Guarantee cover worth INR 20,000 crores to promoters who can take debt from the banks to further invest in their stressed MSMEs as equity – support around 2 lakh MSMEs and protect livelihoods of millions who depend on them. Funds of Funds for MSMEs: Infusion of INR 50,000 crores into equity benefiting around 25 lakh MSMEs (refer Investment Opportunity below).

Insolvency Framework	Minimum threshold to initiate insolvency proceedings raised to INR 1 crore from INR 1 lakh, which largely insulates MSMEs. Suspension of fresh initiation of insolvency proceedings up to one year depending upon the pandemic situation. Special insolvency resolution framework for MSMEs under section 240A of the Code to be notified soon.
Agriculture	The landmark reforms in Agriculture viz., The Farmers Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Service Act, 2020 and The Essential Commodities (Amendment) Act, 2020 open the window of opportunity for MSMEs in the form of processors, aggregators, large retailers and exporters who can now build long-term mutually rewarding relations with farmers. MSMEs can be leveraged towards establishing all essential linkages between the farmgate to the consumer, by way of creating food chains. An agro-MSME policy is under progress, with a focus on entrepreneurship development in rural, tribal agriculture and forest areas for manufacturing products using local raw materials.
Food Processing	Establishment of an efficient farm to fork supply chain by way of bolstering the MSMEs working in the food processing sector. The "Centrally Sponsored PM Formalisation of Micro food processing Enterprises (PM FME) scheme" to be implemented over a period of five years from 2020-21 to 2024-25 adopts 'One District One Product (ODOP)' approach to reap benefits of scale in terms of procurement of inputs, availing common services and marketing of products. Scheme provides micro food enterprises with modern technology & equipment, training, institutional credit, lack of awareness on quality control of products, and branding & marketing skills. Providing plug and play infrastructure on lease for agro-MSMEs (manufacturers and retailers) with all the included Basic Enabling Infrastructure by leveraging Mega Food Park Scheme. Entrepreneurial venture incubation centre- processing, testing and other related activities for entrepreneurs in incubation stage along with expert advice.

Source:Monthly Economic Review – September 2020, Department of economic affairs

INVESTMENT OPPORTUNITY

It is estimated that in advanced economies across Europe, Asia and Australian region anywhere between 25-50% of the public support programmes are targeted towards MSME's as they make important contributions in job creation, productivity and economic growth. Besides promoting economic growth and job creation, MSME's are expected to play a very vital role in achievement of the Sustainable Development Goals by promoting sustainable industrialisation and fostering innovation, and reducing income inequalities.

Indian start-ups and MSMEs in IT, Ites, Pharma, Fintech, e-commerce, etc. have attracted PE/ VC funds demonstrating their ability to compete with established businesses. However, these PE/ VCs are focused on limited sectors and there is a strong need to mobilize large capital to invigorate the traditional manufacturing and services business providing them with a level playing field. Data asymmetry, sub-par returns in the past and lack of exits by investing in small and mid-sized companies have also led to limited investments in MSMEs.

To address the ever-unresolved need of capital of MSMEs, India needs to identify pools of capital which can be further leveraged in order to create multiplier effect on the economy and therefore making our MSME more competitive in the global markets.

Based on the recommendations of the Report of the Expert Committee on Micro, Small and Medium Enterprises dated 25 June 2019, appointed by the Reserve Bank of India under the Chairmanship of Mr. U K Sinha, Government of India is setting up the Fund to support VC/PE firms investing in the MSME sector to encourage them to invest in the MSME segment. This Fund is part of the program which is of significant national and economic importance. This will support crowd funding from venture capital and private equity firms, which focus on investing in the MSME segment on modified term sheets. This would encourage innovation in term-sheets and product structures.

The Fund shall squarely address the aforementioned challenges, give them a thrust to break their barriers, encourage corporatisation and allow them to grow to their full inherent potential. With Government intervention, the Fund would be able to channelize diverse variety of funds into underserved MSMEs and address the growth needs of viable and high growth MSMEs.

The Fund will be oriented towards providing funding support to the Daughter Funds for onward provision to MSMEs as growth capital, in the form of equity, quasi-equity and debt, as permitted under SEBI guidelines.

Promoting the MSME Investment Ecosystem

MSMEs are dispersed across the country and have different structures compared to large corporates that are well funded/ addressed. It would thus be important to create and cultivate new set of institutions & entities who can help setup MSME investing ecosystem by contributing to Daughter Funds.

Banks/ Insurance Companies/ Pension Funds/ Central & State PSUs/ Financial Institutions/ Industrial Development Institutions can work to promote MSMEs they are already dealing with or promoting. These entities can identify the MSMEs and promote them in following ways:

(a) PSUs/ Financial Institutions/ Industrial Development Institutions may function as mentors to these MSMEs for growth and scale;

(b) PSUs/ Financial Institutions/ Industrial Development Institutions which have already established teams for investing in respective sectors (Oil, PSUs, EIL etc.) can contribute by investing in the MSMEs and can thus act both as a mentor and an investor; and

(c) PSUs/Financial Institutions/Industrial Institutions may invest in Daughter Funds as well.

SECTION III: INVESTMENT OBJECTIVE, STRATEGY AND PROCESS

The Fund has been created to provide growth capital to the Micro, Small and Medium Enterprises (MSMEs), so that they have access to growth capital through equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines. This will facilitate them in becoming 'National and International Champions' by growing beyond the bracket of MSME. The Fund will be a scheme of NVCFL. The Fund would be registered with SEBI as a Category II AIF. An Advisory Board will be constituted by the Anchor Investor, overarching the entire executive framework of the Fund.

The Fund will have a professional Investment Committee which, shall process and take final decisions with respect to all the investment proposals in line with the Investment Process laid down in this Memorandum and the Fund Documents and in accordance with Investment Guidelines laid down in this Memorandum and the Fund Documents. The target group of funding, through the Daughter Funds would be MSMEs, as defined under the Micro, Small & Medium Enterprises Development Act 2006 ("**MSMED Act**"), who have a marked potential to grow, but are unable to do so because their requirement for growth capital remains unfulfilled. Non-profit institutions, NBFCs, financial inclusion sector, micro credit sector, SHGs and other financial intermediaries shall, however, not be eligible for consideration. The Fund will invest in other Daughter Funds, which may be Category I or II AIFs, registered with SEBI, who, in turn, will be investing in MSME units. The Fund will invest into the Daughter Funds by following due process, as laid down under this Memorandum.

Investment Objectives of the Fund

The Fund shall operate with the object of supporting Daughter Funds for onward provision to MSMEs as growth capital, through equity, quasi-equity and debt,as permitted under SEBI guidelines, to achieve the following objectives:

i. Enhancing equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines, to MSMEs;
i. supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities;
ii. supporting enterprises which have the potential to graduate beyond the MSME bracket and become National / International champions; and
iii. supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services.

Scope and Target of the Fund

Given that MSMEs are spread all over the country, it is proposed to disperse funds to Daughter Funds in such a manner as to ensure that impact is created across India and MSMEs even in farthest regions of the country can access this funding.

The target group of the funding (via the Daughter Funds) would be those MSMEs which have marked potential to grow but are not able to grow because their requirement for growth capital remains unfulfilled. They do not have access to the market and debt funding is difficult to come by owing to borrowing cost, inability to provide security and over leveraging. To tackle the above obstacles, it is proposed that:

(a) The funding (via the Daughter Funds) would be aimed at all existing and interested MSMEs which, after assessment, are found viable, whose growth trajectory is positive, and who have a defined business plan for growth indicating positive funds flow. Previous 3 (three) years CAGR will be considered and due weightage will be given to potential for growth.

(b) MSMEs which are defined as per the MSMED Act, as amended from time to time, shall be eligible for consideration.

(c) Non-profit institutions, NBFCs, financial inclusion sector, micro credit sector, SHGs and other financial intermediaries shall not be eligible for consideration.

(d) The Fund will seek to actively encourage onboarding such entities which will have different term sheets with a view to ensuring non-linear returns envisaged from venture capital funding. The Fund will also factor in non-monetary aspects, in terms of employment, reduction in regional disparity, overall economic development and establishing supply chains with depth and resilience.

Investment Strategy of the Fund

The Fund will employ a 'Fund-of-Fund' investment strategy wherein the Fund shall be holding a portfolio of other investment funds, instead of investing directly into Portfolio Companies. Accordingly, the Fund-platform will be a combination of the Fund and various Daughter Funds which will effectively leverage private equity/ other funds and thus will multiply the impact of the corpus of the Fund. The Fund will provide capital only to the Daughter Funds for onward investment as growth capital, while the investment in MSMEs will be done by the Daughter Funds. The Daughter Funds will be duly required to be registered as Alternate Investment Funds with SEBI. With a view to providing flexibility to the Daughter Funds in providing both equity and debt funding to the MSMEs, the Daughter Funds would be Category I or Category II AIFs registered with SEBI.

Daughter Funds

There will be more than one such Daughter Fund. The Investment Committee shall give final approval for investment decisions, in accordance with the Investment Process laid down in this Memorandum and the Fund Documents in regard to proposals received, only in line with the business objectives of the respective Daughter Funds, as approved by the Fund at the time of empanelment. Additionally, any exit/divestment related decisions taken other than in respect of the ordinary course of investments in the Daughter Fund shall also be taken by the Investment Committee on the recommendation of the Investment Manager in accordance with the procedures laid down from time to time by the Board.Any other material decision, in relation to the portfolio of the Fund, including material matters arising at the Daughter Fund level, which requires an approval of the Fund shall be taken by the Investment Manager or the Investment Committee as required under the procedure laid down by the Board from time to time.

Investment Philosophy and Focus

The Fund is committed to strive for superior returns through investments in Daughter Funds seeking

to provide growth capital to MSMEs. The Fund will endeavour to add additional value to Daughter Funds by acting as their strategic partner. The Fund shall invest in Daughter Funds following the Investment Guidelines as provided below.

Investment Guidelines

The Fund's investments shall comply with the following guidelines ("**Investment Guidelines**") and any deviation from these guidelines shall require the approval of the Anchor Investor:

(a) Any Daughter Fund which is registered in India under the SEBI (Alternative Investment Funds) Regulations, 2012 (as Category I and II AIFs) and is set up to achieve the Fund's investment objectives and abides with relevant laws of India, rules and regulations will be eligible for support from the Fund;

(b) The minimum fund committed to a Daughter Fund would be INR 25 (twenty-five) crores and in multiples of INR 5 (five) crores thereafter;

(c) The investment objective of the Daughter fund should meet the overall objective of the Fund and the Daughter Fund should commit to invest atleast 5 (five) times that of Fund's Capital Commitment into MSME companies;

(d) The Daughter Funds should be professionally managed and the investment manager of the Daughter Funds/ fund manager should have a track record and investment experience in the relevant sector in which it proposes to make its investments. The experience should be commensurate with the activities of the proposed Daughter Fund;

(e) The key investment team of the fund manager of the Daughter Fund should fulfil such criteria as mandated by SEBI under the AIF Regulations;

(f) The exposure limit will be set for each Daughter Fund at the time of making an investment in a Daughter Fund. The maximum Exposure Limit of the Fund in respect of a Daughter Fund shall be 20% (twenty per cent) of the corpus of the Daughter Fund or INR 2000 crore, whichever is lower, i.e. no Daughter Fund can have an exposure limit of more than INR 2,000 crores ("**Exposure Limit**"). Empaneled Daughter Funds shall raise 80% additional funds from outside sources like Banks, financial institutions, high net worth individuals, VCs/Pes/Institutional Investors, PSUs, Pension Funds, Foreign Developmental Institutions etc. Daughter Funds, after being empaneled with the Fund, will mobilize funds and for each 4 units of funds so mobilized, they will be eligible to solicit 1 unit of fund, proportionately from the SRI Fund;

(g) The investment focus will be on traditional manufacturing and service MSMEs as they are facing deficiency to a greater degree because the existing venture capital and private equity funds have a bias towards I.T. and Technology based industries, which offer better control and high and faster returns;

(h) AIFs which have availed commitments from any of the Fund of Funds of Government of India, like the Fund of Funds for Startups, EDF of the Ministry of Communications and Information Technology, ASPIRE etc. shall be eligible for investment by this Fund provided that funding support received by the Daughter Funds from such other Fund of Funds of Government of India will not be included in the 80% fund to be mobilized by the Daughter Funds from other sources as per point (f) above. Further, investments that qualify as MSMEs for the purposes of complying with the requirement of this Fund shall be excluded from being counted in end use requirements of any other Government Fund of Fund scheme as mentioned above;

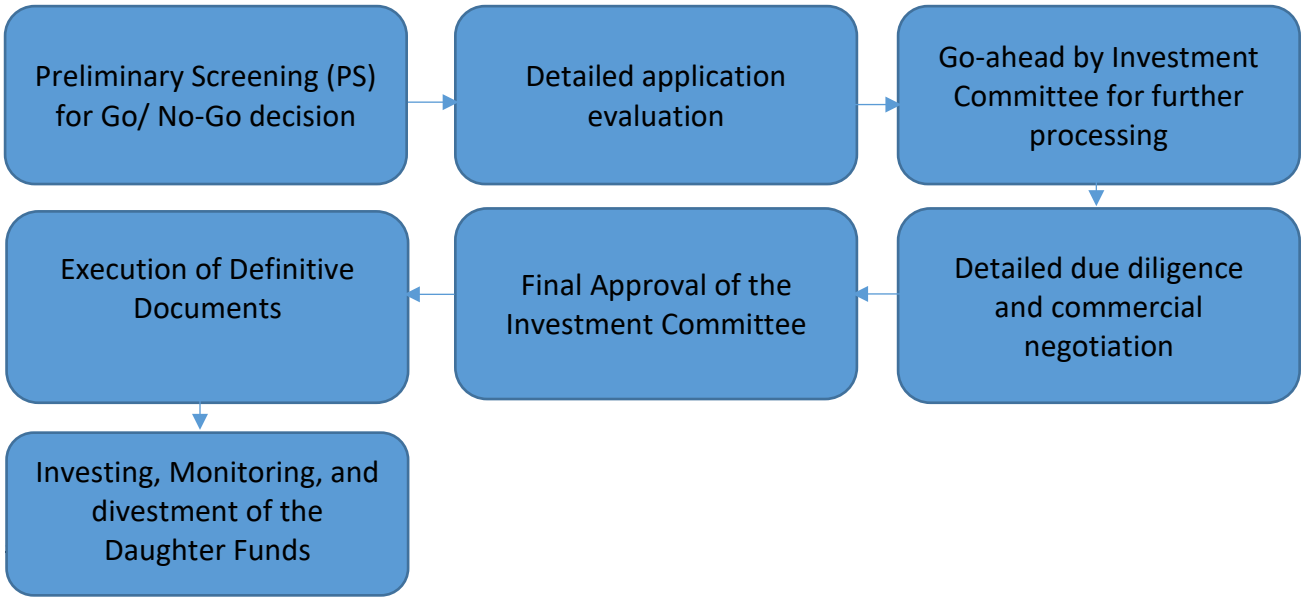
(i) The Daughter Funds shall not make portfolio investments in companies which are involved in gambling, creation of obscene content, any other illegal or unlawful activities; and

(j) Further, capital contributions made by the SRI Fund to any Daughter Fund shall not be used by such Daughter Fund for making investments/ funding any non-banking financial institutions (NBFC), non-profit organisations, micro credit sector, financial inclusion sector, self-help groups and other financial intermediaries.

Investment Process

During the investment period, the Fund will invest in Daughter Funds, in accordance with the investment objective and policies of the Fund after undertaking the investment process as detailed herein ("**Investment Process**"). The Investment Manager shall process the investment proposals of potential Daughter Funds in line with the investment process adopted by the Fund, illustrated below.

A flowchart depicting the broad investment process is as below. The steps are detailed out after the flowchart:



Step 1:

Conducting a Preliminary Screening ("**PS**") of the applications received to decide a basic Go/No-Go decision by the Investment Manager. The PS will seek information on basic qualification criteria from prospective Daughter Funds to filter out funds with mandates/ objectives which are not in line with the objectives of SRI Fund. Daughter Funds that qualify based on the basic criteria only to progress to next step.

Step 2:

The prospective Daughter Funds, satisfying the PS process shall be asked to submit a detailed application which shall typically include the following:

- Key fund relation information: category of fund, status of fund raising, existing commitments, investment policy/ strategy, target sectors, focus on MSME, exit strategy
- Key investment team, educational background and experience
- Fund terms: tenure, target returns, management fees, catch up, hurdle rates, etc.
- Track record of key personnel and the investment manager
- Ability to network and raise the balance funding from other resources.

The detailed application form submitted by prospective Daughter Funds will be evaluated by the Investment Manager, and further information (through presentations/ documents/ meetings etc.) will be requested, as required.

Step 3:

The Investment Manager shall prepare an investment proposal and submit to the Investment Committee. Presentations shall be made by the prospective Daughter Funds to the Investment Committee, if required. The Investment Committee shall review the investment proposal in line with the investment objectives of SRI Fund and provide its suggestions and recommendations. The investment proposal will have to be recommended unanimously by the members of the Investment Committee present in the meeting held by the Investment Committee. Upon receipt of go-ahead from the Investment Committee, the Investment Manager will carry out next stage screening, as per below

Step 4:

Detailed due diligence shall be carried out by the Investment Manager and Legal Advisor on the financial, KYC, Integrity, legal aspects and other assessment, as may be required. Due diligence inputs shall be analyzed and key findings shall be considered by the Investment Manager before negotiating commercial terms with the prospective Daughter Funds.

Step 5:

Post mutual agreement of the commercial terms, the detailed proposal shall be put up to the Investment Committee for its final approval. The Investment Committee shall provide its final approval

to investment proposals on a unanimous basis.

Post the approval of the Investment Committee, commitment letters shall be issued by the Investment Manager to the selected/ empanelled Daughter Funds. These letters shall contain the key investment terms and the Daughter Funds shall adhere to the same as a condition for receiving the investment from the Fund. The commitment given by the Fund will be valid for 18 (eighteen) months during which the eligible Daughter Funds are required to do the first closing. In the event of the Daughter Fund failing to achieve the same, the commitment of the Fund to the Daughter Fund shall be re-evaluated.

Step 6:

Definitive documents including contribution agreement, investment management agreement and other constitutive documents, etc. prepared/vetted by the Legal Advisor to be executed with the Daughter Funds capturing the detailed terms and conditions of the investment by SRI Fund in the Daughter Fund. The definitive agreements shall capture all the terms applicable to the investment by the Fund in the Daughter Fund in line with the Investment Policy.

Further to the execution of the definitive agreements, the Fund shall release on back-ended basis, the committed funds in proportion to the funds raised by the Daughter Funds individually. Daughter Fund shall raise the demand of drawing the funds from the Fund as per the requirements and terms of sanctioned assistance by them to portfolio companies. Daughter Funds will be required to invest the funds received from the Fund within 2 (two) months of the same being received from the Fund. In case they are unable to deploy the same, they may seek a further extension of 1 (one) month from the Fund, before the expiry of initial period of the 2 (two) months. In the event an extension is granted by the Fund after due deliberation, the funds should be deployed by the Daughter Fund within the extended period, failing which the Daughter Fund shall refund the amount to the Fund on the day next to the expiry of the extended period. In case extension is not permitted by the Fund, the Daughter Fund shall refund the amount to the Fund on the day next to the receipt of the communication from the Fund. The Fund may impose interest on any fund retained by the Daughter Fund beyond such communication.

Step 7:

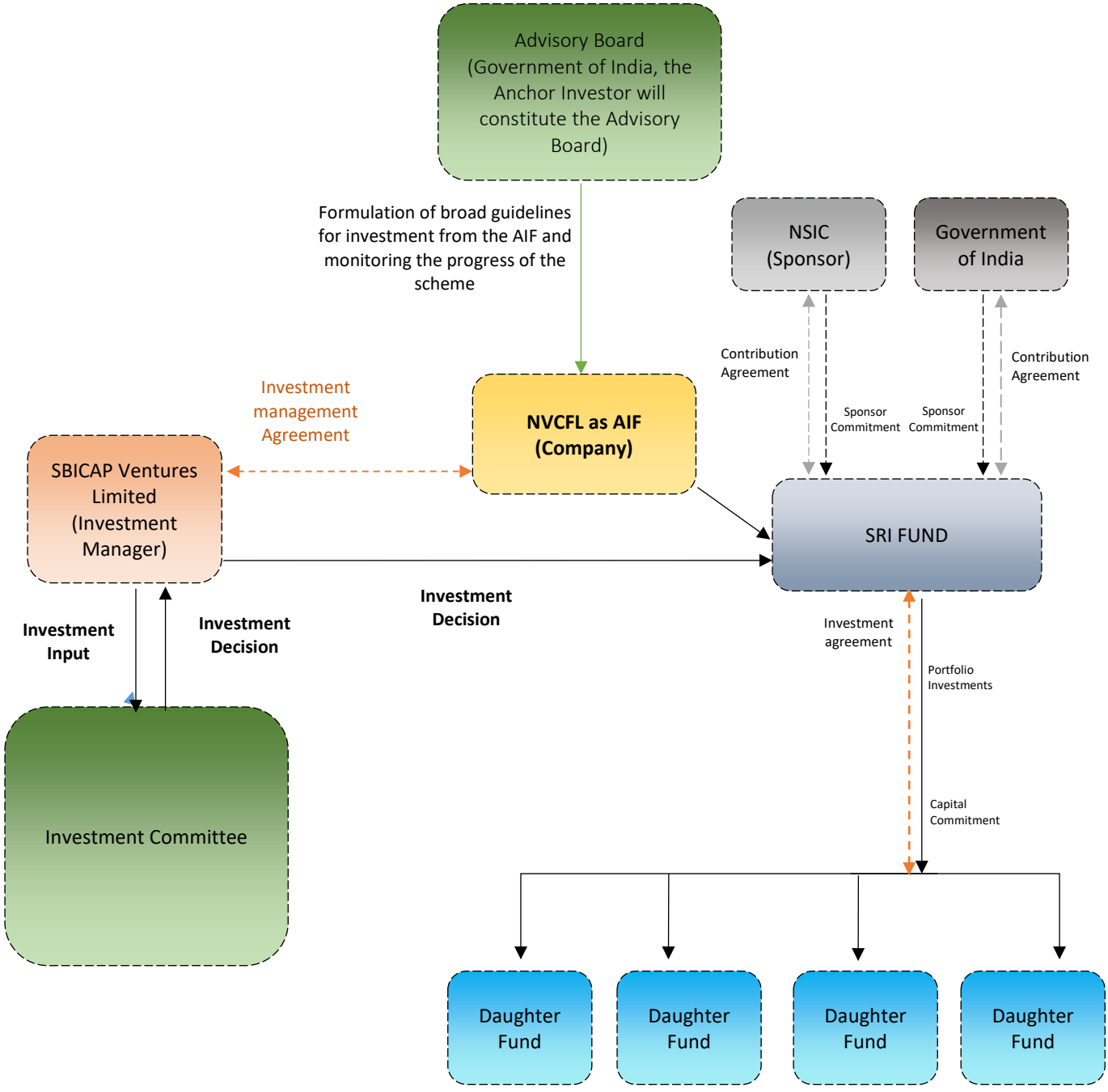
The Investment Manager shall monitor the performance of the Daughter Funds on regular basis and submit reports to the Investment Committee, the Advisory Board and/or the Board as may be required.

Exit from Daughter Funds

The Fund will exit its investments in the Daughter Funds when such a Daughter Fund makes distributions to its contributors after exiting/ liquidating its underlying portfolio investments.

SECTION IV: FUND STRUCTURE

The Fund is structured as per the structure chart, below:



The Fund is organised as the first scheme of NVCFL which is registered with SEBI as a Category II AIF – vide registration number IN/AIF2/21-22/0924 and is organised as a public limited company under the

Companies Act, 2013. SBICAP Ventures Limited will act as the investment manager to the Fund and Khaitan & Co. shall be the legal and tax advisor.

The Fund has been sponsored by The National Small Industries Corporation Ltd., a mini-Ratna Corporation of the Government of India under the Ministry of Micro, Small and Medium Enterprises.

The Fund shall operate with the objective of investing in certain Daughter Funds which will in turn provide growth capital to the MSME sectors.

Please refer to '**SECTION V: BRIEF OVERVIEW OF NVCFL, SPONSOR AND INVESTMENT MANAGER**' for further information on the Investment Manager and Sponsor.

Please refer to '**SCHEDULEII: DISCIPLINARY HISTORY**' for details regarding the disciplinary history of the Investment Manager and Sponsor.

SECTION V: BRIEF OVERVIEW OF NVCFL, SPONSOR AND INVESTMENT MANAGER

NVCFL has been constituted as a public limited company under the Indian Companies Act,2013 on 28 August 2020 and is registered with SEBI as Category II AIF vide Registration No. IN/AIF2/21-22/0924. The entire equity capital of NVCFL is held by NSIC which is also the 'Sponsor' of the Fund.

The board of directors of NVCFL currently comprises of the following individuals:

Sh. Vipul Goel, Chairman Cum Managining Director, NSIC and Chairperson NVCFL

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

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

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

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

Dr. lshita Ganguli Tripathy, Additional Development Commissioner, 0/o DC(MSME) is an officer of the Indian Economic Service 1999 batch. In the past 24 years, she has worked in Ministry of Finance, Planning Commission, Ministry of Road Transport & Ministry of Commerce and Industry in various capacities. She has a double post graduation in Economics and Population Studies and completed her PhD from IIT Delhi in Managerial Economics.

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

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

Mr. Saravana Kumar Ananthan is a Post graduate from IIM- Bangalore, holds degree in B.E., Risk management program from GARP- USA, CAIIB from Indian Institute of Bankers and attended Management Development Programme at Merrill Lynch Global Headquarters at New York. He has over 33 years of professional experience in Venture Capital, Private equity, AIF, AMC,

Insurance Industry, PMS, MSME sector, Finance & Accounts , Risk Management, Resource mobilisation, Treasury management and Corporate planning.

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

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

Mr. Ateesh Kumar Singh, Govt. Nominee Director

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

He has served in various capacities in different ministries of Government of India. He has handled issues in the Ministry of MSME, Government of India – policy formulation and execution for MSME credit, negotiations with World Bank, KFW and National Development Bank for financial assistance in the MSME sector in 4 Externally Aided Projects (EAP). He coordinated with the Finance Ministry and RBI to develop block chain processes on Trade Receivables Discounting System (TReDS). He has done innovative product development in fintech bodies in coordination with RBI, State Governments, private sector and Finance Ministry.

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

Mr. Gaurav Gulati, Director (Finance)

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

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

With his remarkable organizational skills and strategic planning acumen, Mr. Gulati in its present role has been instrumental in instituting vital improvements within NSIC especially

strengthening NBFC vertical of the company by formulating and fortifying policies and guidelines for schemes in addition to enhancing internal controls.

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

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

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

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

The Board of NVCFL maintains oversight over the operations of the Fund to ensure that all the decisions of the Fund including those by the Investment Manager and Investment Committee, are in compliance with the AIF Regulations, the terms of this Memorandum, agreements made with the investors, other Fund Documents and Applicable Law.

Following is the shareholding pattern of NVCFL:

NVCFL is a wholly owned subsidiary of NSIC. The shareholders of NVCFL are as follows:

Name of shareholder	Number of shares held
NSIC	5,99,994
*Shri Saravanakumar Ananthan, CEO, NVCFL	1
* Manoj Lal, CGM (CC), NSIC	1
*Shri Kartikeya Sinha Director (P&M), NSIC	1
*Shri. Navin Chopra, CGM SG, NSIC	1
*Shri. Kailash Kumar Sharma, GM-SG	1
*Shri. P Ravi Kumar	1
Total	6,00,000

*As nominee of NSIC

** Shri G. Dixit, former Director Finance and Chairman cum Managing Director (additional charge), NSIC has been relieved from the charge of Director (Finance) and additional charge of CMD, NSIC w.e.f 31st December 2022 on attaining age of superannuation. The transfer of shares shall take place in due course.

Profile of Investment Manager

SBICAP Ventures Limited("**SVL**") will act as the Investment Manager to the Fund. It is a wholly owned subsidiary of State Bank of India –one of the largest banks in India. SVL was incorporated in November 2005 for carrying on venture capital fund activities such as to act as an asset management company for venture capital funds.

Following is a brief write up on the board of directors of SBICAP Ventures Limited:

a) **Mr. Dinesh Kumar Khara (Director)**

Mr. Dinesh Khara is Chairman of the country's largest Bank – State Bank of India. Having joined the bank as a Probationary Officer in 1984, he has rich experience in all facets of Banking. Before assuming office as Chairman, Mr. Khara has held several key positions in SBI such as MD (Global Banking & Subsidiaries), MD (Associates & Subsidiaries), MD & CEO (SBI Mutual Funds) and Chief General Manager – Bhopal Circle. He was also posted at Chicago for an overseas assignment.
As Managing Director, he led the International Banking Group, Large Corporate and Treasury operations in addition to the non-banking subsidiaries of the Bank viz., SBI Cards, SBIMF, SBI Life, SBI General etc. He also seamlessly executed the merger of five erstwhile Associate Banks and Bhartiya Mahila Bank, with SBI. Additionally, he also headed the Risk, IT and Compliance functions of the bank at various points.

Mr. Khara is a postgraduate in commerce from Delhi School of Economics and an MBA from FMS, New Delhi. He is also a Certified Associate of Indian Institute of Bankers (CAIIB). Mr. Khara is passionate about reading and has travelled extensively across the world.

b) **Mr. Challa Sreenivasulu Setty- Nominee Director**

Challa Sreenivasulu Setty joined the Board of SBI as Managing Director in January 2020 and is currently heading International Banking, Global Markets & Technology wings of the Bank. Prior to the present assignment, Shri Setty headed Retail & Digital Banking vertical. He has also been heading various task forces/committees formed by the Government of India.
A Bachelor of Science in Agriculture and also, a Certified Associate of Indian Institute of Bankers, he started his career with State Bank of India in 1988 as a Probationary Officer. Across a career spanning over three decades, he has rich experience in corporate credit, Retail, Digital and International banking and banking in developed markets.
Shri Setty has held key assignments in State Bank of India in Stressed Assets Management, Corporate banking, Mid-Corporate banking and Syndications both in India and abroad.

c) **Mr. Anshuman Tripathi (Independent Director)**

Mr. Anshuman Tripathi joined SBICAP Ventures Limited (SVL) in January 2023 as an independent board member.He has a wide breadth of experience across international markets. Over the decades he has worked with emerging technologies, Fortune 500 companies and circular economy MSMEs. He has also been a project lead with Stanford University's elite Alumni Consulting Team (ACT). ACT focuses on strategy consulting for corporate boards in the San Francisco Bay area. Mr. Tripathi specializes in growing entrepreneurial ecosystems across sectors, worldwide. As an impact entrepreneur, he co-founded a circular economy startup in the United States and grew its operations internationally. He also has global consulting experience in defence, aerospace, semiconductors, public policy, entrepreneurship and social innovation. On the investment side, Mr. Tripathi focuses on startup and MSME investments from government grants to venture capital. Furthermore, Mr. Tripathi has been an advisor to large fund managers worldwide on emerging technologies. Mr. Tripathi is a Sloan Fellow from Stanford Graduate School of Business, California, with an extra certification in public policy and social innovation. He is also a graduate in Computer Science from University of California, Irvine, California.

d) **Mr. S V Sastry (Nominee Director)**

Shri S V Sastry, a graduate in Science from Government College, Anantapur (Andhra Pradesh) joined State Bank of India as a Probationary Officer on 01st October 1985. He retired from the services of the Bank on 30th September 2022 as Deputy Managing Director (Global Markets). During his career spanning 37 years, Shri Sastry held various assignments in the Bank-both in India and abroad.

Shri Sastry was MD & CEO of SBI DFHI Ltd., a subsidiary of the Bank and a Standalone Primary Dealer between November 2017 and May 2020. Thereafter he moved to head the domestic treasury operations of State Bank of India as DMD (Global Markets). For a major portion of his career in the Bank, he was associated with the markets both forex as well as Rupee.

e) **Mr. Shesh Ram Verma (Nominee Director)**

Mr. Shesh Verma has over 32 years of banking experience, having started his career as a Probationary Officer with State Bank of India in 1991. He has held various positions in India, across multiple functions viz., Retail Banking, Commercial Banking, Branch Banking, High Value Credit, Import Export Finance, Forex Operations, Retail Branch Head, Commercial Branch Head, Controllers of Commercial Banking Branches etc.,

Prior to assuming charge as President & Chief Operating Officer of SBICAP with effect from 23rd May 2023, his roles included General Manager at Pune with 4 corporate branches catering 200 corporate and non-corporate customers of entire Madya Pradesh and Maharashtra (ex-Mumbai), from May 2021 to May 2023.

He was DGM in Credit Management, SBI, Corporate Centre from July 2020 to April 2021,
DGM and Branch Head, CCG Branch, Nehru Place, New Delhi from June 2019 to June 2020.
He was RM at Overseas Branch, New Delhi from June 2018 to May 2019 with credit portfolio of 10 large corporate customers, including 4 large PSUs..

f) **Mr. Suresh Kozhikote (MD&CEO)**

Mr. Kozhikote has over 36 years' experience in banking, having started his career with the State Bank Group in 1987. Mr. Kozhikote has handled assignments both in India and overseas across various functions. He has been in treasury operations for more than 18 years – from a Forex dealer to Head – Treasury. His assignments include Vice President (Treasury) at SBI Central Treasury Hong Kong, Dy General Manager at State Bank of Patiala as Head of Treasury and then as Head of Retail Operations covering Delhi NCR, Haryana & Rajasthan. Also, as Dy. General Manager (Taxation), he was in charge of GST project in SBI. As General Manager-Private Equity, he managed SBI's portfolio of Private Equity, Strategic Investments and Investments in AIF.

Mr. Kozhikote is a Commerce Graduate, a Certified Associate of the Indian Institute of Bankers and has a Diploma in Treasury, Investment and Risk Management.

Past experience of the Investment Manager

SBICAP Ventures Limited currently manages the following SEBI-registered funds:

1. **Neev Fund, a SEBI registered Category I Infrastructure Fund having registration no. IN/AIF1/14-15/0114**

   Neev fund, sponsored and managed by SBICAP Ventures Limited, was launched by Hon. Prime Ministers of the two countries India viz. (Mr. Narendra Modi) and UK (Mr. David Cameron) in 2015 for making investments in 8 of the low-income states in India i.e Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Chhattisgarh, Jharkhand, Odisha and West Bengal. The primary objective of Neev Fund is to create sustainable development which will provide economic, social and environmental benefits and create jobs in the 8 (eight) low income states of India, while at the same time generating superior risk adjusted returnsfor the investors of Neev Fund. Neev Fund operates at arm's length with full autonomy. Neev fund investors' include marquee domestic and international investors such as SBI, SIDBI and DFID.

   Neev's corpus is fully committed and it has successfully made 10 portfolio investments across sectors such as renewable energy, cold chain logistics, dairy, skill development, agri infrastructure, healthcare, waste management, bio-mass and entrepreneur development. The Investment Manager has demonstrated a successful investment track record of investing in early and growth stage companies in India. The long professional experience, broad sectoral knowledge and complex deal structuring ability of the investment team enhances the team's ability to generate high quality deal flow. In 7 (seven) out of 10 (ten) portfolio investments made by Neev Fund, Neev Fund was the first institutional investor in the portfolio company, which has helped the Investment Manager in developing strong relationship with the company founders and key management. The experience of being closely associated with the companies have helped in improving operational, financial and governance aspects of the portfolio companies.

   Neev fund is one of the finest examples in India which integrated international environmental, social & governance principles with portfolio company's policies.

   - As on 31 March 2022, the invested corpus of INR 430.2 crore has been independently valued by a big-5 accounting firm at c. INR 696.5 crore. Amongst Neev Fund's portfolio:5 portfolio companies have raised capital from marquee domestic and foreign institutions
   - 2 portfolio companies are in advanced discussion for exit;
   - 2 portfolio companies have received term sheets and letter of intent

   Over 70% of the investments in value and 6 out of 10 investments are in sectors with a focus on climate and environment sectors, whereas the remaining 3 companies are focused on social infrastructure sectors that create a social impact amongst the weaker sections of the society and improve the livelihoods.

   The Investment Manager intends to develop on its strengths and continue its strategy of

identifying, investing and nurturing early and mid-size companies thereby providing Contributors an investment opportunity of participating in the Fund.

2. **Special Window for Affordable and Mid-Income Housing (SWAMIH) Fund, a SEBI registered Category II Fund having registration no: IN/AIF2/19-20/0747**

   The Investment Manager is also mandated by Government of India to manage one of India's largest real estate fund to provide last-mile funding to enable construction of stressed housing projects. SWAMIH has a fund size of INR 15,531crore.

3. **SVL SME Fund, a SEBI registered Category I AIF having registration no IN/AIF1/19-20/0730**

   An MSME focussed fund with a target corpus of INR 1,250 crore. Neev II SVL SME Fund has an objective to bridge the equity gap in the small and medium enterprises segment given the significant opportunity to create value through a well-diversified and high-quality portfolio. The fund will seek to invest across sectors by identifying opportunities that have the potential to grow as future market leaders with the right intervention of capital, market access and technological inputs while at the same time making significant positive social impact on lives and livelihoods of people. It is expected that the identified enterprises should be adequately positioned to explore the sector opportunities and bridge the sector constraints using private equity capital.

4. **SBICAP Ventures Affordable Housing AIF, a SEBI registeredCategory I AIF having registration no IN/AIF1/18-19/0658**

   The fund invests in housing projects that use at least 50% of the FAR/ FSI for dwelling units with carpet area of not more than 60 square meters and costing between Rs. 20-75 lakhs per unit. It has a geographical focus on 8 (eight) major cities and makes investment in the form of equity/equity linked instruments.This fund has now been closed w.e.f. 29th March 2022.

5. **UK India Development Cooperation Fund, a SEBI registered Category II AIF having registration no IN/AIF2/20-21/0849**

   The Investment Manager has also been selected by FCDO (previously known as DFID, UK) to manage its fund platform a Category II AIF UK India Development Cooperation Fund (UKIDC). The UKIDC with a target fund size of INR 5,000 crores will be the vehicle to route all the investments made by UK Government in India.

6. Trilateral Development Cooperation Fund'("TDC") a SEBI registered Category II Alternative Investment Fund (Large Value Fund for Accredited Investors) having registration number . IN/AIF2/22-23/1257

The InvestmentManager has recently announced first close of TDCF with an objective to be a platform for the Government of India (vide Ministry of External Affairs) to invest in Global Innovation Partnership ("GIP") Fund and Daughter Funds set up pursuant to sovereign partnerships between India and select other countries. The target corpus of the fund is Rs 700 Cr.

Set out below is a detailed disclosure in a tabular format on the previous funds managed by the Investment Manager:

Particulars	Neev Fund	SWAMIH Investment Fund I	SVL-SME Fund
Date of launch of the fund	July 16, 2014	November 21, 2019	September 25, 2019
Investment strategy of the fund	The Neev Fund has a primary mandate to invest in 8 low-income states/developing states in India (viz. Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal) focused on infrastructure sub-sectors such as urban infrastructure (e.g. water and sanitation, solid waste management etc.), renewable energy (e.g. solar, wind, hydro, bio-mass energy, etc.), agricultural supply chain (e.g. warehouses, cold storages etc.) and state/district roads.	The investment objective of the Fund is to complete construction of stalled / stressed residential development by investing in a portion of project(s) that satisfies the following criteria: ▪ Atleast 90% of the available FSI / FAR is being developed as Affordable Housing units or Mid-Income Housing units; where the residual portion exceeds 10%, the developer shall fund incremental expenses above 10%. ▪ Is networth positive – value of sold receivables plus unsold inventory is greater than cost to complete construction and to service the investment by the Fund; ▪ Has incurred at least 30% of the project costs ▪ Requires last mile funding – sufficient to complete the project ▪ Is a part of a RERA registered project(s). ▪ The capital provided by the Fund shall have a senior charge (except in cases where a	The Fund's investment philosophy is to achieve medium to long term capital appreciation by making investments in privately negotiated equity and equity-related investments in emerging unlisted companies and growth oriented small- and mid-size enterprises across India. In order to achieve this, the Fund will invest in small and medium enterprises ("SME") having turnover of less than INR 250 crores and investments in plant and machinery or equipment of less than INR 50 crores. The below investment guidelines shall be applicable to the Fund: (a) It shall invest in SME businesses with a focus on climate, environment and sustainability and social impact sectors; (b) It shall invest 60% (sixty percent) of its aggregate invested amounts into sectors such as waste management, water supply & sanitation, clean technology, energy efficiency, renewable energy, sustainable agriculture, urban mobility, that mitigate the impact of climate change and

Particulars	Neev Fund	SWAMIH Investment Fund I	SVL-SME Fund
		regulatory authority holds first charge) over the portion of the project for which the funding shall be used, while allowing existing lender to retain first charge on a portion of such assets and cash flows, and shall be repaid completely before servicing any other financial liabilities (excluding TDS / subvention costs/ RERA liabilities) in the project. This funding shall be used only for completion of the stalled / stressed project and for purposes as approved by the IC ▪ Affordable or Mid-income Housing units has been defined as any housing units that do not exceed 200sqm RERA carpet area and are priced as following: ▪ Less than INR 2crores in Mumbai Metropolitan Region; ▪ Less than INR 1.5crores in National Capital Region, Chennai, Kolkata, Pune, Hyderabad, Bangalore and Ahmedabad; or ▪ Less than INR 1crore in the rest of India; ▪ Provided that for these purposes, the price	promote clean environment, job creation, poverty alleviation, livelihood generation and social inclusion; IIt may on an ancillary basis and subject to item (b) above invest in other sectors, including manufacturing, financial services, healthcare, education, that have potential to generate livelihoods, promote innovations, creates access to infrastructure, promotes cross border trade; (d) It shall invest at least 40% of its Aggregate Capital Commitment in Portfolio Entities i) which have been incorporated within 10 (ten) years prior to the date of investment by the Fund; and (ii) whose turnovers have not exceeded INR 100crores for any financial year since incorporation of such Portfolio Entities;

Particulars	Neev Fund	SWAMIH Investment Fund I	SVL-SME Fund
		shall be exclusive of any additional charges for social amenities, parking, housing society, brokerage, deposits, registration and stamp duty charges. Equivalent norm for plotted developments will be permissible carpet area and cost of plot with potential construction ▪ The Fund expects to primarily structure its investments, subject to legal, regulatory or other considerations, in the form of NCDs ▪ The Portfolio Investments by the Fund shall be spread across India	
Size of the fund	524 crores .	INR 15,531 crores	INR 1000 crores with a green shoe option of upto INR 1000 crores
Investment Period	2 years from Initial closing + oneyear extension	3 years from Final closing + one year extension	5 years from Initial closing + one-year extension
Number of investments made by the fund as at 31 March 2024	10	117	5
Amounts drawn down as at 31 March 2024	INR 522.45 crores (including Class X)	INR 7,717.99 crores	INR 626.98 crores

Particulars	Neev Fund	SWAMIH Investment Fund I	SVL-SME Fund
Amounts deployed as at 31 March 2024	INR 450.1 crores (including Class X)	INR 6,769.85 crores	INR 570.49 crores
Internal rate of return of the fund	8.7% basis Sep-23 valuation data	8.7% basis Sep-23 valuation data	24.1% basis Sep-23 valuation data
Gross MOIC (Multiple on Invested Capital)	1.7x basis Sep-23 valuation data	Not applicable	1.3x basis Sep-23 valuation data
DPI (Distributed to Paid in)	0.3x basis Sep-23 valuation data	0.2x basis Sep-23 valuation data	Not applicable
RVPI (Residual Value in Multiple)	1.2x basis Sep-23 valuation data	0.9x basis Sep-23 valuation data	1.2x basis Sep-23 valuation data
TVPI (Total Value to Paid In)	1.5x basis Sep-23 valuation data	1.1x basis Sep-23 valuation data	1.2x basis Sep-23 valuation data
Description of exits from investment	Full exit from 2 portfolio company and partial exits from 3 portfolio companies as of Sep-23	Full exit from 20 portfolio company and partial exits from 15 portfolio companies	Not applicable

Particulars	SRI	UK INDIA Development Cooperation Fund
Date of launch of the fund	1 September 2021	17th June 2021
Investment strategy of the Fund	The Fund will employ a 'Fund-of-Fund' investment strategy wherein the Fund shall be holding a portfolio of other investment funds, instead of investing directly into Portfolio Companies. Accordingly, the Fund-platform will be a combination of the Fund and various Daughter Funds	The investment objective of the Fund will be to carry on the activity of a Category II AIF – fund of funds, as permissible under the AIF Regulations, for making one or more portfolio investments focussed on majorly achieving the United

Particulars	SRI	UK INDIA Development Cooperation Fund
	which will effectively leverage private equity/ other funds and thus will multiply the impact of the corpus of the Fund. The Fund will provide capital only to the Daughter Funds for onward investment as growth capital, while the investment in MSMEs will be done by the Daughter Funds. The Daughter Funds will be duly required to be registered as Alternate Investment Funds with SEBI. With a view to providing flexibility to the Daughter Funds in providing both equity and debt funding to the MSMEs, the Daughter Funds would be Category I or Category II AIFs registered with SEBI.	Kingdom - India bilateral development cooperation objectives. Subject to AIF Regulations and Applicable Law, the Fund shall seek to achieve its investment objectives by investing substantially all of its assets in permitted Portfolio Entities which seek to invest in, or are engaged in, sectors that promote sustainable economic development, help reduce poverty and contribute towards achievement
Size of the fund	INR 10,006 Crores	INR 7,500 Crores (INR 5,000 Crores + green shoe of INR 2,500 Crores). Shall not exceed GBP 750 million
Investment Period	13 (Thirteen) years from the date of Closing	7 (seven) years from the date of Final Closing
Number of investments made by the fund	55 (as on 31 March 2024)	3
Amounts drawn down	INR 1,153 Crores (as on 31 March 2024)	72.70 crores (as on 31 March 2024)
Amounts deployed	INR 1,139 Crores (as on 31 March 2024)	INR 66.33 crores (as on 31 March 2024)
Internal rate of return of the fund	8.4% basis Sep 23 valuation data	-5.1% basis Sep-23 valuation data
Gross MOIC (Multiple on Invested Capital)	1.1x basis Sep 23 valuation data	1.0x basis Sep-23 valuation data
DPI (Distributed to Paid in)	Not Applicable	Not applicable
RVPI (Residual Value in Multiple)	1.1x basis Sep 23 valuation data	1.0x basis Sep-23 valuation data
TVPI (Total Value to Paid In)	1.1x basis Sep 23 valuation data	1.0x basis Sep-23 valuation data
Description of exits from investment	Not Applicable	Not Applicable

In addition to the above, SBICAP Ventures Affordable Housing AIF has been filed for closure.

Profile of the Sponsor

The Fund has been sponsored by The National Small Industries Corporation Ltd., a Mini-Ratna Corporation of the Government of India under the Ministry of Micro, Small and Medium Enterprises.As required under the AIF Regulations, the Sponsor will make the Sponsor Commitment. The Sponsor Commitment will be made and maintained at all times in accordance with the AIF Regulations.

Following is a brief write up on the board of directors of the Sponsor:

Board of directors of the Sponsor:

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

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

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

d) Mr Kartikeya Sinha, Director (Planning & Marketing), NSIC

e) Mr. Gaurav Gulati, Director (Finance), NSIC

f) Ms. Mercy Epao, Government Nominee Director

g) Ms. Simmi Chaudhary, Government Nominee Director

h) Mr. Kalandi Charan Samal, Independent Director

i) Dr Ashok Ahirwar, Independent Director

Following is the shareholding pattern of NSIC:

Name of shareholder	Number of shares held
President of India	5,32,97,500
Secretary, MSME, Ministry of MSME, Government of India	400
Chairman and Managing Director, NSIC	400
Additional Secretary & Development Commissioner, MSME	200
Joint Secretary, Ministry of MSME, Government of India	100
Director, Ministry of MSME, Government of India	100

Economic Advisor, Ministry of MSME, Government of India	100
Total	5,32,98,800

SECTION VI: MANAGEMENT AND ADMINISTRATION

I. Investment Manager

SBICAP Ventures Limited will act as the investment manager to the Fund.

The Investment Manager has entered into an asset management agreement with NVCFL dated 25 November 2020 ("**AMC Agreement**") and will have an Investment Management Agreement in place, under the terms of which it will undertake the administration and management of the assets of the Fund, subject to the terms and upon the conditions set out in such agreement. The Investment Manager will act as an independent agent of the Fund and undertake the investment management of the Fund and its investments in Daughter Funds strictly in accordance with the powers delegated by Board under the AMC Agreement, Investment Management Agreement and SoPs,in compliance with

the AIF Regulations. The Investment Manager will be guided by the Investment Committee and the Board.

Please refer to '**SECTION V: BRIEF OVERVIEW OF NVCFL, SPONSOR AND INVESTMENT MANAGER**' for the profile of the Investment Manager and a brief write up on the board of directors of the Investment Manager.

The brief profiles of the initial members of the Key Investment Team are provided below.

1) **Name –** Suresh Kozhikote
Designation – MD & CEO
Role – Governance, oversight and investments

Mr Kozhikote is currently the MD & CEO with SVL. Mr Kozhikote has over 33 years' experience in banking, having started his career with the State Bank Group in 1987. Mr Kozhikote has handled assignments both in India and overseas across various functions. He has been in treasury operations for more than 18 years – from a Forex dealer to Head – Treasury. His assignments include Vice President (Treasury) at SBI Central Treasury Hong Kong, Dy General Manager at State Bank of Patiala as Head of Treasury and then as Head of Retail Operations covering Delhi NCR, Haryana & Rajasthan. Also, as Dy. General Manager (Taxation), he was in charge of GST project in SBI. As General Manager- Private Equity, he managed SBI's portfolio of Private Equity, Strategic Investments and Investments in AIF. Mr Kozhikote is a Commerce Graduate, a Certified Associate of the Indian Institute of Bankers and has a Diploma in Treasury, Investment and Risk Management.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	MD & CEO	2020 – Present	Private equity
2	State Bank of India	General Manager	2017 – 2020	Private equity, taxation
3	State Bank of Patiala	Deputy General Manager	2012 – 2017	Retail banking, treasury
4	State Bank of Travancore	Assistant General Manager	2009 – 2012	Fixed income and equity
5	State Bank of India	Vice President	2004 – 2009	Treasury
6	State Bank of Travancore	Foreign Exchange Dealer	1987 – 2004	Foreign exchange, business planning, strategy, performance analysis, retail operations

2) **Name - Akshay Panth**

Designation – Chief Investment Officer & Head – Fund Of Funds
Role – Investments and oversight

Akshay has close to 2 decades of experience in Private Equity, Principal Investments and Advisory roles with leading domestic and international investors. He started his career with the India Infrastructure Fund (a c.US$1Bn Infrastructure Fund managed by IDFC Alternatives) and has since worked with multiple private equity and principal investors. His previous experience includes working with CapAleph Private Equity, GMR Infrastructure, and MAPE Advisory Group.

At CapAleph, he handled the Infrastructure Support Services and Education & Skill Development segments for the Fund. At GMR Infrastructure, he was part of the Project Finance team working on the road sector where he submitted multiple bids to the NHAI. He has been part of teams that have invested over US$100Mn in the Indian infrastructure space.

Akshay holds a bachelor's degree in Commerce and PGDM/MBA.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	Chief Investment Officer & Head – Fund Of Funds	2018 – Present	Sourcing, structuring, execution of transactions and portfolio management. Mr Panth is also a Board Member on Neev portfolio companies and is actively involved in stakeholder management for Neev Fund.
2	P&C (Bangalore) Consulting Pvt. Ltd.	Director	2013 – 2018	Financial and strategic advisory for small and medium sized businesses. Advised multiple SME businesses and startups in their fund raise and in business process reorganisation. Managed fund raise processes and was responsible for business development.
3	CapAlephAdvisors	General Manager – Research & Business Development	2011 – 2013	Part of the investment team and was responsible for investments in the infrastructure support services space and in the education and skill development space. Played an active role in fund raise.
4	SNC	Associate – Investments	2010 – 2011	Part of the investment team that was responsible for

				making investments from the balance sheet.
5	GMR Infrastructure, Highways	Manager – Project Finance, Highways	2009 – 2010	Member of the team that led all bids in the highway sector. Responsible for fund raise for debt and equity at SPV and HoldCo levels.
6	MAPE Advisory Group Private Limited	Associate – Investment Banking	2008 – 2009	Member of the infrastructure investment banking team that was setup to source and advise clients on fund raise and M&A. Worked on mandates in roads, power, renewable energy, telecom and urban infrastructure
7	IDFC Project Equity Company Limited	Associate	2006 – 2009	Member of the investments team at India Infrastructure Fund (IIF) – IDFC's project equity fund. Responsible for building and owning the financial model for transactions and was also involved in negotiation and transaction structuring.

3) Name - Suken Shah
Designation – Principal Investment Officer
Role - Investments

Suken has over a decade of experience in fund raising investments and asset management across Infrastructure assets working with Private Equity, Principal Investments and Advisory firms.At SVL he is involved in Neev Fund, SVL SME Fund and SRI Fund. During his past experience he was also a part of a leading family office, where he was responsible for investing and managing mid-market opportunities. He has also been a part of Brescon Advisors, where he provided financial and strategic advisory to mid and large corporates; he was instrumental in striking a JV with Piramal group to setup a USD 1 billion special situations investment platform. Suken holds bachelor's degree in Commerce, MBA in Finance and CFA charter holder.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	Principal Investment Officer	2020 – Present	Sourcing, evaluation, negotiation, execution and portfolio management.
2	ART Special Situations Finance (India) Ltd	Vice President	2017 – 2020	Sourcing, investing and strategizing with portfolio companies in infrastructure/ real estate assets

3	Brescon Advisors Pvt. Ltd.	Assistant Vice President	2014 – 2017	Responsible for strategic partnerships/ JV's and corporate finance/ advisory role
4	Patel Realty (India) Ltd	Senior Manager	2013 – 2014	Investing in international and domestic infrastructure/ real estate projects
5	Welspun Group	Manager	2009 – 2013	Bidding, asset management and project financing for infrastructure assets
6	GVK Transportation	Assistant Manager	2009 – 2010	Business development, bidding and project financing for infrastructure assets

4) Name – Sangeeta Biby
Designation – Vice President
Role – Fund management, monitoring, reporting

Ms Biby is currently the Vice President ("**VP**") with SVL. Sangeeta has over 12 years of experience in managing finance operations, fund accounting, fund administration, compliance and audit requirements, following legal and regulatory processes and working with business intelligence reports in the Asset Management & Private Equity space. Sangeeta has a Masters in Commerce from MMK College and Masters in Management Studies from Mumbai University. At SVL she is involved in all Fund of Funds activities including UKIDCF & TDCF.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	Vice President	2021 – Present	Fund management, monitoring, reporting
2	Vistra ITCL (India) Limited	Senior Manager	2017 – 2021	Fund Administration
3	Bank Muscat SAOG, Oman	Assistant Manager	2007 – 2017	Fund & private equity operations, fund accounting and MIS reporting
4	Zoom Developers Private Limited	Senior Finance Executive	2005 – 2007	Finance

5) Name - Vivek Yadav
Designation - Associate
Role – Investments, monitoring

Mr Yadav is currently an Associate with SVL involved in Neev Fund, SVL SME Fund, and SRI Fund. Vivek has over 8 years of of work experience across Private Equity, Investment Banking, Business & Real Estate Valuation and M&A Restructuring Advisory roles. Prior experience includes advisory/ corporate finance roles in Ernst & Young and KPMG. Vivek is a Chartered Accountant from The Institute of Chartered Accountants of India and Bachelor of Commerce (Honours) from Delhi University.

S.No.	Name of organization	Designation	Period	Work Profile
1	SBICAP Ventures Limited	Associate	2020 – Present	Sourcing, evaluation, negotiation, execution and portfolio management.
2	KPMG India Private Limited	Senior Associate	2017 – 2020	Worked in advisory/corporate finance roles.
3	Ernst & Young LLP	Associate	2012 – 2017	Worked in advisory/corporate finance roles.

II. Investment Committee

The Investment Manager has constituted an Investment Committee comprising of experienced professionals including investment professionals, risk managers etc. on or before the Closing("**Investment Committee**"). The Investment Committee is chaired by an eminent professional with adequate and rich experience in finance/banking and/or capital markets. The Investment Manager shall recommend the investments in Daughter Funds to the Investment Committee which will then evaluate the same and give its preliminary recommendation by way of receipt of unanimous consent from the members present in the meeting. Post receipt of the preliminary recommendation by the Investment Committee, the due diligence process shall be conducted by the Investment Manager. Post conducting due diligence, the detailed proposal shall be put up to the Investment Committee for its final approval. Any other material decision in relation to the portfolio of the Fund, including material matters arising at the Daughter Fund level which requires an approval of the Fund shall be taken by the Investment Manager or the Investment Committee as required under the procedure laid down by the Board.

The Investment Committee comprises of at least 5 (five) members. The decisions of the Investment Committee would be taken on the basis of unanimous approval by members present at the meeting of the Investment Committee. Participation in the proceedings of the Investment Committee may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing. Any member participating through such modes shall be counted towards quorum. The quorum for a valid meeting of the Investment Committee will be any 4 (four) members of the Investment Committee. However, the presence of the nominees of both NVCFL and the Sponsor shall be mandatory. It is clarified that the Investment Committee will at all times be in compliance with the provisions as stated under Regulation 20(8) of the AIF Regulations. Further, subject to any change in the Applicable Law, it is clarified that the Investment Committee shall not have members who are *not* resident Indian citizens.

III. Advisory Board

Government of India, the Anchor Investor, will constitute an Advisory Board of eminent domain specialists in the field of private equity and venture capital, and senior government officials from Government of India ("**Advisory Board**"). The Advisory Board shall be chaired by the Secretary (MSME), Government of India.

The Advisory Board shall formulate broad guidelines for investment from the Fund, including empanelment of Daughter Funds, investment guidelines including return on investment and tenure, exit options sectoral focus and segmental focus, etc. The Advisory Board shall also

monitor the progress of the Fund periodically. The Advisory Board shall comprise of at least 7 (seven) members. Participation in the proceedings of the Advisory Board may be by either of the following methods: (i) physical presence; (ii) video or web conferencing.

IV. NVCFL

A profile of the General Manager and Officer on Special Duty of NVCFL (who is a key management personnel for the Fund) is provided below:

Name: Rajesh Madan

Designation: General Manager and OSD

Role: Responsible for all administrative functions relating to NVCFL and liasioning with various Government, Statutory Bod ies & Investment Manager and Legal Advisor for the purpose of setting up of SRI Fund.

Past experience: Worked in different capacities with NSIC in Finance & Accounts Division dealing in disbursement of funds under various schemes of the Corporation, Administration and Preparation of Final Accounts and also dealing with Auditors. Liasioning with various Government Bodies like Ministry of MSME, DPE, PESB, Banks etc.

CRISIL benchmarking report: Set out below is the latest benchmarking report available for Category II AIFs[4] on the CRISIL website[5]:

CRISL - BENCHMARKING REPORT

CRISIL AIF Benchmark – Cat II (INR) [6]

Vintage year	No. of schemes	Pooled IRR (%)	Investment multiples and ratios		
			DPI	RVPI	TVPI
FY14	13	10.3	1.2	0.1	1.3
FY15	12	6.7	1.0	0.3	1.3
FY16	16	13.9	0.8	1.0	1.7

[4] It is possible these Cat II AIFs may or may not have the same investment strategy

[5] CRISIL AIF Benchmarks, March 31, 2023

[6] All the funds considered for the purpose of this benchmarking report are the funds which are based out of India

FY17	38	11.9	0.7	0.9	1.5
FY18	48	16.6	0.6	1.1	1.7
FY19	59	23.3	0.5	1.2	1.6
FY20	56	15.0	0.4	0.9	1.3
FY21	34	13.8	0.5	0.7	1.2
FY22	92	9.2	0.1	1.0	1.1
FY23^	39	11.0	0.1	1.0	1.1
Total schemes	**407**				

CRISIL AIF Benchmark – Cat II (USD)

Vintage year	No. of schemes	Pooled IRR (%)	Investment multiples and ratios		
			DPI	RVPI	TVPI
FY14	13	7.5	1.2	0.1	1.2
FY15	12	3.8	0.9	0.3	1.2
FY16	16	10.6	0.7	0.8	1.5

FY17	38	7.9	0.6	0.7	1.3
FY18	48	12.2	0.6	0.9	1.5
FY19	59	18.6	0.4	1.1	1.5
FY20	56	10.3	0.4	0.8	1.2
FY21	34	8.8	0.5	0.7	1.1
FY22	92	3.9	0.1	1.0	1.0
FY23^	39	7.4	0.1	1.0	1.1
Total schemes	**407**				

*DPI: Distributions to paid-in capital, RVPI: Residual Value to paid-in capital, TVPI: Total Value to paid-in capital.

Notes:

(i) Values as on September 30, 2023.

(ii) Schemes that have completed at least one year since their first close as on September 30, 2023, have been considered.

(iii) DPI: Distributions to paid-in capital, RVPI: Residual Value to paid-in capital, TVPI: Total Value to paid-in capital.

(iv) Returns and ratios refer to post-expense, pre-carry, pre-tax values.

(v) Only those vintage years have been considered that have at least 3 schemes available. FY denotes financial year; for example, FY14 refers to period between April 2013 and March 2014.

(vi) ^ Data pertains to the first half of the year, i.e. only those schemes that had their first close between April and September 2022.

(vii) The total of DPI and RVPI may not add up to the TVPI number because of rounding off.

Disclaimer: The above-indicated disclosures in relation to the performance track record of the Manager may not necessarily be a representation of the expected performance of the Fund. The performance track record of such past investment funds managed and operated by the Manager may depend on various internal as well as external factors beyond the control of the Manager. Investors are requested to use their own independent assessment and judgement while attributing the credit of the past track record to the Manager.

Risk Factor: The performance track record of such past investment funds managed and operated by the Manager and/or the investment management team would be a function of the prevalent factors, including, inter alia, and not limited to, business, macro and micro economic, political conditions and the relevant economic cycle that may have been applicable to such investment funds. The Fund may not necessarily accrue an advantage/disadvantage from performance of previous investment funds as managed or operated by the Manager and/or the investment management team. Therefore, judgments of the Manager's expected performance cannot be extrapolated from the past performance of the Manager. Please refer to detailed risk factors under the section titled "**SECTION VIII: RISK FACTORS AND CONFLICTS OF INTEREST**" of this Memorandum.

SECTION VII: SUMMARY OF PRINCIPAL TERMS

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Memorandum, and the Fund Documents, which will be provided to each of the prospective investors upon request. If the terms described in this Summary or elsewhere in this Memorandum are inconsistent with or contrary to the terms described in the Contribution Agreement, the terms of the Contribution Agreement will prevail. Prospective investors should not rely solely on information contained in this Summary in making any investment decision and are encouraged to read the entire Memorandum, the Contribution Agreement, and the Investment Management Agreement. Prior to Closing, the terms hereof are subject to modification or withdrawal.

Structure	The **'Self Reliant India (SRI) Fund'** ("**Fund**" or "**SRI Fund**") is organised as the first scheme of NVCFL and is registered with SEBI as a Category II AIF vide registration number IN/AIF2/21-22/0924. NVCFL is organised as a public limited company under Companies Act, 2013 and is a wholly owned subsidiary of NSIC. The Fund shall operate with the object of supporting Daughter Fundsforonward provision to MSMEs as growth capital, through through equity, quasi-equity and debt,as permitted under SEBI guidelines to achieve the following objectives: i. Enhancing equity, quasi equity and debt financing, as permitted under relevant SEBI guidelines financing to MSMEs; ii. supporting faster growth of MSME businesses and thereby ignite the economy and create employment opportunities; iii. supporting enterprises which have the potential to graduate beyond the MSME bracket and become National / International champions; and iv. supporting MSMEs which help making India self-reliant by producing relevant technologies, goods and services. The Fund will be managed by the Investment Manager pursuant to the terms of the Investment Management Agreement and the Contribution Agreement. The investments in the Fund will be restricted to the Contributors. The Fund will raise monies from the Anchor Investor and the Sponsor. For more details please refer to "**SECTION IV: FUND STRUCTURE**".
Sponsor	The National Small Industries Corporation Limited, a public limited company having its registered office at NSIC BHAWAN, Okhla Industrial Estate, New Delhi- 110020, shall be the sponsor

	of the Fund. The Sponsor is a public sector undertaking incorporated with the main purpose of promoting growth and development of the small and medium scale enterprises in the country.
The Offering and Target Size of the Fund	The Fund is offering through private placement, Units for subscription aggregating to INR 10,006 crores (Indian Rupees Ten Thousand and Six Crores).
The Investment Manager	SBICAP Ventures Limited, a public company incorporated under the provisions of Companies Act, 1956, having its registered office at Marathon Futurex, 12th floor, A-wing, Mafatlal Mill Compound, N.M. Joshi Marg, Lower Parel Mumbai 400013 , India, shall act as the Investment Manager to the Fund pursuant to the Investment Management Agreement. Currently, the Investment Manager is 100% (hundred percent) owned by SBI. The Investment Manager has entered into an AMC Agreement and will have an Investment Management Agreement in place, under the terms of which it will undertake the administration and management of the assets of the Fund, subject to the terms and upon the conditions set out in such agreement. The Investment Manager will act as an independent agent of NVCFL and undertake the investment management of the Fund and its investments in Daughter Funds strictly in accordance with the powers delegated to it by the Board under the AMC Agreement, Investment Management Agreement and SoPs and in compliance with the AIF Regulations. The Investment Manager will be guided by the Investment Committee and the Board. For more details, please refer to "**SECTION VI: MANAGEMENT AND ADMINISTRATION**". **Investment Committee** The Investment Manager will constitute an Investment Committee that will comprise of experienced professionals including investment professionals, risk managers etc. on or before the Closing ("**Investment Committee**"). The Investment Committee will be chaired by an eminent professional with adequate and rich experience in finance/banking and/or capital markets. The Investment Manager shall recommend the investments in Daughter Funds to the Investment Committee which will then evaluate the same and give its preliminary recommendation by way of receipt of unanimous consent from the members present in such meeting. Post conducting due diligence, the detailed proposal shall be put up to the Investment Committee for their final approval. Any other material decision in

	relation to the portfolio of the Fund, including material matters arising at the Daughter Fund level which requires an approval of the Fund shall be taken by the Investment Manager or the Investment Committee as required under the procedure laid down by the Board from time to time. The Investment Committee shall comprise of at least 5(five) members. The decisions of the Investment Committee would be taken on the basis of unanimous approval of the Members present at the meeting of the Investment Committee. Participation in the proceedings of the Investment Committee may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing. Any member participating through such modes shall be counted towards quorum. The quorum for a valid meeting of the Investment Committee will be any 4 (four) members of the Investment Committee. However, the presence of the nominees of both NVCFL and the Sponsor shall be mandatory. It is clarified that the Investment Committee will at all times be in compliance with the provisions as stated under Regulation 20(8) of the AIF Regulations. Further, subject to any change in the Applicable Law, it is clarified that the Investment Committee shall not have members who are *not* resident Indian citizens. **Advisory Board** Government of India, the Anchor Investor, has constituted a Advisory Board of eminent domain specialists in the field of private equity and venture capital, and senior government officials from Government of India ("**Advisory Board**").The Advisory Board is chaired by the Secretary (MSME), Government of India. The Advisory Board shall formulate broad guidelines for investment from the Fund, including empanelment of Daughter Funds, investment guidelines including return on investment and tenure, exit options, sectoral focus and segmental focus, etc. The Advisory Board shall also monitor the progress of the Fund periodically. The Advisory Board shall comprise of at least 7 (seven) members. Participation in the proceedings of the Advisory Board may be by either of the following methods: (i) physical presence; or (ii)video or web conferencing.
Anchor Investor	The anchor investor of the Fund is the Government of India ("**Anchor Investor**"). The Anchor Investor has decided to invest in the Fund in order to provide growth capital to the micro, small and medium enterprises ("**MSMEs**"), so that they have access to growth capital through equity,quasi-equity or debt instruments, as permitted under the relevant SEBI guidelines. It is currently

	envisaged that besides the Sponsor, Anchor Investor will currently be the only other investor in the Fund.
Sponsor Commitment	The Sponsor shall make a minimum Capital Commitment to the Fund of at least 2.5% of the aggregate Capital Commitments or of INR 6,00,00,000 (Rupees Six Crores), whichever is lower as required under the AIF Regulations ("**Sponsor Commitment**"). The Sponsor shall maintain its 'continuing interest' in the Fund and shall subscribe to Class B Units.
Schemes	NVCFL, in consultation with its Board, Anchor Investor and the Investment Manager may float additional schemes with different or similar investment focus from time to time and shall issue separate private placement memorandum for each scheme. NVCFL shall hold the assets of each scheme under separate bank and securities accounts and shall ensure that the assets and liabilities of each such scheme shall be segregated.
Fund Capital Structure	The capital of the Fund shall be represented through 2 (two)classes of Units as follows: • Class A Units representing a face value of INR 1,00,00,000 (Rupees One Crore) per Unit to be allocated to the Anchor Investor; and • Class B Units representing a face value of INR 1,00,00,000 (Rupees One Crore) per Unit to be allocated to the Sponsor. The Fund shall issue Units in dematerialised form subject to the conditions specified by SEBI from time to time. The interest of the Contributors in the Fund shall be represented through the Classes of Units held by them and such interest shall also include a fraction of a Unit. NVCFL shall not issue any additional Classes of Units without the express approval of the Anchor Investor. Any special rights attached to such additional Classes of Units so issued by the Fund (if any) shall not have any adverse impact on the economic or any other rights of other Contributors in the Fund.
Term	The Fund is a close ended fund and the term of the Fund ("**Term**") will be a period of 15 (Fifteen) years from the date of the Closing, which may be extended for a period of 2 (two) additional 1 (one) year periods by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value) in

	accordance with the AIF Regulations. The Term may be further extended by any additional period, subject to the provisions of the AIF Regulations, by the Board with the consent of Super-Majority of the Contributors (i.e. two-thirds of the Contributors by value). Subject to the AIF Regulations, the Board, in consultation with the Investment Manager and with the consent of the Anchor Investor may,terminate the Fund: • upon the expiration of the stated Term described above, unless the Term is extended as per the terms of this Memorandum; or • following the end of the Commitment Period, upon the Fund exiting from all investments and distribution of the Contribution Fund to the Contributors; or • if it is in the interest of the Contributors to wind up the Fund; or • upon the Fund facing any adverse tax consequences or upon any receipt of directions from any statutory authority. Additionally, the Fund may also be terminated prior to the completion of the Term if Super-Majority of the Contributors pass a resolution in that respect in the course of a duly convened meeting of such Contributors. Upon expiry of the Term or premature termination of the Fund, the Portfolio Investments shall be liquidated as per the AIF Regulations and the Fund will continue for such period as permitted under the AIF Regulations to liquidate the outstanding Portfolio Investments in an orderly manner. The Investment Manager may, in consultation with the Board undertake a valuation of the assets of the Fund and find a buyer to complete the liquidation of all Portfolio Investments of the Fund. Further, the Investment Manager shall make all necessary filings, obtain all approvals and take all such other actions as may be required under Applicable Laws. The proceeds from liquidation of the Fund shall be used to (i) satisfy the creditors of the Fund, if any; (ii) meet outstanding expenses (including any reimbursement of Management Fees and Operating Fees) of the Fund, including taxes and any expenses incurred in the process of liquidation; and (iii) establish Reserves for the future contingent liabilities of the Fund.

	Thereafter, the proceeds accruing to the Contributors shall be distributed to them in accordance with the Contribution Agreement. Notwithstanding anything contained in this paragraph above, the Fund will continue for such period as may be necessary to liquidate the Fund's investments in an orderly manner subject to the AIF Regulations. The Investment Manager shall make reasonable endeavours to liquidate the Fund's investments as soon as practicable subject to the authorisation of the Board and the approval of the Investment Committee.
Closing	The closing of the Fund shall be held on such date as may be determined by the Investment Manager and the Sponsor, subject to the Fund having obtained Capital Commitments of INR 10,000crore (Indian Rupees Ten thousand crore) from the Anchor Investor ("**Closing**").
Commitment Period	The commitment period of the Fund shall begin from the date of Closing and terminate upon the expiry of 13 (Thirteen) years from the date of Closing ("**Commitment Period**"). After the end of the Commitment Period, the Unitholders shall be released from the obligation of making any further Capital Contributions with respect to their Unfunded Capital Commitment except: (i) to fund existing commitments to Daughter Funds, including capital calls made by Daughter Funds; (ii) to the extent necessary, to pay Operating Fee, Management Fee, Fund Expenses (including indemnification obligations) and any liabilities of the Fund (including tax liabilities); (iii) to create reasonable reserves to provide for any of the above items;(iv) to effect any top-up/ follow-on investments in a Daughter Fund (if any); (v) for an amount reasonably necessary in the Investment Manager's discretion to meet contingent liabilities, if any; and (vi) for any other purpose approved of by the Anchor Investor.
Drawdown	A Drawdown is a Capital Contribution made by a Contributor to the Fund pursuant to the issuance of a notice ("**Drawdown Notice**"). *Drawdown* The Capital Commitments of the Contributors shall be drawn down by NVCFL on an "as needed" basis to make investments in Daughter Funds and to pay Management Fees, Operating Fees, Fund Expenses and Establishment Expenses, and such other purposes as provided under the Fund Documents, by issuing a Drawdown Notice to the Contributors.

	NVCFL while issuing the Drawdown Notice to the Contributors shall include the period/date by which the Contributors will be obligated to make the Capital Contributions, which period shall be no less than 15 (Fifteen) Business Days from the date of the Drawdown Notice. The manner of serving the Drawdown Notice shall be as specified in the Contribution Agreement. All Capital Contributions to the Fund shall be made through remittance of funds into the designated bank account of the Fund. Against each amount drawndown from the Contributors, the Company shall issue a statement of holding representing allocation of their respective Class of Units as committed by them under their respective Contribution Agreement. The amounts drawn down from the Contributors, if not utilised, the Company shall after consulting the Investment Manager, may return such amounts to the respective Contributors with the approval of the Board and marked to the Contributors as being available for draw down again, and such amounts shall be added to the Contributor's Unfunded Capital Commitments and shall thereby be available to be re-drawn in accordance with the Fund Documents. *Drawdown post Commitment Period* After the end of the Commitment Period, Contributors shall be released from the obligation of making any further Capital Contributions with respect to their unfunded Capital Commitment except: (i) to fund existing commitments to Daughter Funds, including capital calls made by Daughter Funds; (ii) to the extent necessary to pay Operating Fee, Management Fee, Fund Expenses (including indemnification obligations) and any liabilities of the Fund (including tax liabilities); (iii) to create reasonable reserves to provide for any of the above items;(iv) to effect any top-up/ follow-on investments in a Daughter Fund (if any); (v) for an amount reasonably necessary in the Investment Manager's discretion to meet contingent liabilities, if any; and (vi) for any other purpose approved of by the Anchor Investor.
Temporary Investment	The Investment Manager as per the delegation authorized by the Board and approved by the Investment Committee, may cause the Fund to invest any monies (a) drawn down from the Contributors pending utilization by Fund for making investments in Daughter Funds and/or (b) any monies received by the Fund from its underlying investment in Daughter Funds which are pending further re-deployment into other Daughter Funds, in Temporary Investment by way of Government securities and bank deposits in public sector banks. Any returns realized on such

	Temporary Investment shall be deemed to be Investment Proceeds and shall be available for utilization by the Fund for its purpose. Temporary Investments shall be held for a period not exceeding 1 (one) year from the date of making such Temporary Investment. The Company shall maintain books of accounts for the Capital Contributions drawn down from the Contributors, the Units issued and the Temporary Investments. "**Temporary Investments**" shall mean an investment in Government securities and bank deposits with public sector banks only, which are permitted under the AIF Regulations.
Transfer and Withdrawal of Units	The Contributors are not permitted to withdraw or Transfer any of their Units, interests, rights or obligations with regard to the Fund. However, in certain cases, subject to compliance by the transferor and transferee with (i) the AIF Regulations and Applicable Laws; and (ii) KYC norms as prescribed by SEBI from time to time to the satisfaction of the Investment Manager and approval of all other Contributors, a Contributor may Transfer its Units, interests, rights or obligations with regard to the Fund to any other Person. Any such transfer shall be undertaken in the manner specified by the Investment Manager and would be subject to restrictions, if any, contained in the AIF Regulations.. It is hereby clarified that the Contributors cannot create any third party rights with respect to the Units of the Fund save and except by way of sale or pledge of Units in accordance with the terms of the Contribution Agreement. "**Transfer**" shall mean a direct or indirect transfer, sale, assignment, pledge, hypothecation or other disposition of all or any interest with respect to the Units of the Fund. Further, any such Transfer shall also comply with any other conditions as may be imposed by the Board and would be subject to restrictions, if any, contained under Applicable Law. If a Contributor's continuing presence in the Fund would create or continue regulatory, tax, legal or other similar issues that are materially adverse to the interests of the Fund and/or any other Contributors or where NVCFL, on its own or as per the recommendation of the Investment Manager, determines in good faith, based upon an opinion received from a reputable law firm, that as a result of the application of any Applicable Law, rule, regulation in force, such Contributor's investment in the Fund

	shall have or be reasonably likely to have a materially adverse effect on the Fund or the Contributors as a whole, NVCFL may require such Contributor to withdraw either wholly or partially (as determined by NVCFL) from the Fund or to transfer its interest therein to a transferee designated by NVFCL. Any transfer of interest by a Contributor pursuant to this Clause shall be at the then market value of such interest.
Redemptions	Unless the prior written consent of the Anchor Investor has been obtained by the Board, the Fund shall not make any Distribution to the Contributors nor will it redeem any Units held by them. Subject to the above, in the event the Anchor Investor approves any Distribution from the Fund, then in such situation the Board may effectuate such Distribution either as distribution on the Units held by the Contributors or may effect such Distribution through redemption of Units held by the Contributors. Such redemption shall be effected either at par value or at the net asset value per Unit as determined by the Board in consultation with Investment Manager. The redemption at a price other than par value/ net asset value will require the approval of the Contributors to the Fund. Units not redeemed by the Investment Manager during the Term shall be redeemed as soon as practicable on or after the expiry of the life of the Fund as per the terms of the AIF Regulations.
Limitation of Liability of Contributor	Except to the extent of the Contributor's obligation to pay any Unfunded Capital Commitment or any other amounts as specifically set forth herein, the Contributor shall have no other liability whatsoever in his capacity as Contributor, whether to the Fund or to any of the other Contributors or to any creditors of the Fund, for the debts, liabilities, contracts or any other obligations of the Fund or for any losses of the Fund. Subject to the provisions of this Memorandum, the Contributor shall be liable only to pay the sum equivalent to the Contributor's Capital Commitment to the Fund and after the Contributor's Capital Commitment shall have been paid in full, the Contributor shall not be obligated to make any further Contribution to the Fund or to repay to the Fund, or to pay to any Contributor or any creditor of the Fund all or any fraction of any negative amount out of the Contributor's capital account or out of any distribution received or receivable by the Contributor from the Fund.
Limitation of Liability of the Investment Manager	The Board and the Investment Manager shall incur no liability in respect of any action taken or thing suffered by it in reliance upon any notice, resolution, direction, consent, certificate, affidavit,

	statement, certificate of stock, plan of reorganization or (without being limited in any way by the foregoing) other paper or document believed to be genuine and to have been passed, sealed or signed by appropriate authorities or entities other than in cases where such reliance constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal. Notwithstanding anything contained herein, the Board and the Investment Manager shall incur no liability for any act or omission, in good faith and with bona fide intentions except where such act or omission constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal. The Board and the Investment Manager shall incur no liability to the Contributors for doing or (as the case may be) failing to do any act or thing which by reason of (a) any provision of any present or future law or regulation made pursuant thereto; (b) any decree, order or judgment of any court;or (c) any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (legally or otherwise), it shall be directed or requested to do or perform or to forbear from doing or performing such act or thing. If for any reason it becomes impossible or impracticable to carry out any of the provisions mentioned herein and/or any other Fund Documents, the Investment Manager shall not be under any liability therefore or thereby, other than where such act or omission constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal. Notwithstanding anything to the contrary contained in the Fund Documents, the liability of the Investment Manager for any act or omission in relation to the Fund except in case of gross negligence, wilful misconduct or fraud or for breach of the Fund Documents including the representation and warranties provided by the Investment Manager, in each case as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal, shall not exceed the Operating Fees received by the Investment Manager. The Board and/or the Investment Manager shall not be liable to the Fund or to any Contributor for any act or omission by the Board and/or the Investment Manager or by any agent acting on its behalf provided that such agent was selected, engaged, and retained by the Board and the Investment Manager in good faith, that was taken in the good faith belief that it was in the best interests of the Fund; provided, however, that such act or omission does not constitute gross negligence, wilful misconduct

	or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal on the part of the Board or the Investment Manager. Other than in cases of gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal, the Investment Manager and/or the Board shall not be responsible to the Contributor for authenticity of any signature or of any seal affixed to any endorsement on any certificate or to any transfer or form of application endorsement or other document affecting the title to or transmission of Units or of any Portfolio Investments made by Fund or be in any way liable for any forged or unauthorised signature or seal, provided that reasonable care is exercised by the Investment Manager in this regard. The Investment Manager and/or the Board shall be entitled but not bound to require that the signature of the Contributor to any document required to be signed by him under or in connection with these provisions shall be verified to its reasonable satisfaction. If the Board and/or the Investment Manager is requested by any regulatory authority to provide it with any information regarding the Fund and /or the Contributor and the investments and income of the Fund and provisions mentioned herein, and complies with such request in good faith, whether or not it was in fact enforceable, the Board and / or the Investment Manager shall not incur any liability to the Contributor or to any other party as a result of such compliance or in connection with such compliance except where such compliance constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal. Other than in cases amounting to gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal, Board and/ or the Investment Manager shall not incur any liability by reason of any loss which the Contributor may suffer by reason of any depletion in the value of the Fund, which may result by reason of fluctuation in the rate of exchange or by fluctuation in the market price of any of the investments of the Fund. The Investment Manager and/or the Board shall not be liable to the Fund or to any Contributor for any tax or legal liability of the Fund and/or the Contributor except such liability arising as a result of conduct that constitutes gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal.

	Notwithstanding anything to the contrary contained in the Fund Documents, the Investment Manager shall not be liable to the Fund or to any Contributor for any act or omission by the Sponsor and/or NVCFL resulting in any loss to the Fund and/or the Contributor except in cases where the Investment Manager has engaged in conduct constituting gross negligence, wilful misconduct or fraud as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal.
Contributor Giveback	To the extent that the assets of the Fund are insufficient to cover its indemnity obligations or any other obligations in relation to the costs, expenses and liabilities of the Fund, the Investment Manager, with the prior written consent of the Board, may require each Contributor to return any distributions made to such Contributor for the purpose of meeting such Contributor's pro rata share of such indemnity obligations, based on their respective Capital Commitments, equal to an amount necessary to pay for, meet and satisfy any liability or obligation of the Fund, including the foregoing indemnity obligations and liability for expenses. Provided that the aggregate amount that such Contributor may be required to return in respect of such obligation will be limited to the lower of (a) 25% of the Capital Commitments of the Contributor; or (b) 25% of the distributions made to the Contributor by the Fund. The Investment Manager may, with consent of the Board and the Anchor Investor, require the Contributor to return the distributions made to such Contributor in excess of cap as set out in this Clause for meeting the obligations as set out in paragraph above. Provided further that, no Contributor will be required to return a distribution after the 3rd (third) anniversary of the date of termination of the Fund, or the 7th (seventh) anniversary from the end of the financial year in which the Fund is terminated in case of any tax obligations.
Conflicts of Interests	The Investment Manager will formulate and adopt requisite corporate governance policies and guidelines designed to achieve, implement and maintain discipline and transparency in all investment processes and to avoid any potential or actual conflict of interest. These guidelines are applicable to any transaction entered into by the Fund. Upon the approval of the Investment Committee and authorisation of the Board, the Investment Manager may enter into a transaction or arrangement or any investment (a "**Conflicted Transaction**") notwithstanding that any of the

	Sponsor, the Investment Manager, their respective directors, officers, employees, agents, affiliates or committees established by and of the Investment Manager and the Advisory Board (each, an "**Interested Party**") has any direct or indirect interest or concern in such Conflicted Transaction so as to place the Interested Party in a position where such relationship conflicts with its fiduciary duty to the Fund, save that (i) such conflict of interest shall be disclosed in full to the Board and the Investment Committee; (ii) all Conflicted Transactions must be reviewed and approved unanimously by the the Board; (iii) such Interested Party shall not participate in any decision relating to such Conflicted Transaction; and (iv) if such conflict relates to investment in an "Associate" as defined under the AIF Regulations, the same shall require the approval of Super-Majority of the Contributors. For the purpose of (iv) above, Super-Majority of the Contributors' approval shall be deemed to have been obtained once the Board approves any such Conflicted Transaction as per (ii) hereinabove, since the Board comprises of members nominated by the Anchor Investor and Sponsor, and approved by the Government of India, the Anchor Investor. It is clarified that the Fund may invest in other AIFs managed by the Investment Manager or its affiliates subject to the above process being followed. For more details, please refer to "**SECTION VIII: RISK FACTORS AND CONFLICTS OF INTEREST**" of this Memorandum**.**
Distribution	The Fund will receive proceeds by way of interest, cash dividends or other forms of cash receivable as may be permitted by Applicable Laws from the Daughter Funds, returns / yield on Temporary Investments and cash proceeds realized from the disposition of the Portfolio Investments ("**Investment Proceeds**"). The Investment Proceeds shall be reinvested in accordance with the provisions of the paragraph titled 'Reinvestments' given under **SECTION VII: SUMMARY OF PRINCIPAL TERMS** of this Memorandum. The Investment Manager may with the consent of the Board recommend the Company to withhold reasonable amounts necessary to create appropriate reserves for tax and non-tax actual or contingent liabilities, investments, Fund Expenses and other liabilities of the Fund on the terms as may be mutually agreed with the Super-Majority of the Contributors, provided that such consent of the Super-Majority of the Contributors shall not be unreasonably withheld ("**Reserves**").

	The Company may retain the Reserves for such period as may be mutually agreed with the Super-Majority Contributors. Subject to the provisions on Re-investment as provided herein, the Investment Proceeds shall be distributed to the Contributors in proportion to their Capital Contributions.
Subsequent Fund	With respect to setting up of a subsequent fund by the Investment Manager, the Investment Manager shall abide by the provisions as contained under the Investment Management Agreement.
Investment Conditions and Restrictions	All investments made or to be made by the Fund shall be subject to the Investment Policy of the Fund, Investment Guidelines as laid out in "**SECTION III: INVESTMENT OBJECTIVE, STRATEGY AND PROCESS**"and the AIF Regulations. Any changes to the Investment Guidelines shall require the approval of the Advisory Board.
Fees to be charged to the Fund	In accordance with the guidelines issued by the Government of India for the purpose of establishment of the Fund, the following fees (in aggregate referred to as "**Fees**") shall be chargeable to the Fund: (a) Management Fee – NVCFL shall be entitled to charge a management fee at the rate of 1% (one percent) of the corpus actually placed at the disposal of the Fund ("**Management Fee**"). (b) Operating Fees – The Investment Manager shall be entitled to receive operating fees at 0.10% per annum of the commitments and outstanding commitments made by the Fund to the Daughter Funds (i.e. funds committed but not yet deployed) and 0.29% per annum of the funds contributed/deployed by the Fund to the Daughter Funds and outstanding thereof (i.e. funds deployed and outstanding) ("**Operating Fees**"). The Management Fee as well as Operating Fees as stated above shall form part of the Operating Expenses of the Fund and shall be charged to the Fund and shall be payable in arrears. Payment of Management Fee to NVCFL will be on receipt of Capital Contributions from the Contributors pursuant to drawdown and payment of Operating Fees to the Investment Manager and shall be on a half-yearly basis.

	The Management Fee shall be exclusive of all applicable taxes& levies and any other indirect tax/levy (together with surcharge or cess as may be applicable) leviable on such fees and shall be subject to withholding of tax, if any. The payment of the above Operating Fees to the Investment Manager shall accrue and commence from the date of commitment/deployment, as per the terms of the AMC Agreement dated 25 November 2020 and shall continue till the expiry of the Term of the Fund. In respect of the Operating Fees payable to the Investment Manager as stated above, the Investment Manager will be liable to pay taxes/ levies applicable as per Law, except goods and services tax including any surcharge and/or cess that may be applicable ("GST") which will be borne by NVCFL. Any additional tax liability arising out of higher tax rates or new taxes shall be the responsibility of the Investment Manager. The above Fees shall be paid from (i) Capital Contributions drawn down by the Fund from the Contributors, and/or (ii) from the income and receipts of the Fund. In the event that the Fund is unable to pay any amount of the Operating Fees when due for any reason whatsoever, NVCFL may issue a Drawdown Notice to fund such payment. The liability for such non-payment of such Fees will accrue in the books of accounts of the Fund and such liability would be first cleared from any proceeds from Portfolio Investments before determining the allocable surplus to the Contributors.

Expenses charged to the Fund	***Recurring Annual Operating Expenses*** The recurring annual operational expenses ("**Recurring Annual Operating Expenses**") of the Fund shall be borne by the Fund. For this purpose, the Recurring Annual Operating Expenses shall include: (i) all Fund audit, reporting, valuation and accounting costs, including expenses associated with maintenance of books of accounts and other records of the Fund; (ii) Management Fees; (iii) Operating Fees; (iv) the costs and expenses of all Fund meetings, meetings of the Contributors, Advisory Board meetings, Investment Committee meetings, or meetings of such other committee as may be appointed by the Board for the management and operations of the Fund (including the out-of-pocket expenses of the officers and any other

	committee or board of the Fund or any professional fees payable to such members as determined by the Board in consultation with the Advisory Board); (v) communications, travel, and other expenses, including expenses relating to meetings with the Contributors and printing of reports, annual reports, financial statements and newsletters; (vi) administration, communication, operating, and transactional expenses (including bank charges) incurred by the Fund; (vii) the costs of any liability, which are not attributed to any gross negligence, fraud or wilful misconduct as determined by a decree, order or judgement of a court of competent jurisdiction or an arbitral tribunal on part of the Investment Manager, to the extent indemnifiable as provided under the paragraph titled 'Indemnification and Restriction on Liabilities' under '**SECTION VII: SUMMARY OF PRINCIPAL TERMS**' of this Memorandum or similar insurance for the Investment Manager, the Investment Committee, the Board, the Advisory Board and any other Protected Persons; (viii) all filing and re-filing fees and any other levies on the Fund Documents and documents executed with Contributors and/or Daughter Funds to the extent not incurred by the Daughter Funds or Contributors; (ix) all fees, costs and expenses incurred in terminating the Fund and liquidating its assets; (x) expenses incurred in relation to banking, brokerage, abort costs, registration, qualification, finders, depositary and similar fees or commissions; (xi) expenses incurred in relation to any third party service provider like custodian, trustee, registrar, transfer agent, fund accounting services, valuers, auditors, of the Fund and their agents; (xii) Statutory, regulatory, legal and audit fees of the Fund; (xiii) all duties (including stamp duty payable in relation to issuance of units or duties incurred in respect of acquiring, holding, selling or otherwise disposing of the Fund's assets or other statutory expenses), including GST or any other indirect tax/levy (together with surcharge or cess as may be applicable), fees or other government or similar

	charges levied on the Fund in connection to any of the expenses; and (xiv) all reasonable, incidental or ancillary expenses relating to the above. (xv) Notwithstanding anything stated hereinabove, Investment Manager will have to bear all expenses incurred in complying with the scope of work, as per the AMC Agreement dated the 25th November, 2020 and the same shall not be borne by the Fund. ***Non-recurring Operating Expenses*** The non-recurring operational expenses ("**Non-recurring Operating Expenses**") of the Fund shall be charged at actuals and shall be borne by the Fund (including applicable taxes). For this purpose, the Non-recurring Operating Expenses shall include the following: (i) all litigation and / or arbitration cost connected to, or arising from the Fund's activities including expenses in relation to any litigation that may arise between the Fund and any Daughter Fund.; (ii) all indemnification obligation (contingent or otherwise) of the Fund (including fees, cost and expenses); (iii) all taxes including surcharge and cess (including transfer, capital and other taxes, duties incurred in acquiring, holding, selling or otherwise disposing of the Fund's assets); (iv) liquidation expenses or any other all reasonable expenses incurred in connection with the termination of the Fund; and (v) all extra-ordinary and non-recurring expenses related to the Fund's activities. The Recurring Operating Expenses and the Non-Recurring Operating Expenses shall be collectively called the Fund Expenses ("**Fund Expenses**") and such Fund Expenses shall be borne by the Fund and allocated to the Contributors pro rata to their Capital Commitments. To the extent that the Investment Manager or NVCFL incurs any of the Fund Expenses on behalf of the Fund, the Fund will, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, ensure that the Investment Manager or NVCFL is duly reimbursed. The Fund Expenses shall generally be met out of the following:

	(i) the income and receipts of the Fund; or (ii) from the Capital Contributions drawn down by the Fund. ***Establishment Expenses*** The Fund will bear at actuals all establishment expenses, including setting up costs (including travel and other expenses involved in marketing of the Fund), legal fees, registration expenses (including any stamp duty), any charges or fees paid to SEBI or cost incurred in relation to any third party service provider like custodian, registrar, fund accountant, valuers, auditors, legal advisor etc., legal and professional expenses incurred in relation to the preparation and negotiation of the Fund Documents or any other documents applicable to the Fund in relation to the offering of Units pursuant to this Memorandum, and such other costs directly attributable to the establishment of the Fund and obtaining various licenses, approvals and registrations ("**Establishment Expenses**") and allocated to the Contributors pro rata to their Capital Commitments. It is hereby clarified that in case any such expenses as mentioned above are incurred by the Sponsor or the Investment Manager on behalf of the Fund, the Sponsor and/or the Investment Manager, as the case may be, shall be entitled to claim reimbursement for such amount from the Fund. The Fund shall, within 30 (thirty) calendar days of presentation of an appropriate expense account supported by appropriate invoices and/or receipts, ensure that the Sponsor and/or the Investment Manager, as the case may be is duly reimbursed. The Fund Expenses shall be borne by the Fund and in case of any shortfall in the income of the Fund to meet these expenses, the Fund may issue Drawdown Notices in accordance with paragraph titled 'Drawdown' under '**SECTION VII: SUMMARY OF PRINCIPAL TERMS'** of this Memorandum to meet the Fund Expenses.
Investment Manager Expenses	The Investment Manager will be responsible for and bear all its expenses in connection with organisation, operation and management of the Fund. The Investment Manager shall also bear all its operational and administrative expenses in relation to the Fund and make its own provision for the same, including the following: (i) office space, salary and personnel cost; (ii) office equipment; (iii) administration, communication, and other related costs; (iv) preparation of tax returns of the Investment Manager;

	(v) any expenses relating to investments by the Fund in Daughter Funds including but not limited to due diligence cost, travelling and lodging expenses or any other expenses incurred on any investment by the Fund as detailed in the AMC Agreement; and (vi) road show and publicity costs.
Reinvestment	During the Commitment Period, the Fund shall be entitled to reinvest any Investment Proceeds realised by it from its investments in the underlying Daughter Funds. No reinvestments shall be made by the Fund after the expiry of the Commitment Period unless prior authorisation of the Board, the Advisory Board and the approval of the Investment Committee has been obtained.
Removal of Investment Manager	The Board may remove the Investment Manager, by providing a written notice of not less than 30 (thirty) Business Days to the Investment Manager, upon occurrence of any of the following events: i. The Investment Manager fails to remedy any material breach of the Fund Documents within a period of 30 (thirty) Business Days from receipt of a written notice from the Board intimating it of the breach unless such breach is challenged within 30 (thirty) Business Days in a court of competent jurisdiction; ii. The Investment Manager becomes insolvent or bankrupt or enters into any agreement with its creditors for relief of debt or takes advantage of any law for the benefit of debtors or goes into liquidation or receivership whether compulsory or voluntary; iii. The Investment Manager fails to comply with any final decision reached as a result of arbitration proceedings under the Contribution Agreement within such timelines as set out in the final decision; iv. The Investment Manager submits any document, information, data or statement to NVCFL/the Contributors, which the Investment Manager knows to be false, materially incorrect or misleading, and which has a material adverse effect on the rights, obligations or interests of the Contributors; v. The Investment Manager's conduct or lack of conduct constituting fraud, wilful misconduct or gross negligence in relation to its activities in respect of the Fund, in each

	case determined by a court of competent jurisdiction or an arbitral tribunal; vi. The Investment Manager has not made timely renewal of bank guarantee given to NVCFL of INR 5 crores during the term of the Fund; or vii. The Investment Manager is unable to perform a material portion of the services under the Fund Documents or the AMC Agreement for a continuous period of more than 90 (ninety) days due to a Force Majeure event. Subject to compliance with the AIF Regulations and Applicable Law, the Investment Manager shall have the right to resign as the investment manager of the Fund by providing 30 (thirty) days prior written notice to the Company in the event of failure by the Fund to pay remuneration to the Investment Manager in accordance with the terms of the Fund Documents for a period exceeding 6 (six) months from the due date (unless such period is extended at sole discretion of the Investment Manager). Notwithstanding anything to the contrary contained in this paragraph, the Investment Manager shall continue to act as the Investment Manager of the Fund till a replacement investment manager is appointed by the Company in accordance with the Fund Documents and the AIF Regulations and shall be entitled to the Operating Fees and reimbursement of any out of pocket expenses incurred or suffered in connection with the services rendered by it to the Fund up to and including the date of appointment of the replacement investment manager. In the event that the appointment of the Investment Manager is terminated for any reason, the Investment Manager shall be entitled to receive any fees, accrued and not paid, up to the date of appointment of new investment manager and the Investment Manager is actually relieved from its services. Upon removal of the Investment Manager in terms of this paragraph, the Super-Majority of the Contributors may appoint a new investment manager in its place. Such appointment of new investment manager shall be effected by execution of a deed of appointment between NVCFL and the new investment manager. On such appointment, the new investment manager shall have the powers, authorities and discretion, and shall in all respects act and be liable as if originally appointed as an investment

	manager under the Investment Management Agreement. The liability of the new investment manager shall commence from the date of its appointment.
Reporting	Unless otherwise agreed to by the Contributor, the Company with the assistance of the Investment Manager shall adhere to the following: a) Maintain proper books of accounts, documents and records with respect to Fund, to give a true and accurate account of the investments, expenses, earnings and profits of Fund. The Company with the assistance of the Investment Manager shall also maintain any other reports as may be prescribed by SEBI from time to time. b) provide to the Contributors: (i) Statement of accounts, within 45 (Forty five) calendar days from the date of receipt of the Capital Contributions; (ii) Quarterly report within 60 (Sixty) calendar days from the end of the relevant quarter; (iii) Annual investor reports, within 180 (One Hundred and Eighty) calendar days from end of relevant financial year, briefly summarizing the portfolio of the Fund; (iv) Annually audited financial statements of the Fund, within 180 (One Hundred and Eighty) calendar days from end of relevant financial year; (v) Annual valuation report submitted by an independent valuer; (vi) Information regarding the income of the Fund, including information reasonably necessary for income tax purposes; and (vii) Any other reports or information as sought by the Anchor Investor from time to time. Unless otherwise agreed to by the Contributor, the Investment Manager shall adhere to the following: a) The Investment Manager shall inform the Contributor if it has received any statutory notice for liquidation or otherwise of any suit or other legal process initiated against the Investment Manager or if a receiver is appointed for any of its properties or business or undertaking; and b) The Investment Manager shall also maintain any other reports as may be prescribed by SEBI from time to time.

Valuation	The Investment Manager shall get the valuation of the Portfolio Investments made by the Fund by an independent valuer on an annual basis with the approval of all the Contributors and circulate a copy of the valuation report to the Contributors. The valuation shall be conducted in accordance with SEBI Circular No. SEBI/HO/AFD/PoD/CIR/2023/97 dated 21 June 2023. The independent valuer shall be appointed in accordance with SEBI Circular No. SEBI/HO/AFD/PoD/CIR/2023/97 dated 21 June 2023.
Indemnification and Restriction on Liabilities	*Indemnity* Upon execution of the Contribution Agreement, the Contributor expressly agrees that, the Investment Manager, the affiliates of the Investment Manager and their respective directors, employees agents, officers, shareholders and partners, the Sponsor, NVCFL and their respective directors, employees, and agents, members of any Advisory Board and/ or Investment Committee and any person who serves at the request of the Investment Manager and the Board on behalf of the Fund including in respect of a Portfolio Investment (each a "**Protected Person**"), shall be entitled to be indemnified out of the Fund's assets in the case of any and all tax and other liabilities, claims, costs, losses, damages and expenses (including reasonable attorney's fees and costs) arising out of or in connection with the Fund, including on account of any payment of distributions to the Contributors through electronic mode, except in the following circumstances: (i) in the case of fraud as adjudicated by a court of competent jurisdiction or an arbitral tribunal, by a Protected Person who is a member of the Board, the Advisory Board or the Investment Committee; and (ii) in the case of fraud, gross negligence or wilful misconduct (as adjudicated by a court of competent jurisdiction or an arbitral tribunal)by any other Protected Person. The Fund shall have the authority to make advance payments to a Protected Person provided such Protected Person promises to repay the Fund such advance payments if it is later determined that such Person is not entitled to indemnification. Provided, however, that when Super-Majority of the Contributors bring a claim against a Protected Person, such Person shall not be entitled to advancement for expenses. Provided further that if such Protected Person prevails in the claim, such Protected Person shall be fully indemnified. A Protected Person shall not be liable to the Fund or to any Contributor for any act or omission suffered or taken by the Protected Person or by any agent acting on such Protected

	Person's behalf provided that such agent was selected, engaged, and retained by the Protected Person in good faith, or that was suffered or taken in the good faith belief that it was in the best interests of the Fund; except where the Protected Person is adjudicated by a court of competent jurisdiction to have committed actions (or omissions) constituting gross negligence, wilful misconduct or fraud. For avoidance of doubt, the appointment and delegation of any powers to the Investment Manager in relation to the Fund shall be deemed to have been made in good faith. The Investment Manager shall with the approval of the Board cause the Fund to obtain, at the cost of the Fund, insurance from a reputable insurer, as a cover against and to secure any losses incurred, suffered, sustained, imposed or sought to be imposed on the Protected Person by reason of their lawful activities on behalf of the Fund and includes Liability Insurance ("**Insurance**"). Indemnification obligations of the Fund may be funded out of any applicable Insurance proceeds obtained in this regard. If Insurance proceeds are insufficient to satisfy the Fund's indemnification obligations, the Investment Manager may, with the approval of the Board for which approval shall not be unreasonably withheld or delayed and subject to the terms of this Memorandum, use the Fund's income, or realization proceeds or issue Drawdown Notices to the Contributors seeking contributions to meet the Fund's indemnification obligations. Protected Persons will, or will cause the Fund, to use their best efforts to obtain such funds as may be needed to satisfy their indemnification obligations from any available policies of insurance or from any applicable third parties prior to seeking payment from the Fund.
Fund Documents	The Fund Documents shall constitute: • this Memorandum; • Operating Guidelines • Memorandum and Articles of Association of NVCFL; • AMC Agreement; • Non-disclosure Agreement; • Investment Management Agreement; and • Contribution Agreement of the Contributor. Copies of the aforesaid Fund Documents (except the Contribution Agreement) shall be available for inspection with NVCFL. Any Contributor desirous of obtaining a copy of any of the Fund Documents should forward a written request to the Investment Manager.

Amendments	The Investment Manager may from time to time make any amendment to this Memorandum, provided however, any such amendment to this Memorandum shall require the approval of the Board and the Super-Majority of the Contributors.
Compliance with Applicable Laws	The Company agrees that it shall in consultation with the Investment Manager and the Legal Advisor, use its best efforts to ensure that the Fund shall conduct its business in accordance with all Applicable Laws, applicable rules, regulations relating to anti-terrorism, anti-money laundering, anti-corruption or anti-bribery, and all other requirements of all Governmental Authorities or agencies having jurisdiction over the Fund as set out in the Fund Documents.
Legal and Tax Advisor	Khaitan and Co One World Centre, 10th& 13thFloors, Tower 1C, 841 Senapati Bapat Marg, Mumbai 400 013, India.
Custodian	SBI-SG Global Securities Services Pvt. Ltd., (A Joint Venture of State Bank of India & Société General) having its registered office at B Wing, "Jeevan Seva" Annexe Bldg., Ground Floor, S.V. Road, Santacruz (W), Mumbai – 400054 India bearing registration number IN/CUS/022 will be the Custodian of NVCFL.
Registrar and Transfer Agent	The Investment Manager may with the approval of the Board appoint a registrar and transfer agent of the Fund.
Auditors	M/s K Prasad & Co (DE0432)having its registered office at G-1, Ground Floor, South Extension Part-II, New Delhi 110049 will be the Auditor of NVCFL for FY 2023-2024. Auditors for subsequent years shall be appointed by the Board in accordance with the directions of the Comptroller and Auditor General of India.

SECTION VIII: RISK FACTORS AND CONFLICTS OF INTEREST

An investment in the Fund involves certain considerations and moderate to high risks. Accordingly, before deciding to invest in the Fund, prospective investors should carefully study the specific risks described below together with all the information contained in this Memorandum, and seek independent legal, investment and tax advice. Additional risks and uncertainties not presently known to the Investment Manager, or that it currently deems immaterial may also have an adverse impact on the Fund's prospects and business. There can be no assurance that the Fund's investment objective will be achieved, or that a Contributor will not lose all of his investment in the Fund.

The Investment Manager will put in place and formulate an appropriate risk management policy for the Fund which will be approved by the Board before the Closing.

I. INVESTMENT RISKSDUE TO INVESTMENTS IN DAUGHTER FUNDS

Since the Fund would invest in Daughter Funds, it would be exposed to all the risks which are applicable to the Daughter Funds. A few of such risks are highlighted here for reference of all potential investors. However, it should be noted that additional risks and uncertainties not specified herein, or those currently deemed immaterial, may also have an adverse impact on the Fund's prospects and business.

Concentration of Investments

The Fund shall invest in Daughter Funds which shall invest only in MSME sector. The investments of the Daughter Funds may lack diversification which may expose such Daughter Funds to the risks relating to their focus sector. In addition, the Daughter Funds might coincidentally accumulate substantial positions in identical or similar issuers, industries or asset types at or about the same time. Such accumulations could impair achievement of the diversification goals (if any) of the Fund, and the Investment Manager may be unable to determine whether such accumulations have occurred.

Potential Illiquidity of the Fund's Investments

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. Therefore, no assurance can be given that, if the Fund is determined or required to dispose of its investment in a particular Daughter Fund, it will be able to dispose of such investment on a timely basis at an appropriate market price.

Market Dislocation Risk

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. To the extent that such conditions continue (or even worsen), this may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of global economies. Any resulting economic downturn could adversely affect the financial resources of

the Daughter Funds or their underlying Portfolio Companies in which the Daughter Fund has invested and result in the inability of such Daughter Funds to payback when due. In the event of such defaults, the Daughter Funds may suffer a partial or total loss of investments in their Portfolio Company, which would, in turn, have an adverse effect on the Fund's returns and in turn, affect returns received by Investors. Such market place events also may restrict the ability of the Fund to sell or liquidate investments at favourable times or for favourable prices (although such marketplace events may not foreclose the Fund's ability to hold such investments until maturity). There can be no assurance as to the duration of the current market dislocation given the pandemic.

Investment Selection

'The likelihood that Contributors will realize any gain on their investment depends largely on the performance of the Daughter Funds which in turn would be greatly dependent on their own investment managers and advisors (as applicable).

Risks associated with Underlying Entities

The investment performance of the Daughter Funds will depend upon the performance of their underlying Portfolio Companies. There can be no assurance that these entities will achieve profitable operations. The performance of the Portfolio Investments and the value of the Daughter Fund's interest in Portfolio Companies may be adversely affected by numerous factors including, for example, (i) long term effects of the ensuing global pandemic due to Covid-19; (ii) business, economic, and political conditions throughout India and the world; (iii) the supply of and demand for the goods and services produced, provided, or sold by the Portfolio Companies of Daughter Funds; (iv) changes and advances in technology that may, among other things, render goods and services sold by the Portfolio Companies of Daughter Funds titles obsolete; and (v) actual and potential competition from other companies and countries. Certain entities may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or at all.

Risks Related to Daughter Funds and Daughter Fund Managers

The Investment Manager will have limited oversight over the portfolio investments made by the underlying managers of the Daughter Funds, and the Fund, as an investor in any Daughter Fund will generally not have the ability to withdraw or redeem its investment in such Daughter Fund.

Although the Investment Manager will employ a due diligence process to review any Daughter Fund and its underlying manager, there is no assurance that such efforts will detect malfeasance, inadequate back office systems or other flaws or problems with respect to the Daughter Fund's or underlying manager's operations and activities. Alternatively, two or more underlying managers may invest in similar industries or sectors, resulting in Portfolio Investments held by the Fund that are concentrated in a single industry or that are in competition with each other.

The Fund as an investor in the Daughter Funds, will also be subject to risks and conflicts of interest that such Daughter Funds are subject to.

Underlying managers of Daughter Funds are compensated based on the performance of the applicable Daughter Fund. Consequently, a particular underlying manager may receive incentive compensation

in respect of its Daughter Fund's performance during a period when the Fund's overall capital depreciated.

Risks Associated with Portfolio Companies

There are numerous risks associated with investing in Portfolio Companies. Many of these risks will relate to the industry, geographic location or stage of development of such Portfolio Company and will vary. Although a representative of the Daughter Fund manager or the Fund may serve on a Portfolio Company's board of directors, each such Portfolio Company will be managed by its own officers. Portfolio Companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. Certain Portfolio Companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or at all.

Need for Follow-On Investments

Following an initial investment in a given Portfolio Company, the Fund or a Daughter Fund may decide to provide additional funds to such Portfolio Company or may have the opportunity to increase its investment in a successful Portfolio Company. There is no assurance that the Fund or a Daughter Fund will make follow-on investments or that the Fund or a Daughter Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund or a Daughter Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a Portfolio Company in need of such an investment or may result in a lost opportunity for the Fund or a Daughter Fund to increase its participation in a successful operation. A failure by the Fund or a Daughter Fund to make a follow-on investment in a Portfolio Company may also result in a dilution of its investment in the Portfolio Company.

Illiquid and Long-Term Investments

Certain Portfolio Investments may not be made until near the expiration of the Commitment Period. Furthermore, it is expected that it will take several years from the date of initial investment for a Portfolio Company to reach a state of maturity at which time the Fund or a Daughter Fund could realize any gain or suspend any loss in value of a Portfolio Company. Further, transaction structures may not provide for liquidity of investments prior to maturity or termination, if at all. In certain circumstances, it is expected that even after maturity there may be no readily available market for some of the investments. Dispositions of such investments may require a lengthy time period or may result in distributions in kind to the investors. As a result of the expiration of the term of the Fund or Daughter Fund, the value at which investments may be sold, either by the Fund or a Daughter Fund or by the investors (after a distribution in-kind), may be lower than that which could be achieved if the Fund or a Daughter Fund continued in existence.

For certain Portfolio Investments, there may be little or no public market for such securities at the time of their acquisition. The Fund or a Daughter Fund will generally not be able to sell such securities publicly unless or until their sale is registered under applicable securities laws or an exemption from such registration requirements is available. In addition, in some cases the Fund or a Daughter Fund may be prohibited by contract from selling such investments for a substantial period of time.

Portfolio Risk

The Daughter Funds may not have a fair degree of diversification in its investments both by geographic region or asset type. Poor performance by even a few of these investments could lead to adverse effects on a Daughter Fund's overall returns. While the Fund would invest in multiple Daughter Funds, the Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Sector Risk

The Fund proposes to focus its investments in Daughter Funds targeting the MSME sector of the Indian economy, as a result of which the Daughter Funds selected by it may not have a diversified portfolio. Accordingly, the Fund may face risks associated with concentration in the select sector, which a diversified fund would not generally experience.

Performance Risks

The Fund's assets will be invested in Daughter Funds which in turn will invest in Portfolio Companies operating in highly competitive markets or product segments dominated by firms with substantially greater financial and technical resources. Such Portfolio Companies in which the Daughter Funds invest may operate in product segments that face technological changes and/or may be dominated by other firms or organizations. These and other inherent business risks could affect the performance of the Portfolio Companies and affect the value of the Daughter Fund's equity investments, thereby affecting the Fund as a whole.

Disposal of Securities

The Daughter Funds will primarily invest in securities of Portfolio Companies. In connection with the disposal of a security of a Portfolio Company, the relevant Daughter Fund may be required to make representations and give warranties about the business and financial affairs of the Portfolio Company typical of those made in connection with the sale of a business. The Daughter Fund may also be required to indemnify the purchasers of such investments to the extent that any such representations or warranties are found to be inaccurate. These arrangements may result in the incurrence of contingent liabilities by the Daughter Funds that may ultimately yield funding obligations that must be satisfied by the Fund (as an investor in such Daughter Funds) from any distributions which are made to the Fund or any uncalled capital commitments made in such Daughter Funds.

Exit Strategies

The feasibility and terms of any proposed exit strategy for a Daughter Fund in respect of its investments will depend in part on factors that may not be within the control of the Daughter Fund, at the time of the proposed disposition and the effect of applicable legislation and political and economic conditions. Consequently, the precise timing of the disposition of a Portfolio Investment and the manner of disposition are impossible to predict, and no assurance can be given that such disposition will be achieved on terms favorable to a Daughter Fund.

Involvement in Portfolio Companies

The investment managers/investment advisors of the Daughter Funds may intend to play an active role in their Portfolio Companies and may invest such that the Daughter Funds have a significant stake or seat(s) on the boards of their Portfolio Companies. This may lead to exposing the Daughter Fund's assets to risks. Membership on the board of directors of a Portfolio Company can result in the investment manager/investment advisor of the relevant Daughter Fund being named as a defendant in litigation and/or the directors and officers being included in the same.

Control Position Risk

The Daughter Funds may seek investment opportunities that allow the Daughter Funds to acquire control or exercise significant influence over management and the strategic direction of their Portfolio Companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability characteristic of business operations generally may be ignored. The exercise of control over a Portfolio Company could expose the assets of a Daughter Fund to claims by such Portfolio Companies, its security holders and its creditors. While the investment manager/advisor of such Daughter Funds may endeavour to manage the Fund in a way that will minimise exposure to these risks, the possibility of successful claims cannot be precluded altogether. Where the Daughter Fund acquires management or control rights in respect of the investment, the exposure to loss in respect of the investment may exceed the amount of the Daughter Fund's initial investment.

The Daughter Funds may also make minority equity investments in Portfolio Companies where it may have limited influence. Such Portfolio Companies may have economic or business interests or goals that are inconsistent with those of the Daughter Fund or the Fund, and the Daughter Funds may not be in a position to limit or otherwise protect the value of its investment in such Portfolio Companies.

A Daughter Fund's control over the investment policies of their Portfolio Companies may also be limited. This could result in a Daughter Fund's investments being frozen in minority positions that incur substantial losses.

Risks in effecting operating improvements

In most of the cases, the success of the Fund's investment strategy will depend, in part, on the ability of the Daughter Funds to restructure and effect improvements in the operations of their Portfolio Companies. The activity of identifying and implementing potential operating improvements entails a high degree of uncertainty. There can be no assurance that the Daughter Fund will be able to successfully identify and implement such improvements.

Leverage risk of Portfolio Companies

The Daughter Funds may invest in Portfolio Companies, the capital structure of which may have significant leverage. While investments in leveraged entities offer the opportunity for capital appreciation, such investments may also involve a high degree of risk. The leveraged capital structure of Portfolio Companies of the Daughter Funds may increase the exposure of such Portfolio Companies to adverse economic factors such as rising interest rates, downturns in the economy, debt or equity capital markets or deteriorations in the condition of investments and which may impair such Portfolio Company'sability to finance its future operations and capital needs and result in restrictive financial

and operating covenants, including those that may prevent distributions to the Daughter Funds and ultimately to the Fund. These restrictive financial covenants may limit such Portfolio Companies' flexibility to respond to changing business and economic conditions. If a Portfolio Company is unable to generate sufficient cash flows to meet principal and/or interest payments on its indebtedness or make regular dividend/profits payments, the value of such investment could be significantly reduced or even eliminated, magnifying potential losses. Moreover, a Daughter Fund may invest in securities that are not protected by financial covenants or limitations on additional indebtedness.

Environmental Risk

The operations of Portfolio Companies, in which Daughter Funds will invest, are expected to be subject to numerous statutes, rules and regulations relating to environment protection. There is the possibility of existing or future environmental contamination, including soil, seawater and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants that may result from the normal operations of such Portfolio Companies, and such events may have an adverse financial impact on the value of Portfolio Companies and the Daughter Funds due to which the Fund may also be impacted. Further, smaller companies in the MSME sector may not have access to technology or processes that allow for them to be Environmental, Social and Corporate Governance (ESG) wise secure.

Under various environmental statutes, rules and regulations, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties.

Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of those materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

Any liability of Portfolio Companies resulting from non-compliance or other claims relating to environmental matters could have a material adverse effect on the value of such investments.

Deal Access Risk

There is a risk that a Daughter Funds expectations regarding its ability to access transactions of sufficient volume and investment quality to meet the Daughter Fund's investment objectives are not fulfilled. Factors that may affect this risk may include, but are not limited to, competition for assets, changes in India's regulatory or legal environment, or changes in India's macroeconomic conditions.

Similarly, there is a risk that the expectations regarding its ability to access transactions of sufficient volume and investment quality to meet a Daughter Fund's investment objectives are not fulfilled. Factors that may affect this risk may include, but are not limited to, competition for assets, changes in India's regulatory or legal environment, or changes in India's macroeconomic conditions.

Indian Securities Markets

Some of the Portfolio Companies, in which any Daughter Funds invest, may be listed or eventually have their securities listed on an Indian or overseas stock exchange as a means of creating liquidity for that investment. In connection with this listing, a Daughter Fund may generally be required not to dispose of the securities in that company for a lock in period in excess of 12 (Twelve) months due to contractual obligations or regulatory constraints. However, even if these securities are in fact listed, there can be no assurance that the listing of these securities will provide a viable exit mechanism, as these securities may suffer from low trading volumes and low market capitalization at the time of the intended disposal.

Stock markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react differently than large cap stocks. Political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole.

Securities listed on Indian stock exchanges may have low market capitalization and trading volume. There can be no assurance that sales on the Indian stock exchanges will provide a viable exit mechanism for Daughter Fund's investments.

In Specie Distributions

The Daughter Funds may make in specie distributions of assets as a result of which the Fund may receive assets of Daughter Funds. If an in specie distribution is received by the Fund, it may not be able to realize full value of these assets.

Common Stocks and Equities

Common stocks are shares of a corporation or other entity that entitle the holder to a pro rata share of the profits of the corporation, if any, without preference over any other shareholder or class of shareholders, including holders of the entity's preferred stock and other senior equity. Common stock usually carries with it the right to vote and frequently an exclusive right to do so. Common stocks do not represent an obligation of the issuer, and do not offer the degree of protection of debt securities. The issuance of debt securities or preferred stock by an issuer will create prior claims which could adversely affect the rights of holders of common stock with respect to the assets of the issuer upon liquidation or bankruptcy. The market price for convertible bonds, which are typically bonds offering a stated interest rate that are convertible into common stock at a specified price or conversion ratio, will tend to fluctuate in relationship to the price of the common shares into which it is convertible.

Non-Controlling investments

A Daughter Fund may intendto hold controlling interests in its Portfolio Companiesbut investment opportunities or Applicable Law may not permit the same and, therefore, may have a limited ability to protect its position in such Portfolio Companies. It is expected that appropriate shareholder rights generally will be sought to protect each Daughter Fund's interests prior to making an investment in any Portfolio Company. However, there is no assurance that such rights will be effective in all cases to protect any Daughter Fund's interests.

Availability of Insurance against Certain Catastrophic Losses

Certain losses of a catastrophic nature, such as wars, earthquakes, typhoons, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. If a major uninsured loss occurs, the Daughter Funds could lose both their investments and anticipated profits from such affected investments in any Portfolio Companies.

Layering of Fees

Investment management fees and carried interest (by the Daughter Funds if applicable) may be charged to the Fund by both the Investment Manager and the underlying managers of the Daughter Funds. As a result, the Fund, and indirectly each Contributor, bears multiple investment management fees, which may include carried interest that in the aggregate exceed the fees that would typically be incurred by a direct investment in a fund managed by a single investment manager.

Limited Opportunities

The Fund will compete with other investors (including Fund of Funds) for investments in Daughter Funds. This may result in fewer attractive investment opportunities. In addition, such competition may have an adverse effect on the length of time required to fully invest the funds of the Fund. To the extent the Fund has already drawn down capital from Contributors, pending investment in Daughter Funds, these funds may be retained in cash or may be invested in short-term or medium-term money market instruments or in fixed deposits or any such equivalent instruments. Such investments may substantially affect the Fund's overall return.

Investment Managers/Advisors of Daughter Funds

The Fund will be subject to the risk that the respective investment advisors/managers of the Daughter Funds may divert or misuse the Daughter Fund's investment, furnish the Fund and the Investment Manager with false or misleading financial statements and other reports, or engage in other misconduct. In addition, the Fund's investments in Daughter Funds may be adversely affected if the activities of the Daughter Fund's investment manager/advisor result in substantial liabilities or penalties for damages caused to third parties or for violations of securities or other laws (for example, liabilities or penalties resulting from breach of contract or the misuse of confidential information). The investment managers/advisors of the Daughter Funds in which the Fund invests may also manage other accounts in addition to the relevant Daughter Funds (including other accounts in which such investment managers/advisors may have an interest). Such investment managers/advisors may have financial or other incentives to favour such other accounts over the Daughter Funds which they manage.

Apart from the above-described risks associated with investment managers/advisors of Daughter Funds, some of the Daughter Funds may have investment managers/advisors that are managed by a small number of key individuals. If one or more of those key individuals dies, becomes incapacitated or otherwise ceases to be involved in the activities of the relevant Daughter Fund, the Fund may sustain losses.

Forward-looking and other statements

This Memorandum contains forward-looking statements and other statements concerning prior performance of Investment Manager and / or existing funds. These statements reflect the Investment Manager's views with respect to future events and past performance. Actual results could differ materially from those contained in these statements as a result of factors beyond the Fund's operational control.

Material Non-public Information

Many investment decisions by the Investment Manager will be dependent upon the ability of its investors and agents to obtain relevant information from non-public sources, and the Investment Manager often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the control of the Investment Manager. Certain employees of the Investment Manager and their affiliates may be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information or restrictions. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

II. SECTOR SPECIFIC RISK

Industry specific risk

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 cyclicality and seasonality of industry.

It is believed that maximum of MSME units in India still use out-dated tools and machineries for their businesses. Obsolete technology leading to high cost of production raises the cost of production making it difficult for the small enterprises to meet the demand of the buyers at competitive price.

A major accounting hurdle for MSME financing is the information opacity prevalent in the sector as many of the units do not have complete accounting records, audited financial statements, or well-articulated business plans. Any investor in the Fund must be aware of the inherent risks associated with the MSME sector.

Small Company Risk

As the Daughter Funds may seek to focus on investments in the securities of small or medium-size companies, there is a risk that such investments would be more susceptible to market downturns and the prices of which may be more volatile than investments in larger companies. Smaller companies in the MSME sector generally have narrower markets and more limited managerial and financial resources than larger, established companies.

Risk management in MSME companies

Over the years, risk management has been identified as a vital process in business institutions. It is believed that risk management is less developed within the small business sector where strong enterprise culture can only help in managing risk in a professional and structured way. There is a need of improving the current planning system in India within the MSMEs together with enhancing the owner's knowledge and awareness regarding risk management through proper training and development.

III. POLITICAL, ECONOMIC AND SOCIAL RISKS

Risk of sanctions

Sanctions may be imposed by other countries on trade with India and this may have an adverse impact on the value of Portfolio Companiesof Daughter Funds and hence ultimately on the Fund.

Inflationary Pressures in India

Inflation in India may lead to the adoption of corrective measures designed to moderate growth, regulate prices of staples and other commodities and otherwise contain inflation, and such measures mayaffect theeconomic activity in India and thereby possibly affect the Fund's investments.

Deflationary Pressures Globally and in India

Although neither India nor the global economy as a whole has experienced excessively low relative inflation over the last 10 years, there is no assurance that inflation rates in India or globally will not decrease below zero percent annually. Negative inflation, or deflation, in India or globally, could inhibit economic activity and thereby possibly adversely affect the Fund's investments.

Segregation of Assets

The Board has a fiduciary duty to ensure segregation of assets of any other funds which are held in trust or may be held so by it from the assets of the Fund as well as any other assets and liabilities of NVCFL. However, it may be possible that in the case of a third party suit or regulatory action against NVCFL with respect to the liability of NVCFL or any other such aforementioned fund or any one or more Schemes or under any other circumstances, the Board may not be able to protect the assets of the Schemes against such third party suit or regulatory action and may not be able to maintain segregation of assets of the Schemes.

Bankruptcy Remoteness

The Fund has been structured in a manner that the assets of each Scheme are held in distinct trusts by NVCFL and has its own terms and may have a different pool of Contributors, in order to ensure that each Scheme is bankruptcy remote from the other Schemes as well as from any other assets of NVCFL. The Board in consulation with the Investment Manager shall further make best efforts to keep distinct and separate accounts in respect of each Scheme and maintain Units of each Scheme distinct from and independent of the other Schemes as well as all other assets and liabilities of NVCFL. However, no

such assurance can be given that the Schemes would remain bankruptcy remote from all other Schemes and/or NVCFL at all times. There is a risk of a Scheme being held liable for bankruptcy of other Scheme(s) or NVCFL by a court of law or any authority or third party claims or due to change in applicable law.

Litigation Risk

The Portfolio Investments may be governed by a complex series of legal documents and contracts. As a result, the risks of a dispute over interpretation or enforceability of the documentation and consequent costs and delays may be higher than those incurred for other types of investments. In addition, the Fund may be subject to claims by third parties (either public or private). If any of the Portfolio Investment becomes involved in material or protracted litigation, the litigation expenses and the liability threatened or imposed could have a material adverse effect on the performance of the Fund.

Regulatory Risk

The value and marketability of the Fund's investments may be affected by changes or developments in the legal and regulatory climate in India. SEBI regulates the securities market in India and legislates from time to time on matters affecting the stock market. SEBI has issued regulations that affect investment in India including regulations on takeovers, preferential allotments of shares and insider dealing. The regulations affect the pricing, cost of a transaction and the ability to conduct due diligence. SEBI and/or the Indian Ministry of Finance may make changes to regulations which could affect the ability of the Fund to make, or exit, investments.

Limitations of Investments

Under the AIF Regulations, the investment limits of the Fund are restricted. For further details on these restrictions please refer to **'SECTION IX: LEGAL, REGULATORY AND TAX CONSIDERATIONS'.**

India's GDP may not grow as expected or may decline

There is a risk that India's GDP growth may not remain sustainable and hence could impact the growth of the MSME sector resulting in lesser pools of capital being made available and consequently lower opportunities for the Fund.

IV. MANAGEMENT AND OPERATIONAL RISKS

Valuation Risk

As the Portfolio Investments will not be in listed securities, ascertaining the value of the same may prove to be difficult. Therefore, valuations of the Portfolio Investments are inherently subjective to a certain extent. There may be no public market for the securities of the Daughter Funds or their Portfolio Companies. Thus, portfolio valuation inherently is highly subjective and imprecise.

The Fund will rely upon the Investment Manager for the valuation of its investments and other assets and to determine the net asset value of the Fund from time to time. The Investment Manager will

engage an independent valuer to determine the net asset value of the Fund in accordance with the AIF Regulations. However, given the nature of the proposed investments, valuation may be difficult. There may be a relative scarcity of market comparables on which to base the value of the Fund's assets.

Lack of Separate Representation

The Legal Advisor will have oversight over the entire process and activities of the Fund. However, there may exist matters which would have a bearing on the Fund or any of its affiliates upon which the Legal Advisor to the Fund has not been consulted. The Legal Advisor to the Fund does not undertake to monitor compliance of the Fund or the Investment Manager with the terms set out herein, nor does it monitor compliance with Applicable Laws including the AIF Regulations. Additionally the Legal Advisor to the Fund relies upon information furnished to it by the Investment Manager, and does not investigate or verify the accuracy and completeness of information set out herein concerning the Fund or Investment Manager.

Indemnification

The Investment Management Agreement shall provide for indemnification of the Protected Persons for any and all actions, suits, proceedings, claims, damages, settlement payments, losses and liabilities arising in connection with the Investment Management Agreement, unless resulting from fraud, gross negligence or wilful default.

Indemnification of the Protected Persons may impair the financial condition of the Fund and its ability to acquire assets or otherwise achieve its investment objective or meet its obligations.

Management Fees

As a result of payment of Management Fees and Operating Fees, the returns realized from the Fund's activities might be less than the returns which may have been realized from engaging in the same activities directly if one had made such investments directly without investing in the Fund.

Restrictions on Withdrawal and Transfer

Contributors may not be permitted to withdraw from the Fund. In addition, they may not transfer any of the interests, rights or obligations with regard to the Fund except as may be provided in the documentation with regard to the Fund, and in the AIF Regulations.

Lack of Operating History

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 has not, as of the date of this Memorandum, attempted to make any such Portfolio Investments in its current form. The Fund has no operating history and basis upon which an evaluation of its prospective investments can be made. There can be no assurance that the Fund will achieve its investment objective.

Reliance on the Investment Manager

The Investment Manager shall manage the assets of the Fund and assist with the investment process in accordance with the guidelines as agreed in the SoPs. The Advisory Board shall formulate broad guidelines for lending/investment from the Fund, including selection of Daughter Funds, investment guidelines including return on investment and tenure, exit options sectoral focus and segmental focus. Further, the Investment Committee shall appraise/ process and provide recommendations on any investment proposals referred to it. The Contributors will not be able to make investment or other decisions in connection with the Fund. Further, while the Investment Manager has been appointed by the Fund after due deliberation and consideration the Investment Manager's expected performance towards this Fund may not be concluded basis the past performance of the Investment Manager.

Reliance on Professionals and Consultants

The Daughter Funds and their Portfolio Companies be subject to local and municipal level laws, taxes and regulations, in addition to central and state government level laws, taxes and regulations. Exposure to such laws and compliances will vary from investment to investment. The Investment Manager will seek advice from consultants and professionals having relevant experience and rendering services in respect of such matters. The performance of Portfolio Investments may be impacted by the nature and quality of advice and services rendered by such local consultants and professionals.

Closed ended fund / illiquid investment

The Fund is organised as a close-ended fund and Contributors are not be permitted to withdraw from the Fund. In addition, they are not entitled to transfer any of their Units in the Fund except in accordance with the process set out in the Contribution Agreement and the AIF Regulations. Further, there is no public market for the Units and the Contributors have to bear the risk of holding the investment in the Fund indefinitely during the Term of the Fund.

Manager Termination Risk

Termination of the Investment Manager's appointment may occur pursuant to the terms of the Investment Management Agreement. Any termination of the Investment Manager's appointment as manager of the Fund may have material adverse consequences for the Fund in certain circumstances. Such consequences may include the acceleration of financing facilities made available to the Daughter Funds or the triggering of a right for co-investors to acquire the Fund's interest in a relevant investment where the terms of the relevant investment document provide for this.

Board Participation Risk

The Daughter Funds may be represented on the boards of directors of their Portfolio Companies or may have its representative's serve as observers to such boards of directors. Although such positions in certain circumstances may be important to each Daughter Fund's investment strategy and may enhance their ability to manage such investments, they may also have the effect of impairing their ability to sell the related securities when, and upon the terms, it may otherwise desire. They may also

subject the Daughter Funds to claims they would not otherwise be subject to as an investor, including claims of breach of duty, securities claims and other director-related claims.

V. FUND RISKS

Passive Investment Risk

Investors will be relying on the Investment Manager to conduct and manage the affairs of Fund. The Investment Management Agreement will prohibit Contributors from engaging in the active management and business of Fund. Investments to be made by the Fund have not yet been fully identified. Furthermore, there is no assurance that the investment selected will be successful.

Exculpation and Indemnification Risk

Certain exculpation and indemnification provisions contained in the Investment Management Agreement and this Memorandum may limit the rights of action otherwise available to Contributors and other parties against the Investment Manager, its associates, each officer, director, employee, shareholder, partner, member, agent and consultant of any of the foregoing and each member of the Advisory Board and the Investment Committee, among others, who serves or has served in such capacity at the request of the Investment Manager.

VI. REGULATORY RISKS

Government Approvals

Certain Indian governmental approvals, including approvals from the SEBI may be required before the Fund can make investments in any Daughter Funds. It is likely that the Fund may not have obtained all or some of these governmental approvals prior to the relevant closing.

The Fund will operate under Indian laws and securities regulations. If policy announcements or regulations are made subsequent to this offering, which require retrospective changes in the structure or operations of the Fund, these may impact the performance of the Fund.

There is no certainty that such registrations or approvals will be acquired and restrictions may be imposed under the registrations or approvals which limit the right of the Fund to invest only in particular sectors if they wish to avail of such registrations or approvals and the benefits there under.

Indian Investigations and Actions

Any investigations of, or actions against the Fund initiated by SEBI or any other Indian regulatory authority may impose a ban of the investment activities of the Fund.

VII. Tax Risks

Contributors are subject to a number of risks related to tax matters. In particular, the tax laws relevant to the Fund are subject to change, and tax liabilities could be incurred by Contributors as a result of such changes. The tax consequences of an investment in the Fund are complex, and the full tax impact

of an investment in the Fund will depend on circumstances particular to each Contributor and the additional peculiarities associated with respect to activities of each Daughter Fund. Alternative tax positions adopted by the Revenue authorities could give rise to incremental tax liabilities in addition to the tax amounts already discharged by the Fund. Since, the Fund would distribute the surplus funds to the beneficiaries, if the funds available with the Fund are insufficient to meet the tax liability, the Investment Manager reserve the right to collect/recover the additional tax liability from the beneficiaries. In particular, the tax laws relevant to the Fund are subject to change and to a different interpretation from what has been discussed in the section titled **"SECTION IX: LEGAL, REGULATORY AND TAX CONSIDERATIONS"**, and tax liabilities could be incurred by Contributors as a result of such changes.

VIII. Impact of COVID-19

The Indian and global stock markets have crashed following the global outbreak of COVID-19. Economic activity and trade across the globe have been crippled as developed and emerging countries, including India, grapple with preventive and curative measures to combat the contagion effect of the virus. In addition to supply chain disruption, the risk of global demand compression has increased. The governmental bodies in India, and the rest of the world, are operating at minimal strength. Regulatory authorities such as SEBI, adjudicatory bodies such as the courts and the tribunals, and the legislative bodies of the government of India, and the various state governments, are focusing their activities on bettering the turbulent situation caused by COVID-19. Given the shift in the focus of the relevant authorities, it is possible that their regular activities, which would govern the operation of the Fund, will take a backseat. Any delays that arise from the instrumentalities of the regulatory bodies in India operating at low capacity would impact the regulatory processes, licenses, approvals, etc. that are required for the smooth functioning of the Fund.

Stress in the financial sector has compounded the issues. Government spending is constrained by its discipline to keep fiscal deficit under check. Global protectionist policies like imposed price controls, tariff wars and weak global growth have impacted India's export growth.

Further, the performance of commercial contractual obligations becomes increasingly challenging in this scenario, many counter parties may proceed to invoke force majeure clauses under material contracts, in order to avoid or delay performance of onerous obligations, including payment and delivery commitments. Frequently observed in commercial contracts, force majeure clauses serve to excuse the non-performance of contractual obligations, in cases where such non-performance is due to supervening events that are beyond the defaulting party's control which may include events such as the COVID-19 pandemic.

Such disruptions could significantly impact the ability of the Fund and /or the Daughter Funds to sell their investments and adversely affect their performance.

IX. CONFLICTS OF INTEREST

The Fund will be subject to certain conflicts of interest relating to the Interested Parties as defined in the paragraph titled 'Conflicts of Interest' under **"SECTION VII: SUMMARY OF PRINCIPAL TERMS"** of this Memorandum.

The Investment Manager will put in place and formulate an appropriate conflicts policy for the Fund which will be approved by the Board before the Closing of the Fund. Such policy will set out a robust mechanism to resolve any potential conflicts of interest situations and circumstances that may arise or result while conducting the business or rendering of services and where-so-ever any conflicts of interest or potential for conflict of interest may arise, the Investment Manager shall take reasonable steps to resolve the same forthwith in a fair and equitable manner. The Investment Manager shall continue to exercise adequate due diligence for identifying and removing any areas, source, situations and circumstances of conflict and mitigating the effects of such conflicts to the satisfaction of the Board, in case any such conflicts of interest (or apparent conflict of interest) arises or results in relation to the proposed transaction.

Further, the Investment Manager has laid down an internal code of conduct for governing its internal procedures and operations and have prescribed the standards of appropriate conduct for its employees and officers for carrying out their duties and responsibilities with a view to appropriately ensure proper maintenance of professional excellence and standards with integrity, confidentiality, objectivity and made provisions for identification, avoidance and resolution of conflict of interests and for disclosure of shareholdings and interests, etc., in terms of Applicable Laws.

The Investment Manager and the Investment Committee shall obtain the authorisation of the Board before making investment decisions involving conflicts of interests for any of the Interested Parties.

A number of examples of potential conflicts of interest are outlined below. However, the examples listed below are not intended to be exhaustive, and other types of conflicts of interest may arise during the Term of the Fund.

POTENTIAL CONFLICT OF INTEREST

The Fund shall be subject to certain conflicts of interest relating to the Sponsor, its directors, officers, employees or agents, the Investment Manager, directors and employees of the Investment Manager, or any of its affiliates, directors, officers, employees or agents or committees established by and of the Investment Manager (collectively, the "**Interested Parties**").

The Sponsor and the Investment Manager of the Fund shall act in a fiduciary capacity towards the Contributors and shall disclose to the Contributors, all conflicts of interests as and when they arise or seem to arise. The Investment Manager shall establish written policies and procedures to identify, monitor and appropriately mitigate conflict of interest throughout the scope of its affairs.

The Fund may invest in Daughter Funds in which the Interested Parties have existing investments or other interests on the same or different terms. In such cases, there could be a possible conflict between the interests of the Fund and those of the Interested Parties.

The Investment Manager shall ensure that an Interested Party is not involved in the process of making investment decisions involving conflicts of interests for any such Interested Party.

A number of examples of potential conflicts of interest are outlined below. However, the examples listed below are not intended to be exhaustive, and other types of conflicts of interest may arise during the term of the Fund.

Conflicted Transactions

Upon the approval of the Board, the Investment Manager may enter intoa transaction or arrangement or any investment (a "**Conflicted Transaction**") notwithstanding that any of the Interested Parties has any direct or indirect interest or concern in such Conflicted Transaction so as to place the Interested Party in a position where such relationship conflicts with his fiduciary duty to the Fund, save that (i) such conflict of interest shall be disclosed in full to the Contributors; (ii) all Conflicted Transaction must be reviewed and approved unanimously by the Board; (iii) such Interested Party shall not participate in any decision relating to such Conflicted Transaction; and (iv) if such conflict relates to investment in an "Associate" as defined under the AIF Regulations, the same shall require the approval of Super-Majority of the Contributors which shall be deemed to have been obtained once the Board approves any such Conflicted Transaction since the Board comprises of members nominated by the Government of India and the constitution is also approved by them.

Management Resources

The Interested Parties and their management personnel will only devote so much of their time to the Fund's business as is, in their judgment, reasonably required.The Interested Parties and their employees that provide services to the Fund will have, in addition to their responsibilities for the Fund, responsibilities for other projects and clients. Accordingly, they may have conflicts of interests in allocating management time and other resources among the Fund and such other projects and clients.

Allocation of Investments

The Interested Parties will be subject to conflicts of interest in allocating investment opportunities among the Fund, and any other funds managed by them. Investment opportunities identified by the Investment Manager may be suitable for the Fund, one or more of their other funds or for direct investment by themselves.The Investment Manager, will endeavor to resolve any such conflicts in a reasonable manner taking into account, amongst other things, the investment objectives and policies of each fund, the remaining un-invested capital of each fund, the level of diversification of each fund, and the basis on which prior conflicts in allocating investment opportunities have been resolved.

Representation

The attorneys, accountants, and other professionals, who perform services for the Fund may, and in some cases do, also perform services for the Interested Parties and their affiliates. The Fund shall wherever appropriate enter into confidentiality agreements prior to such services being rendered in the Fund's favour. The Fund however, does not guarantee against any such conflict of interests**.**

Conflict of interest with Group Companies

Group companies of the Investment Manager consists of several leading Indian banks, financial institutions and organizations.It may so happen that a Daughter Fund, or any of itsPortfolio Companiesmay have an existing relationship with one or more entities in such group companies. The Investment Manager's representation on the board of such companies and any dominant shareholding may conflict with its relationship with aPortfolio Company.Any of the Daughter

Fundsmay invest in such companies.

Conflict of interest Due to Investments in Daughter Funds managed by the Invetsment Manager

SBICAP Ventures Limited acts as the Investment Manager to the Fund. Further, SBICAP Ventures Limited may also act as the investment manager of any other fund or pool of capital in near future. Hence, it is possible that subject to the approval of the Board, the Fund may invest in Daughter Funds that are managed by SBICAP Ventures Limited. In such a case, the Investment Manager shall ensure that it shall strictly follow its fiduciary duty as the Investment Manager to the Fund and develop strict corporate governance standards including but not limited to the maintenance of 'Chinese Walls' between teams managing the Fund and any such Daughter Fund to ensure that the interests of the Fund as well as the interests of any Daughter Fund are both adequately protected. SBICAP Ventures shall ensure that any investments by the Fund in any Daughter Funds managed by SBICAP Ventures shall be strictly on an arm's length basis and subject to any guidelines that may be issued by the Board.

Conflict of interest Due to Investments of Daughter Funds

SBICAP Ventures Limited acts as the Investment Manager to the Fund. Further, SBICAP Ventures Limited may also act as the investment manager of any future schemes of the Fund or any other fund or pool of capital in near future. Hence, it is possible that such other funds/schemes of the Fund may have the same investment focus as the Fund and/or any of the Daughter Funds. It is also possible that a Daughter Fund may invest in any Portfolio Company in which any other fund/ schemes of SBICAP Ventures Limited may hold an interest as an investor. In such a case, SBICAP Ventures Limited shall act in its capacity as the manager/adviser of such other funds/schemes of SBICAP Ventures Limited and may take any actions/decisions as may be beneficial for such funds/schemes of SBICAP Ventures Limited at its discretion, irrespective of any direct or indirect adverse impact of such action/decision on the relevant Daughter Fund. It should be noted that since each of the Daughter Funds would be managed by their respective managers/advisers, on which SBICAP Ventures Limited would not have control or influence, a Daughter Fund may take a divergent course of action/decision in its capacity as an investor in the Portfolio Company in which any fund/scheme of SBICAP Ventures Limited may have invested.

The foregoing risk factors and conflicts do not purport to be a complete explanation of all of the risks involved in this offering. Potential investors should read this document and the Fund Documents in their entirety before determining whether to subscribe for Units.

SECTION IX: LEGAL, REGULATORY AND TAX CONSIDERATIONS

THIS SECTION IS ONLY A SUMMARY OF THE AIFREGULATIONS AND LAWS AND IS NOT A COMPREHENSIVE DISCLOSURE REGARDING ALL LAWS AND AIFREGULATIONS APPLICABLE TO THE FUND AND ITS TARGET COMPANIES. FURTHERMORE, THE AIFREGULATIONS/LAWS REFERRED TO UNDER THIS SECTION ARE SUBJECT TO CHANGES FROM TIME TO TIME.

LEGAL AND REGULATORY CONSIDERATIONS

THE COMPANIES ACT, 2013

The Companies Act, 2013 is divided into 29 chapters and contains 470 sections and 7 schedules and has endeavoured to achieve modernisation and compactness by deleting redundant provisions, regrouping related provisions and modifying various provisions of the Companies Act, 2013 to enable easy interpretation, de-link procedural aspects from substantive law and provide greater flexibility in rule-making. The Companies Act, 2013 has, inter alia, introduced enhanced corporate governance standards particularly in relation to independent directors, audit, corporate social responsibility, mandatory valuation, private placement of securities, cross-border mergers (including merger of Indian companies into foreign companies) and class action suits. Further, the provisions in respect of the composition and constitution of National Company Law Tribunal and National Company Law Appellate Tribunal have been redefined.

Section 2(31) of the Companies Act states that a 'deposit' 'includes any receipt of money by way of deposit or loan or in any other form by a company but does not include such categories of amount as may be prescribed in consultation with the Reserve Bank of India'. Further, Rule 2(1)I of Companies (Acceptance of Deposit) Rules, 2014, excludes any amount received from the Central Government or the State Government from being treated as a deposit.

INDIAN SECURITIES LAWS

SEBI (Alternative Investment Regulations), 2012

Unless specifically exempted, the AIF Regulations require all pooling vehicles to register with SEBI and comply with the provisions of the AIF Regulations. The objective of the AIF Regulations is to extend the perimeter of regulation to unregulated funds with a view to systemic stability, increasing market efficiency, encouraging formation of new capital and consumer protection.

The Fund is registered with SEBI as a Category II AIF and shall be governed by the provisions of the AIF Regulations. The AIF Regulations further provide that Category II AIFs may invest in units of other Category I and Category II AIFs or in securities of investee companies. The Fund must also make investments in compliance with the AIF Regulations.

Private Placement of Interest

The AIF Regulations permit an AIF to raise commitments from Indian, foreign and non-resident Indian investors on a private placement basis with the minimum investment / commitment of INR 1,00,00,000 (Rupees One Crore). The AIF Regulations require that prior to the raising of commitments, the placement memorandum of an AIF should be filed with SEBI and detail the strategy for investments, risk factors and risk management tools, fees and expenses proposed to be charged, conditions and limits on redemptions, taxability of investors, duration of the life cycle of the AIF etc.

This Memorandum has been filed with SEBI and any amendments / modifications of the terms herein shall also be intimated to SEBI.

Sponsor Commitment

Further, the AIF Regulations also require that the manager or the sponsor of an AIF shall have a 'continuing interest' in a Category II AIF of not less than 2.5% of the corpus or INR 5,00,00,000 (Rupees Five crores), whichever is lower, in the form of investment in the AIF and such interest shall not be through the waiver of management fees.

Tenure of the Fund/Scheme and conditions for winding up

SEBI vide an amendment to the AIF Regulations dated 15 November 2022 mandated that the tenure of the AIF shall initiate from the first close of the AIF and shall subsist till the last date of the term as specified in the fund documents. SEBI, vide Chapter 2 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023, further mandated that the first close of the Fund shall be declared no later than 12 (twelve) months from the date of SEBI communication for taking the PPM on record. Additionally, the tenure of close ended schemes of AIFs shall be calculated from the date of declaration of the first close. AIFs may modify the tenure of a scheme at any time before declaration of its first close and prior to declaration of first close, the investors may withdraw or reduce commitment provided to such scheme of the AIF. The AIF's tenure is extendable up to 2 (two) years subject to approval of two-thirds of the unit holders by value of their investment in the fund; provided that a large value fund for accredited investors may be permitted to extend its tenure beyond 2 (two) years, subject to the terms of the contribution agreement, other fund documents and such conditions as may be specified by SEBI from time to time. In the absence of unit holders' consent, the AIF must fully liquidate within one year following expiration of the fund tenure or extended tenure. In case the AIF is unable to liquidate its investment upon expiration of the tenure or the extended tenure of the AIF, the AIF may launch a Liquidation Scheme in accordance with the AIF Regulations.

The AIF Regulations require an AIF to be fully liquidated within the Liquidation Period. During Liquidation Period of a scheme, an AIF may distribute investments of a scheme which are not sold due to lack of liquidity, in-specie to the investors or sell such investments to a liquidation scheme, after obtaining approval of at least 75% of the investors by value of their investment in the scheme of the AIF, in the manner and subject to conditions specified by SEBI from time to time; provided that, in the absence of consent of unit holders for exercising the options for in-specie distribution or sell of investments to liquidation scheme during liquidation period, such investments of the scheme of the AIF shall be dealt with in the manner as may be specified by SEBI from time to time

In case an investee AIF of a fund of fund, has launched a liquidation scheme, then the investor AIF (i.e. the fund of fund) upon expiry of its tenure or extended tenure, shall mandatorily distribute the units of liquidation scheme held by it, in-specie to its investors (i.e. investors of the fund of fund).

Listing

The AIF Regulations permit close ended AIFs to be listed after the final closing of a fund / scheme on a stock exchange subject to a minimum tradable lot of INR 1,00,00,000 (Rupees One Crore). Accordingly, the Fund will not be in a position to list its securities without complying with the above

conditions.

- *Investment Conditions*

In addition to the above, the AIF Regulations lay down the following investment conditions for AIFs:

General Conditions

a) AIFs may invest in securities of companies incorporated outside India subject to such conditions or guidelines that may be stipulated or issued by the RBI and SEBI from time to time;

b) Co-investment in a Portfolio Company by a manager or sponsor shall not be on terms more favourable than those offered to the AIF. Provided that the terms of exit from Co-investment in an investee company including the timing of exit shall be identical to the terms applicable to that of exit of the AIF;;

c) Category I and II AIF shall invest not more than 25% of its investable funds in one Portfolio Company either directly or through investments in units of other AIFs; provided that large value funds for accredited investors of Category I and II may invest up to fifty percent of the investable funds in an investee company directly or through investment in the units of other Alternative Investment Funds

d) AIFs shall not invest in (a) 'associates' and (b) units of AIFs managed or sponsored by its manager, sponsor or associates of its manager or sponsor, except with the approval of 75% of investors by value of their investment in the AIF;

e) Un-invested portion of the investible funds and divestment proceeds pending distribution to investors may be invested in liquid mutual funds or bank deposits or other liquid assets of higher quality such as treasury bills, triparty repo dealing and settlement, commercial papers, certificates of deposits, etc. till deployment of funds as per the investment objective or the distribution of the funds to investors as per the terms of the fund documents, as applicable.

f) AIFs which are authorised under the fund documents to invest in units of AIFs shall not offer their units for subscription to other AIFs.

g) Investment by Category I and Category II AIFs in the shares of entities listed on institutional trading platform after the commencement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015 shall be deemed to be investment in 'unlisted securities' for the purpose of these regulations.

Specific Conditions for Category II AIF

a) Category II AIFs shall invest in investee companies or in units of Category I or other Category II AIFs as may be disclosed in the placement memorandum;

b) Category II AIF shall invest primarily in unlisted Portfolio Companies directly or through investments in units of other AIFs;

c) Category II AIF may not borrow funds directly or indirectly and shall not engage in leverage except for meeting temporary funding requirements for not more than thirty days, not more than four occasions in a year and not more than 10% of the investable funds;

   Notwithstanding point (c) above, Category II AIFs may engage in hedging, subject to guidelines as specified by SEBI from time to time;

d) Category II AIFs may buy or sell credit default swaps in terms of the conditions as may be specified by SEBI from time to time;

e) Category II AIF may enter into an agreement with merchant banker to subscribe to the unsubscribed portion of the issue or to receive or deliver securities in the process of market making under Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

f) Category II AIFs shall be exempt from sub-regulations (1) and (2) of Regulation 3 and sub-regulation (1) of Regulation 4 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 in respect of investment in companies listed on the SME Exchange or SME segment of an exchange pursuant to due diligence of such companies subject to the following conditions:

   i. the fund shall disclose any trading in securities pursuant to such due diligence, within two trading days of such trading, to the stock exchanges where the Portfolio Company is listed;

   ii. such investment shall be locked in for a period of one year from the date of investment.

Reporting obligations

The Regulations require that the books of accounts of the AIF to be audited annually. Further, within 180 days from the year end, AIFs are required to provide reports to their investors including financial information on Portfolio Companies and material risks and how they are managed.

Alteration in strategy of the Fund

The Regulations require that no material alteration to the fund strategy can be made unless consent of at least two-third of unit holders by value of their investment is obtained.

Alteration in category of the Fund/Scheme

According to paragraph 3.2 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023, only AIFs who have not made any investments under the category in which they were originally registered are allowed to make an application for a change in category to SEBI. Pending disposal of the application for change in category, the AIF will not be able to make any investments other than in “liquid funds / bank deposits”. Further, if the AIF has received commitments prior to an application for change in its category, the AIF is under a duty to inform investors and provide them with an option to withdraw from the AIF without any penalty or charges.

Valuation

The Regulations require Category II AIFs to undertake valuation of their investments, at least once in every six months, by an independent valuer appointed by the AIF (extendable to 1 year on approval of at least 75% of the investors by value of their investments in the AIF).

Co-investment

The AIF Regulations define co-investment as investment made by an investment manager or sponsor or investor of Category I and II AIF in investee companies where such category I or category II AIFs make investment, where co-investment by investors of AIFs shall be through a Co-investment Portfolio Manager as specified under the SEBI (Portfolio Managers) Regulations 2020 ("**PMS Regulations**"). A Co-investment Portfolio Manager is defined as a Portfolio Manager ("**Co-investment Portfolio Manager**") who is an investment manager of a category I or category II AIFs and

(i) provides services only to the investors of such category I or category II AIF(s); and

(ii) makes investment only in unlisted securities of investee companies where such category I or category II AIFs make investments, Co-investment Portfolio Manager may provide services to investors from any other category I or category II AIFs which are managed by them and are also sponsored by the same sponsor(s). An investment manager shall not provide advisory services to any investor other than the clients of Co-investment Portfolio Manager as specified in the PMS Regulations for investment in securities of investee companies where the AIF managed by it makes investment. The terms of co-investment in an investee company by an investment manager or sponsor or co-investor, shall not be more favourable than the terms of investment of the AIF, provided that the terms of exit from the co-investment in an investee company including the timing of exit shall be identical to the terms applicable to that of exit of the AIF.

Accredited Investors and Large Value Fund for Accredited Investors

Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2021 inserted the definition of "Accredited Investors" to the AIF Regulations, wherein, Accredited Investors are defined to mean any person who is granted a certificate of accreditation by an Accreditation Agency, subject to meeting the financial parameters prescribed. In addition to the investors who are eligible for accreditation by meeting the prescribed thresholds, the AIF Regulations also provide a list of persons who shall be deemed to be Accredited Investors, without requiring such investors to undergo the accreditation process. Further, an "Accreditation Agency" has been defined to mean a subsidiary of a recognized stock exchange / a subsidiary of a depository / any other entity as may be specified by SEBI from time to time.

To identify AIFs consisting of Accredited Investors, the AIF Regulations also introduced the concept of "Large Value Fund for Accredited Investors", which is an AIF / scheme of an AIF in which each investor (other than service providers / employees of the AIF and investment manager) is an Accredited Investor and invests not less than INR 70,00,00,000 (Indian Rupees Seventy crores). The AIF Regulations provide regulatory relaxations to such Large Value Fund for Accredited Investors in terms of minimum investment requirements extension in the term of close-ended AIFs, limits applicable for investment in an investee company directly or through investment in the units of other AIFs, etc.

Requirement of compliance officer for investment managers of all AIFs.

Paragraph 13.1 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July

2023, asks all AIFs to ensure designation of an employee or director as a compliance officer, responsible for monitoring compliance with the provisions of the SEBI Act, AIF Regulations and circulars issued thereunder.

Manner of calculation of tenure for close-ended schemes

SEBI (Alternate Investment Funds) (Fourth Amendment) Regulations, 2022 dated 15 November 2022 provides that tenure of close-ended schemes is to be calculated from the date of declaration of the first close. AIFs may modify the tenure of a scheme at any time before declaration of its first close. Prior to such declaration, the investor may withdraw or reduce commitment provided to such scheme of an AIF.

Ring-fencing of assets and liabilities

SEBI (Alternate Investment Funds) (Fourth Amendment) Regulations, 2022 dated 15 November 2022 provides that the manager and either the trustee or trustee company or the board of directors or designated partners of the AIF to ensure that the assets and liabilities of each scheme of an AIF are segregated and ring-fenced from other schemes of the AIF and bank accounts and securities accounts of each scheme are segregated and ring-fenced.

Priority Distribution

Paragraph 11.2 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023 defines the 'priority distribution model' as a distribution model where one class of investors (other than sponsor/manager) share loss more than pro rata to their holding in the AIF vis-à-vis other classes of investors, since the later has priority in distribution over former. It specifies that schemes of AIFs which have adopted such priority distribution models, shall not accept any fresh commitment, or make investment in a new investee company, till a view is taken by SEBI in this regard.

Valuation

The AIF Regulations require Category II AIFs to undertake valuation of their investments, at least once in every six months, by an independent valuer appointed by the AIF (extendable to 1 year on approval of at least 75% of the investors by value of their investments in the AIF).

Mandatory Annual Audit

Paragraph 2.1 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023 SEBI mandates a template for the private placement memorandum providing certain minimum level of information in a simple and comparable format. In order to ensure compliance with the terms of private placement memorandum, it has become mandatory for AIFs to carry out an annual audit of such compliance by either internal or external auditor / legal professional. However, audit of sections of private placement memorandum relating to 'Risk Factors', 'Legal, Regulatory and Tax Considerations' and 'Track Record of First Time Managers' is optional. The findings of the audit, along with corrective steps, if any, has to be communicated to the trustee or board or designated partners of the AIF, board of the investment manager and SEBI.

Code of Conduct under the AIF Regulations

SEBI has prescribed a code of conduct for AIFs, their managers, their key management personnel ("**KMP**"), investment committee, trustee, trustee company, directors of trustee company / directors / designated partners of the AIF. The overall responsibility to ensure compliance with the code of conduct has been cast on the manager along with either the trustee or trustee company or board of directors or designated partners of the AIF (as the case may be).

The code of conduct that ought to be followed by the AIF's manager and KMP are as follows:

- The manager and KMP should abide by Securities and Exchange Board of India Act, 1992 (15 of 1992); rules, regulations, guidelines and circulars as applicable to AIFs at all times.

- The manager and KMP should maintain integrity, highest ethical and professional standards in all its dealings and ensure proper care and exercise due diligence and independent professional judgment in all its decisions.

- The manager and KMP should act in fiduciary capacity ensuring the decisions are taken in the interest of investors.

- The manager and KMP should abide by the policies of the AIF to identify, monitor and appropriately mitigate any potential conflict of interest throughout the scope of its business.

- The manager and KMP should provide appropriate and well considered inputs, which are not misleading, as required by the valuer to carry out appropriate valuation of the portfolio.

- The manager and KMP should ensure not to make any misleading or inaccurate statement, oral or written, with respect to their qualification or capability to render investment management services or their achievements.

- The manager and KMP should record in writing the investment and divestment decisions with appropriate justification.

- The manager and KMP shall not enter into arrangements for sale or purchase of securities, where there is no effective change in beneficial interest or where the transfer of beneficial interest is only between parties who are acting in concert or collusion, other than for bona fide and legally valid reasons.

- The manager and KMP should abide by confidentiality agreements with the investors and not make improper use of the details of personal investments and/or other information of investors.

- The manager and KMP should not offer or accept any inducement in connection with the affairs or business of managing the fund of investors.

- The manager and KMP should document all relevant correspondence and understanding during the deal with the counterparties, as per records of the AIF, if they are committed to transactions on behalf of the AIF.

- The manager and KMP should maintain ethical standards of conduct and deal fairly and honestly with investee companies at all times.

- The manager and KMP should maintain confidentiality of information received from investee companies and companies seeking investments from Alternative Investment Fund, unless explicit confirmation is received that such information is not subject to any non-disclosure agreement.

The code of conduct that ought to be followed by the AIF is as follows:

- The AIF is required to carry out its business activities and invest in accordance with the investment objectives stated in the private placement memorandum and other fund documents.

- The AIF would be operated and managed in the interest of all investors and not only in the interest of the sponsor, manager, directors or partners of sponsor and manager or a select class of investors.

- The AIF should ensure the dissemination of adequate, accurate, explicit and timely information in accordance with the AIF Regulations to all investors.

- The AIF should ensure the dissemination of any other information as agreed with the investors.

- The AIF should ensure that an effective risk management process and appropriate internal controls are in place.

- The AIF should have written policies and procedures to identify, monitor and appropriately mitigate any potential conflict of interest throughout the scope of its business.

- The AIF should not use any unethical means to sell, market or induce any investor to buy its units.

- The AIF must have written policies and procedures to comply with anti-money laundering laws.

The code of conduct that ought to be followed by the investment committee, trustee, trustee company and its directors / directors/ designated partners of the AIF ("**Members**") is as follows:

- Members should maintain integrity and the highest ethical and professional standards of conduct.

- Members should ensure proper care and exercise due diligence and independent professional judgment in carrying out their roles.

- Members should disclose details of any conflict of interest to any decisions in a timely manner

and adhere with the internal policies.

- Members should maintain confidentiality of information received regarding the AIF.

- Members should not indulge in any unethical practice or professional misconduct or any act, whether by omission or commission, which tantamount to gross negligence or fraud.

Applicability of stamp duty on units of AIFs

Chapter 18 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023 has clarified that the following rate of stamp duty shall be applicable at the time of issuance and transfer of units of AIF:

Particulars	Stamp Duty Amount
Issue of units of AIF	0.005%
Transfer of units of AIF	0.015%

Investor Charter

As per the Chapter 17 of the SEBI Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated 31 July 2023, with a view to providing relevant information to investors about the various activities pertaining to AIFs, an Investor Charter has been prepared by SEBI, which is a brief document containing details of services provided to investors, details of grievance redressal mechanism, responsibilities of the investors etc., at one single place, in lucid language for ease of reference and is required to be brought to the notice of all investors. Further, data on investor complaints received against AIFs and each of their schemes and redressal status thereof shall be disclosed by all AIFs.

Dematerialisation of Units

SEBI vide SEBI (AIF) (Second Amendment) Regulations, 2023, notified on 15 June 2023, has mandated that all AIFs shall issue their units to the investors in a dematerialised form in accordance with the conditionalities and modalities as specified by SEBI.

SEBI Regulations on Initial Public Offerings

In exercise of its powers conferred under Section 30 of the SEBI Act, 1992, SEBI notified the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "**ICDR Regulations**"), on 11 September 2018, replacing the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The ICDR Regulations have come in effect from November 10, 2018. The ICDR Regulations apply to, inter alia, initial public offers ("**IPOs**") by an unlisted issuer, rights issue by listed issuer (where the aggregate value of the issue is INR 100 million or more), preferential issue, qualified institutional placements or bonus issue by listed issuer, issue of Indian depository receipts. The Fund is eligible to participate in any IPO or other applicable issuing, subject to the provisions of the ICDR Regulations.

Participation in *private placement of securities*

The Fund may invest in companies by participating in a private offer of securities by an issuer. The Companies Act, 2013, stipulates that the issuing company (whether listed or unlisted) should obtain the prior approval of its existing shareholders, through a special resolution, before it issues its securities on a preferential basis (i.e., any issue that is not a rights issue to all existing shareholders of the company). The ICDR Regulations further lay down certain requirements for preferential issue of

securities by listed companies in a select group of persons on a private placement basis ("**Preferential Allotment**") and for a qualified institutional placement ("**QIP**").

Offer for Sale

Under certain circumstances, existing shareholders are permitted to exit from companies through an "offer for sale" of their holdings to the public. A company, whose equity share or any security convertible at a later date into equity shares are offered through an "offer for sale", has to comply with the conditions described under the ICDR Regulations. Additionally, only those shares, which are held by the offeror for a period of at least one-year at the time of filing the draft offer document with SEBI can be offered to the public through an "offer for sale".

Takeover Regulations

Under the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Code**"), any acquirer who acquires or holds, together with persons acting in concert with him, 5% or more of the shares or voting rights of a listed public Indian company, is required to notify such target company and the stock exchanges on which the shares of such company are listed about its holding within the prescribed time period. Furthermore, any acquirer who holds, together with persons acting in concert with him, 5% or more of shares or voting rights is required to inform the target company and the stock exchange about any change (acquisition or disposal) in its holding by 2% or more of the shares or voting rights in the target company.

Upon the acquisition of 25% or more of shares or voting rights or on acquisition of control of the company, whether directly or indirectly, the purchaser / acquirer is required to make an open offer to the other shareholders offering to purchase at least 26% of all the outstanding shares of the company at an offer price as determined pursuant to the provisions of the Takeover Code (the "**Open Offer**"). Further, under the provisions of the Takeover Code, any existing shareholder of a listed public Indian company, holding 25% or more but less than 75% of the shares of the company, is entitled to acquire up to 5% voting rights of the company, in any financial year ending March 31 without having to make the Open Offer.

There are certain exemptions under the Takeover Code from the requirement to make an Open Offer in certain specific instances such as an inter se transfer of shares amongst the persons named as promoters in the shareholding pattern filed by the target company in terms of the listing agreement or the Takeover Code for not less than three years prior to the proposed acquisition and transfer of shares pursuant to arrangement involving the target company as a transferor company or as a transferee company, or reconstruction of the target company, including amalgamation, merger or demerger, pursuant to an order of a court or a competent authority under any law or regulation, Indian or foreign. A company may invest through subscription of shares under the preferential route or purchase of shares from existing promoters or shareholders in which case, it would be required to comply with the public offer provisions of the Takeover Code if the post-acquisition holding of the fund is in excess of the prescribed thresholds.

Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations, 2015 and any modifications and re-enactments thereof as applicable from time to time ("**Insider Trading Regulations**") has repealed and replaced the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Insider Trading Regulations prohibits an insider from dealing, either on its own behalf or on behalf of any other person, in the securities of a

company listed on any stock exchange when in possession of unpublished price sensitive information. The insider is also prohibited from communicating, counselling or procuring any unpublished price sensitive information while in possession of such information.

Anti-Money Laundering

The Prevention of Money Laundering Act, 2002 (the "**PMLA**") embodies India's legislative commitment to the elimination and prevention of money laundering. The main objectives of the PMLA are the prevention and control of activities concerning money laundering and the confiscation of property derived or involved in money laundering. Under the PMLA, a "Person" is guilty of money laundering if that Person "directly or indirectly attempts or knowingly assists, or knowingly is a party or is actually involved in, any process or activity connected with the proceeds of crime and projecting it as untainted property". The term "proceeds of crime" has been defined under the PMLA to mean property derived or obtained, directly or indirectly, by any Person as a result of criminal activity relating to an offense listed in the schedule to the PMLA.

The PMLA mandates certain entities such as banks, financial institutions and intermediaries (dealing in securities) to maintain a record of all transactions above a certain value or of a suspicious nature, as prescribed in the rules promulgated under the PMLA. The transactions so prescribed may be a single transaction or a series of inter-connected transactions that take place within one month ("**Transactions**"). The institution must provide information relating to such Transactions to the director appointed under the PMLA within the prescribed time limit. These institutions also must verify and maintain the records of identity of their clients in the manner prescribed in the rules under the PMLA. The PMLA also confers discretionary power on the principal officer of a bank, financial institution or intermediary to report Transactions that have been valued below the prescribed limits to escape scrutiny.

The Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act ("**MSMED Act**") was notified in 2006,primarilyto address policy issues affecting micro, small and medium enterprises ("**MSMEs**")as well as the coverage and investment ceiling of the MSME sector. The Act is divided into 6 chapters and 32 sections, with the objective of facilitating the promotion and development and enhancing the competitiveness of MSMEs. It provides the first-ever legal framework for recognition of the concept of 'enterprise' which comprises both manufacturing and service entities. It defines 'medium enterprises' for the first time and seeks to integrate the 3-tiers of these enterprises, namely, micro, small, and medium. The Act also provides for a statutory consultative mechanism at the national level with a balanced representation of all sections of stakeholders.

In May, 2020, the definition of MSME was amended, whereby the investment limit has been revised upwards and an additional criterion of turnover has been introduced. Further, the distinction between manufacturing and services has been done away with. Moreover, the Aatmanirbhar Bharat Abhiyaan has brought a slew of incentives including financial stimulus to MSMEs, in order to neutralise the effect of COVID-19 and improve the economic health of MSMEs.

THE ABOVE IS ONLY A BRIEF AND GENERAL SUMMARY OF CERTAIN LEGAL AND REGULATORY CONSIDERATIONS AND CONSEQUENCES. INVESTORS ARE URGED TO CONSULT THEIR OWN ADVISORS IN THIS REGARD.

TAX CONSIDERATIONS

The following note is a summary of the principal Indian tax consequences for the Fund and for the investors of the Units of the Fund. In view of the particularized nature of tax consequences, each investor is advised to consult its own tax adviser with respect to the specific tax consequences arising due to investment in the Fund. Additionally, the following tax considerations are with respect to the income-tax implications in India arising to the potential investors and do not cover the local tax implications under the respective jurisdictions of the potential non-resident unitholders/ investors. The Fund, the Trustee, the Sponsor, the Manager and their related persons accept no responsibility for any loss suffered by any investor, as a result of current taxation law and practice or any changes thereto.

This summary does not purport to be a complete analysis of all relevant tax considerations, nor does it purport to be a complete description of all potential risks inherent in purchasing or holding interests in the fund. The conclusions summarized herein could be adversely affected if any of the material factual representations on which they are based should prove to be inaccurate. The summary is based on laws, regulations, rulings, judicial decisions now in effect and current administrative rules, practices and interpretations, all of which are subject to change, with possible retrospective effect.

The income tax law in India is contained under the ITA, and the ITA is amended each year by the Finance Act. The rates specified in this section pertain to the FY 2021-22 as provided under the ITA read with the Finance Act 2021. The tax rates stated below are exclusive of surcharge and health and education cess (unless stated otherwise).

TAXATION OF FUND

The Fund has been registered with SEBI as a Category II AIF under the AIF Regulations vide registration number IN/AIF2/21-22/0924.

It is expected that the Fund would generally invest in the Daughter Funds, that will be registered with SEBI as a Category II AIF under the AIF Regulations which shall onwards invest in securities of investee companies in India. Under the provisions of Section 115UB of the ITA, any income accruing or arising to or received by a unitholder of a Category II AIF shall be taxed in the same manner as if it the investments made by Category II AIF were directly made by such unitholder. Accordingly, income accruing or arising to or received by the Fund from the Daughter Funds would be taxed in the same manner as if the investments in the investee companies were made directly by the Fund.

Further, since the Fund is also registered as a Category II AIF, income accruing or arising to or received by the Fund from its investments in the Daughter Funds (and consequentially the investee companies) would be taxed in the same manner as if the investments in the in the Daughter Funds (and consequentially investee companies) were made directly by its investors.

In view of the above, it is expected that the Fund could earn the following streams of income from its portfolio investments:

- Gains arising from the transfer of securities in the investee companies;
- Dividend income; and

- Interest income.

A separate income-tax regime, for Category I and II AIFs, has been provided under the ITA. Under the specified tax regime, the taxability of such AIFs would be based on whether or not the income of the AIF is characterized as 'profits and gains from business or profession'.

Taxation on individual income components

Characterisation of income

Gains arising from the transfer of securities held in the companies may be treated either as "capital gains" or as "business income" for tax purposes, depending upon whether such securities were held as a capital asset or trading asset (*i.e.*, stock-in-trade). Traditionally, the issue of characterisation of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation. There have been judicial pronouncements on whether gains from transactions in securities should be taxed as "business profits" or as "capital gains". However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Also, the Central Board of Direct Taxes ("**CBDT**") has provided guidance, *vide* its Instruction: No. 1827, dated 31 August 1989 ("**CBDT Instructions**") and Circular No. 4/2007, dated 15 June 2007 ("**CBDT Circular 2007**"), in respect of characterisation of gains as either capital gains or business income. Following are the key illustrative factors indicative of capital gains characterisation (not business income):

(a) Intention at the time of acquisition – capital appreciation;

(b) Low transaction frequency;

(c) Long period of holding;

(d) Shown as investments in books of accounts (not stock in trade);

(e) Use of owned funds (as opposed to loan) for acquisition;

(f) Main object in constitution document is to make investments; and

(g) Higher level of control over the portfolio vehicle.

Further, CBDT had issued a circular no. 6/2016 dated 29 February 2016 ("**CBDT Circular 2016**"), clarifying the issue of taxability of gains arising on sale of listed shares and securities. The CBDT Circular 2016 laid down guiding principles in relation to characterization of gains from sale of listed shares and securities, either as business income or capital gains. It had clarified that the income-tax officer would not dispute any income arising from transfer of listed shares and securities held for more than 12 (twelve) months, if the same was treated as, and offered to tax under the head, 'capital gains', subject to genuineness of the transaction being established. However, the CBDT Circular 2016 did not deal with the treatment of capital gains in case of unlisted shares.

To avoid disputes/ litigation and to have a consistent view in assessments, the CBDT had issued an instruction on 2 May 2016, to the tax department, on determining the tax treatment of income arising from transfer of unlisted shares, providing that income from transfer of unlisted shares (for which no formal market exists for trading) would be treated as 'capital gain' irrespective of period of holding. However, the CBDT has carved out the following 3 (three) exceptions for the Income Tax department to take an appropriate view, if:

(a) The genuineness of transactions in unlisted shares itself is questionable;

(b) The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or

(c) The transfer of unlisted shares is made along with the control and management of underlying business.

Further, the CBDT has issued a clarification dated 24 January 2017 stating that the exception regarding transfer of unlisted shares along with 'control and management of the underlying business' shall not be applicable to a Category I and Category II AIFs.

Therefore, in this regard, the characterization of income of the Fund will need to be evaluated every year, based on the facts existing in that year. The Fund intends to organise itself in a manner that it complies with the conditions and parameters mentioned in the CBDT Circular 2007, CBDT Circular 2016, and CBDT Instructions such that, the income from sale of securities in the investee companies should generally be categorised as capital gains. However, the possibility of the tax authorities seeking to treat such income as business income cannot be ruled out.

Taxability of the–Fund - If income is not characterized as "business income"

In case the income of the Fund is not characterized as "business income", it should be exempt from tax at the level of the Fund.

In such a case, the income accruing or arising to or received by the Investors out of investments made in the Fund should be taxed in the hands of the Investors in the same manner as if it were the income accruing or arising to, or received by the Investors had the investments by the Fund been made directly by them.

Taxability of the–Fund - If income is characterized as "business income"

In case the income of the Fund is characterized as "business income", then the Fund should be taxable in respect of such income at the applicable corporate tax rate. The corporate tax rates applicable to Indian companies shall be 30% / 25% (for companies having a turnover of less than INR 400 crores for the year 2019-20), unless it opts for a concessional tax regime under section 115BAA of the ITA which provides for a concessional tax rate of 22%.

However, such income of the Fund should be exempt from tax in the hands of the Investors.

Loss carry forward and set-off

Unabsorbed losses of the Fund (not absorbed by current year income), can be carried forward and set off at the Investor level on a pass-through basis, except for the following losses:

- Unabsorbed business losses of the Fund, which shall be allowed to be carried forward and set off at the Fund level; and

- Unabsorbed losses other than business losses in case of those Investors who hold units of the Fund for less than 12 months.

Withholding tax implications

In respect of income (other than 'business income') that is paid to or credited to the account of the Investors who are resident in India, the Fund would be required to deduct tax at source at a rate of 10% (ten per cent). It is to be noted that as per Section 196 of the ITA, no deduction of tax shall be made from any sum payable to inter-alia (i) the Government and (ii) the corporation established by or under a Central Act which, under any law for the time being in force, exempt from income tax on its income.

In the case of non-resident Investors, the Fund would be required to deduct tax at the rates in force (which include rates prescribed under the applicable tax treaty). No withholding tax should be required in respect of any income which is not chargeable to tax under the ITA when such income is paid or credited to the account of non-residents.

The ITA provides that where a recipient of income (which is subject to withholding tax, and is a non resident for tax purposes) does not furnish its PAN, then tax is required to be deducted by the payer at the higher of the following i.e., (i) rates specified in the relevant provisions of the ITA; (ii) rates in force; or (iii) at 20% (twenty per cent). In case of non-residents not having a PAN, this provision requiring tax deduction at a higher rate shall not apply if they furnish certain prescribed information / documents.

Accordingly, in case of Investors who do not have a PAN, the Fund would be required to withhold taxes at a minimum rate of 20% (twenty per cent). In case of non-resident investors, the minimum rate of 20% shall not apply if such investor provides their tax residence certificate and certain other prescribed information / documents.

Further, the ITA also provides that where the recipient (other than a non-resident not having a permanent establishment in India) has not filed its income tax return for two financial years preceding the relevant financial year and such recipient has suffered withholding tax or tax has been collected from such recipient of an amount aggregating to INR 50,000 or more in each of the last two financial years, then except in case of certain specified payments[7], the tax shall be deducted at the higher of the following rates, namely:

- twice the rate specified in the relevant provision of the IT Act; or
- at twice the rate or rates in force; or
- at the rate of five per cent.

Further, where the recipient has neither furnished its PAN (which entails withholding of tax at minimum of 20% under current provisions) nor filed its tax return for last two financial years, tax shall be withheld at higher of the rates under both the provisions. These provisions are applicable from 1 July 2021.

Income earned by the Fund, if not paid or credited to the Investor in the relevant financial year, would be deemed to have been credited to the account of the Investor on the last day of the financial year, and accordingly, tax would have to be withheld by the Fund on the same.

[7] Payments in nature of salary, winnings (from lottery, crossword puzzle, horse race, etc), income in respect of investment in securitization trust, payments of certain amounts in cash by banks.

The Daughter Funds and the investee entities, if any, should not be liable to deduct tax on any payments of any income (other than income characterized as 'business income') made by the Investee Entities / Daughter Funds to the Fund.

Reporting to the income-tax authorities and the Investors by the Fund

The Fund or the person responsible for crediting or making payment of income on behalf of Fund shall furnish a statement in Form 64C to the Investors and a statement in Form 64D to the prescribed income-tax authority, giving details of the nature of the income paid or credited during the relevant year and such other relevant details, as may be prescribed.

As per Section 139(4F) of the Income-tax Act, every Fund shall furnish the return of income in respect of the income or loss *i.e.*, it shall be mandatory for the Fund to file its return of income.

Other key aspects

Deemed income on investment in shares / securities

In terms of Section 56(2)(x) of the ITA, if shares / securities are received for less than the fair market value of the shares / securities (computed as per prescribed rules), the difference between the price paid and fair value thereof shall be deemed as ordinary income of the recipient. The Finance (No.2) Act, 2019, introduced a provision enabling the Government of India to notify class of persons (subject to prescribed conditions), receipt from which would not be subject to tax under this provision.

Separately, if shares other than "quoted shares" are transferred for less than the fair value of the shares (computed as per prescribed rules), the fair value of such unquoted shares shall be deemed to be the sale consideration for the seller, for computing its capital gains for Indian tax purposes. "Quoted share" is defined as *"the* share *quoted on any recognised stock exchange with regularity from time to time, where the quotation of such share is based on current transaction made in the ordinary course of business."*

Thus, if the Investor acquires Units of the Fund or the Fund acquires units of the Daughter Funds or shares or securities of the investee companies directly or by way of its investments in the Daughter Funds, at a price below fair value thereof, the difference between the fair value of the shares/securities as per the provisions of Section 56(2)(x) of the ITA and the actual purchase price, would be deemed as ordinary income of the Investors in the Fund and taxed accordingly. Further, if the Fund sells unquoted shares of the investee companies (directly or by Daughter Funds) at a price below fair value thereof, the fair value will be deemed as the minimum sale consideration for the purpose of computing capital gains tax and the Investors will be taxed accordingly (on a pass-through basis).

TAXATION OF DIFFERENT STREAMS OF INCOME IN THE HANDS OF INVESTORS

The income tax implications on the different income streams would depend on whether the investor is a resident or non-resident of India. Tax implications for a resident investor are as follows:

(a) Interest (characterised as business income)**:** Interest income should be subject to tax as ordinary income.

(b) Dividend: Dividend declared or distributed on or after 1 April 2020 shall be taxable in the hands of the shareholders/unitholders at the ordinary income tax rate in case of Indian residents.

(c) Capital gains on sale of securities: As stated earlier, the nature of income in the hands of the investors would be derived from the nature of income earned by the Fund. Any capital gains arising to the Fund should be characterized as capital gains in the hands of the investors. The capital gains would be classified as long term or short term, depending upon the period of holding and nature of the assets.

Any listed securities (other than units) and units of equity-oriented fund held by the Fund / Daughter Funds (acquired out of the investments received from the Fund) for a period of more than 12 (twelve) months, immediately preceding the date of transfer, should qualify as long-term capital asset and upon transfer of such assets, gains should be classified as long-term capital gains. Any unlisted shares of an investee company held by the Fund / Daughter Funds (acquired out of the investments received from the Fund) for a period of more than 24 (twenty-four) months immediately preceding the transfer, will qualify as a long-term capital asset. In the case of other securities held by the Fund/ Daughter Funds, such instruments should be held by the Fund / Daughter Funds for more than 36 (thirty-six) months, immediately preceding the date of transfer, to qualify as a long-term asset.

Capital gains should be taxable in the hands of Investors resident in India at the rates mentioned in the table below:

TYPE OF INSTRUMENT	LONG-TERM CAPITAL GAINS	SHORT-TERM CAPITAL GAINS
(i) Equity shares listed on a recognized stock exchange; or (ii) Units of equity-oriented fund on which STT has been paid.	10% (without indexation) Gains upto INR 1,00,000 exempt from tax.	15%
Listed bonds or listed debentures	10% (*_Note 1_)	Taxed at the rate applicable for ordinary income
Listed shares and STT has not been paid	10% (without indexation) or 20% (with indexation)	Taxed at the rate applicable for ordinary income
Unlisted securities (other than unlisted bonds and unlisted debentures) including units of the Fund	20% (with indexation)	Taxed at the rate applicable for ordinary income
Units of mutual fund (other than equity-oriented fund on which STT is paid)	20% (with indexation)	Taxed at the rate applicable for ordinary income
Unlisted bonds or unlisted debentures	20% (*_Note 1_)	Taxed at the rate applicable for ordinary income

*_Note 1_: Indexation benefit is not available on bonds and debentures.

The tax implications on the income streams for non-resident Investors[8], are as follows:

[8] This section does not deal with the taxability of the streams of income mentioned therein under the local laws of the respective non-resident investor jurisdiction, which needs to be separately evaluated. Further, this section does not include the rates applicable to FPIs

(a) **Interest** (if not characterised as business income): Interest income attributable to a foreign company and other non-resident Investors, should be subject to tax at the rate of 40% (in case of a foreign company) and 30% (for persons other than foreign company) respectively.

(b) **Dividends**: Dividend declared or distributed on or after 1 April 2020 shall be taxable in the hands of the shareholders/unitholders @20%.

(c) **Capital gains on sale of securities**: Any capital gains arising to the Fund should be characterized as capital gains in the hands of the Investors.

The capital gains should be classified as long term or short term, depending upon the period of holding and nature of the assets. Any listed securities (other than units) and units of equity-oriented fund held by the Fund / Daughter Funds (acquired out of the investments received from the Fund) for a period of more than 12 (twelve) months, immediately preceding the date of transfer, should qualify as long-term capital asset and upon transfer of such assets, gains should be classified as long-term capital gains. Any unlisted shares of an Investee Entity held by the Fund / Daughter Funds (acquired out of the investments received from the Fund) for a period of more than 24 (twenty-four) months immediately preceding the transfer will qualify as a long-term capital asset. In the case of other securities held by the Fund, such instruments should be held by the Fund / Daughter Fund for more than 36 (thirty-six) months, immediately preceding the date of transfer, to qualify as a long-term asset. Capital Gains should be taxable in the hands of non-resident Investors, at the rates mentioned in the table below.

TYPE OF INSTRUMENT	LONG-TERM CAPITAL GAINS	SHORT-TERM CAPITAL GAINS
(i) Equity shares listed on a recognized stock exchange; or (ii) units of equity oriented mutual fund on which STT has been paid.	10% Gains upto INR 1,00,000 exempt from tax.	15%
Listed bonds or listed debentures or listed shares on which STT is not paid	10% (Note 1)	40% (in case of corporates) / 30% (others)
Unlisted securities (including unlisted bonds, unlisted debentures, units of the Fund)	10% (Note 1 and 2)	40% (in case of corporates) / 30% (others)
Units of mutual fund (other than equity oriented fund on which STT is paid)	10% (20% if the units are listed)	40% (in case of corporates) / 30% (others)

Note 1: Indexation benefit is not available in case of non-resident investors.

Note 2: If unlisted bonds or debentures are not regarded as unlisted "securities"[9], the Indian tax authorities may seek to apply a higher rate of 20% on long-term capital gains arising on sale of unlisted bonds / debentures by non-residents

Treaty Benefits for Non-Resident Investors

As per Section 90(2) of the ITA, the provisions of the ITA would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ("**Treaty**") between India and the country of residence of the non-resident investor (subject to the provisions of the General Anti Avoidance Rules and Multilateral Instrument as discussed below). This chapter does not discuss the tax implications applicable to the non-residents under a beneficial Treaty, which would need to be analysed separately based on the specific facts.

Tax Residency Certificate

In order to claim Treaty benefits, the non-resident Investor has to obtain the TRC as issued by the relevant authorities of its home jurisdiction. Further, the non-resident Investor shall be required to furnish such other information or document as may be prescribed. In this connection, the CBDT *vide* its notification dated 1 August 2013 has prescribed certain information in Form No. 10F to be produced along with the TRC, if the same does not form part of the TRC.

The tax authorities may grant Treaty benefit (after verifying the TRC) based on the facts of each case.

Securities transaction tax

STT is payable on certain on-market transactions (sale and purchase) ranging from 0.001% to 0.2% on the value of the transaction.

General Anti-Avoidance Rules

Under the Income-tax Act, General Anti Avoidance Rules ("**GAAR**") may be invoked by the income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the four below mentioned tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing 't arm's-length;
- It results in directly / indirectly misuse or abuse of the provisions of the ITA;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into or carried out in a manner, which is not normally employed for bona fide purposes.

In such cases, the tax authorities are empowered to determine tax implications based on "substance"

[9] As defined under the Securities Contracts (Regulation) Act, 1956

ignoring the "form" of the arrangement. Some of the illustrative powers are:

- Disregarding or combining or re-characterising any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situs of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure;
- Re-characterising equity into debt, capital into revenue, etc. and
- Denying benefits of a Treaty.

The provisions of GAAR came into effect on 1 April 2017.

It is provided that GAAR shall not apply, *inter alia*, to arrangements where the aggregate tax benefit in a relevant year, to all the parties involved, does not exceed INR 3 crores.

Multilateral Convention to implement Treaty related measures to prevent Base Erosion and Profit Shifting

Note that India has signed the Multilateral Instrument (**"MLI"**) issued by the Organisation for Economic Co-operation and Development and therefore India's tax treaties with other jurisdictions which have also signed the MLI have been notified as 'covered tax agreements.' Amongst other provisions that may be agreed in a covered tax agreement, one of the provisions seeks to deny tax treaty benefit where the *'any of the principal purpose of an arrangement or a transaction is to claim the tax treaty benefit'*, unless it is established that granting the tax benefit is in accordance with the object and purpose of the relevant tax treaty.

TRANSFER OF UNITS OF THE FUND

The tax implications arising on transfer / redemption of units of the Fund shall be as follows:

In case the Units of the Fund qualify as capital assets, any profits or gains arising from the transfer of such units shall be chargeable to income-tax under the head 'Capital Gains'. The gains would be taxable as short-term capital gains if the units are held for a period of 36 (thirty-six) months or less immediately preceding the date of transfer, otherwise, the gains would be taxable as long-term capital gains. The applicable tax rates shall be as follows:

NATURE OF INCOME	TAX RATE FOR INVESTORS WHO ARE RESIDENTS IN INDIA	TAX RATE FOR INVESTORS WHO ARE NON-RESIDENTS NOT BEING AN FPI (SUBJECT TO PROVISIONS OF THE APPLICABLE TREATY)
Short-term capital gains	Taxed at the rate applicable for ordinary income	40% (in case of corporate investors) or 30% (in case of non-corporate Investors)

Long-term capital gains	20% (with indexation benefit)	10% (without indexation)

TAX COLLECTION AT SOURCE ('TCS') ON SALE OF 'GOODS'

Under the ITA, every seller who receives consideration for sale of goods exceeding INR 5 million from a buyer in a financial year, is required to collect TCS at 0.1% on the consideration exceeding INR 5 million. Seller has been defined to mean a person whose total sales or turnover or gross receipts from the business in the financial year immediately preceding the financial year in which the sale of goods is carried out exceeds INR 100 million. While the term "goods" is not defined under the ITA, the CBDT has clarified that (a) TCS will not be applicable on transactions involving securities and commodities which are traded through recognised stock exchange or cleared and settled by recognized clearing corporation and (b) where the buyer is required to withhold tax and has actually withheld such tax. Thus, the applicability of TCS on the investments / divestments by the Fund needs to be evaluated on a case-to-case basis.

TAX DEDUCTED AT SOURCE ('TDS') ON PURCHASE OF GOODS

As per the ITA, with effect from July 1, 2021, a buyer whose sales, turnover or gross receipts from business exceeds INR 10 crores during the immediately preceding financial year, shall be liable to deduct TDS at the rate of 0.1% on consideration paid to a resident seller in excess of INR 50 lakhs for sale of goods. TDS would need to be deposited with the Indian Government to the credit of the seller, basis which seller would get credit of such taxes deducted by buyer. Similar to TCS provisions, the term "goods" is not defined for TDS purpose as well. However, it has been clarified that this TDS provision would not be applicable (a) on transactions involving securities and commodities traded through recognised stock exchange or cleared and settled by recognized clearing corporation (b) where a buyer is liable to deduct TDS under any other provisions of the ITA and (c) where a buyer is a non-resident and the purchase of goods by such non-resident is not effectively connected to its permanent establishment in India.

OVERVIEW OF TAXATION AT INVESTEE COMPANY LEVEL

Corporate Tax

The corporate tax rates applicable to Indian companies shall be 30% / 25% (for companies having a turnover of less than INR 400 crores for the year 2018-19). In certain circumstances, companies can elect to be taxed at a concessional corporate tax rate as discussed below:

(a) A company can opt to be taxed at a corporate tax rate of 22% without claiming certain specified exemptions / incentives.

(b) Indian Manufacturing companies can avail a corporate tax rate of 15% / 25% subject to fulfilment of certain conditions.

If any investee entity incurs a business loss, such loss should be allowed to be carried forward (subject to prescribed conditions) for a period of 8 (eight) years and set off against future business income.

Minimum Alternative Tax

If the income-tax payable on the taxable income as per the regular provisions is less than the tax computed at 15% on the profits of the Investee Entity as per its books (after prescribed adjustments), a Minimum Alternative Tax ("MAT") is payable at the rate of 15% on such book profits. An exemption from the MAT provisions has been provided in certain cases for Indian companies which opt to be taxed at a concessional tax rate (subject to conditions as discussed above).

Where MAT has been paid, credit is available in subsequent financial years for the MAT paid in excess of income-tax payable in a financial year. This credit should be eligible to be carried forward for 15 (fifteen) years and set-off against future income-tax payable to the extent normal income-tax payable exceeds MAT in that financial year

Shares subscribed at premium

If the shares of a company in which the public is not substantially interested ("**Closely Held Company**") are subscribed by a resident at a premium above fair value of the shares (to be determined in the prescribed manner), the difference between consideration for subscription and fair market value of such shares would be considered as ordinary income of the Investee Entity and taxed accordingly. However, an exemption from such tax (payable on excess premium received on issuance of its shares) is provided if shares are issued by a venture capital undertaking (as defined under the ITA) to a Category I or Category II AIF.

SURCHARGE AND HEALTH AND EDUCATION CESS

The above rates of income-tax shall be increased by the following surcharge on income-tax:

PARTICULARS	SURCHARGE ON INCOME-TAX
Resident companies with income exceeding: - INR 10 million but less than INR 100 million - INR 100 million Note: In certain cases where an Indian company opts to be taxed at a concessional tax rate, the rate of surcharge shall be 10%, irrespective of the amount of income.	 7% 12%
Non-resident companies with income exceeding: - INR 10 million but less than INR 100 million - INR 100 million	 2% 5%

Firms with total income exceeding INR 10 million	12%
Resident and non-resident Individuals, Hindu undivided family, association of persons or body of individuals, whether incorporated or not, or an artificial juridical person with total income exceeding: - INR 5 million but less than INR 10 million - INR 10 million but less than INR 20 million - INR 20 million but less than INR 50 million - INR 50 million Note: The enhanced rates of surcharge of 25% and 37% shall not apply in case of dividend and in case of capital gains arising on an on-market transfer of the following securities (where applicable STT has been paid): • Equity shares • Units of an equity-oriented fund • Units of a Real Estate Investment Trust (REIT) or Infrastructure Investment Trust (InvIT), the units of which are required to be listed on a recognized stock exchange in India	10% 15% 25% 37%

In addition to the surcharge, health and education cess is chargeable at 4% on income-tax as increased by applicable surcharge.

IMPORTANT QUALIFICATION

THE ABOVE INFORMATION DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL RELEVANT TAX CONSIDERATIONS; NOR DOES IT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL POTENTIAL TAX COSTS, INCIDENCE AND RISKS INHERENT IN PURCHASING OR HOLDING THE UNITS OF THE FUND. THE INFORMATION CONTAINED HEREIN IS BASED ON AN INTERPRETATION OF PREVAILING TAX LEGISLATION AND COULD THEREFORE CHANGE OR BE ADVERSELY AFFECTED IF ALTERNATIVE INTERPRETATIONS ARE ADOPTED. NO REPRESENTATION IS MADE EITHER BY THE FUND OR THE INVESTMENT MANAGER OR ANY EMPLOYEE, DIRECTOR, SHAREHOLDER OR AGENT OF THE INVESTMENT MANAGER IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION OF THE FUND AND TAXATION OF UNIT HOLDERS OF THE FUND BY THE INCOME TAX AUTHORITIES UNDER THE ITA.

SELF RELIANT INDIA (SRI) FUND

SCHEDULE I: DEFINITIONS

Advisory Board	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
AIF	means an alternative investment fund registered with SEBI under the AIF Regulations.
AIF Regulations	means SEBI (Alternative Investment Funds) Regulations, 2012 as amended, modified, restated, and/or enacted from time to time. The term 'AIF Regulations' shall also deem to include all guidelines, directions, regulations, rules and notifications issued by the Government or any statutory or regulatory authority or SEBI for the operation and management of AIFs, or any legislation in regard thereto, if applicable to the Fund.
AMC Agreement	shall have the meaning ascribed to the term in "**SECTION VI: MANAGEMENT AND ADMINISTRATION**".
Anchor Investor	means Government of India, which is a Contributor to the Fund.
Applicable Law	means any applicable Indian statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument, which has a force of law in India, as is in force from time to time. For the avoidance of doubt, the term 'Applicable Law' shall include the AIF Regulations.
Associate	means a company or a limited liability partnership or a body corporate in which a director or trustee or partner or Sponsor or InvestmentManager of the Fund or a director or partner of the Investment Manager or Sponsor holds, either individually or collectively, more than fifteen percent of its paid-up equity share capital or partnership interest, as the case may be.
Auditors	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Business Days	means a day other than a Saturday, Sunday or a public holiday on which banks in New Delhi, India are open for normal banking business.
Board	shall have the meaning ascribed to the term in "**SECTION I: EXECUTIVE SUMMARY**".
Capital Commitment	means the aggregate amount agreed by a Contributor to be contributed to the Fund in accordance with the provisions of the Contribution Agreement

	and this Memorandum.
Capital Contribution	means the portion of the Capital Commitment that has been contributed to the Fund or deemed to be contributed by a Contributor to the Fund, pursuant to the execution of the Contribution Agreement and as per the applicable Drawdown Notice and terms of the Contribution Agreement.
Category II AIF	means a Category II Alternative Investment Fund under the AIF Regulations.
Class or Classes	means a class or classes of Units of the Fund for the purpose of segregating class assets and class liabilitiesand includes Class A Units and Class B Units and any additional Units as may be issued through this Memorandum.
Class A Units	means Class A Units of the Fund being offered through this Memorandum and to be subscribed to by the Anchor Investor.
Class A Contributors	means the holders of Class A Units.
Class B Units	means Class B Units of the Fund being offered through this Memorandum and to be subscribed to by the Sponsor.
Class B Contributors	means the holders of Class B Units.
Closing	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Commitment Period	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Conflicted Transaction	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Contribution Agreement	means the agreement entered into in relation to Fund, between each Contributor and the Investment Manager primarily to regulate the acceptance and disbursal of Capital Contributions and the disbursal of the income earned thereon.
Contributors / Unitholders	means such Persons who have made or agreed to make Capital Commitment and (i) who fulfil the 'know your client' norms as prescribed by SEBI and the Investment Manager from time to time, and (ii) each of such Persons have made or agreed to make Capital Commitment to the Fund in accordance with the Contribution Agreement and this Memorandum.
Contribution Fund	means the aggregate of all Capital Contributions of the holders of Class A Units and Class B Units and any additions thereto and undistributed income accumulated in respect thereof.
Custodian	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".

Daughter Funds	means such Category I and Category II AIFs, including private equity funds, venture capital funds or angel funds, and any incorporated or unincorporated pool of capital or fund, in which the Fund has invested or is authorised to invest under Applicable Law.
Drawdown	shall have the meaning as ascribed to it in **'SECTION VII: SUMMARY OF PRINCIPAL TERMS**'.
Drawdown Notice	shall have the meaning as ascribed to it in **'SECTION VII: SUMMARY OF PRINCIPAL TERMS**'.
MSME	means Micro, Small & Medium Enterprises.
Establishment Expenses	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Force Majeure	means an event beyond the control of the Investment Manager, which is not caused due to any fault or negligence of the Investment Manager and is not reasonably foreseeable. Force Majeure events shall be deemed to include, but not be limited to blockade, riots, floods, natural calamities, acts of God or public enemies, fires, floods, epidemics, quarantine restrictions, strikes and other industrial disputes, unusually severe weather, pandemic, typhoons, earthquakes, or volcanic eruptions, import / export restrictions, any law, rule, regulation, judgment or decree which will have a material adverse effect on providing the services, change of policies by Central/State Government of and disruptions due to political / industrial agitation.
Fund or SRI Fund	means the Self Reliant India (SRI) Fund.
Fund Documents	means the documents as detailed in the "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
GAAR	means General Anti Avoidance Rules as provided for under Chapter 10A of the ITA.
Government	means the Government of India or any Indian central, state or local government authority, agency, branch or body or any instrumentality thereof.
Investment Committee	shall have the meaning as ascribed to it in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS'**.
Interested Party	shall have the meaning as ascribed to it in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS'**.

Investment Management Agreement	means the agreement entered into by and between the Board and the Investment Manager for appointment of Investment Manager to advise, administer and manage on matters relating to the investment, management and administration of the Fund, as amended, modified or supplemented from time to time.
Investment Manager or SVL	means SBICAP Ventures Limited.
Investment Proceeds	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Investment Policy	means the investment policy of the Fund as approved by the Advisory Board.
INR/ Rs/ Rupees	means the lawful currency of the Republic of India.
IPO	means initial public offering.
IT sector	means the information technology sector.
ITA	means Income Tax Act, 1961, as amended from time to time.
Legal Advisor	mean the legal advisor of the Fund appointed by the Board to advise the Fund with respect to various legal matters from time to time.
MAT	means Minimum Alternate Tax.
Management Fee	means the management fee payable to the Investment Manager in connection with the Fund as set out in the Investment Management Agreement and the Contribution Agreement.
Management Team	is as defined in "**SECTION I: EXECUTIVE SUMMARY".**
Memorandum	means this document and all supplements thereto.
Non-recurring Operating Expenses	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
NSIC	means the National Small Industries Corporation Limited.
NVCFL	means NSIC Venture Capital Fund Limited.
Operating Fees	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Operating Guidelines	the Guidelines for Self-Reliant India (SRI) Fund scheme approved by MoMSME (vide letter No. 1(64)/I&F/Guidelines/2020-21 dated 5thAugust 2020) as may be amended from time to time.

p.a.	means per annum.
Person	includes a Hindu Undivided Family, an individual, corporation, a partnership, a limited liability company, a body corporate, a body of individuals, association, trust, an institutional investor or other entity or organization whether incorporated or not, including a government body (Central or State) or an agency or instrumentality thereof.
PMLA	means the Prevention of Money Laundering Act, 2002.
Portfolio Company	means such company, body corporate, special purpose vehicle, limited liability partnership, enterprise, venture or such special purpose vehicle engaged in the MSME sector in which aDaughter Fund will invest or is authorised to invest subject to compliance with its applicable Investment policy and the AIF Regulations.
Portfolio Investment	means each investment into Daughter Funds made by the Investment Manager on behalf of the Fund pursuant to approval from the Investment Committee, subject to the guidelines and restrictions as prescribed by this Memorandum and theApplicable Law.
Protected Person	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
Reserves	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".
RBI	means the Reserve Bank of India.
SBI	means State Bank of India.
SBICAPS	means SBI Capital Markets Limited.
Scheme	means the various schemes of NVCFL.
SEBI	means the Securities and Exchange Board of India established under Section 3 of the SEBI Act.
SEBI Act	means the Securities and Exchange Board of India Act, 1992.
Sponsor	means NSIC Limited.
Sponsor Commitment	is as defined in "**SECTION VII: SUMMARY OF PRINCIPAL TERMS**".

STT	means Securities Transaction Tax as per Chapter VII of Finance Act (No.2) Act, 2004.
Super Majority of the Members	means not less than 75% of the members of the Investment Committee or the Advisory Board, as applicable.
Super-Majority of the Contributors	mean Contributors having made Capital Contributions, the sum of which equals or exceeds 75% (seventy-five per cent) of the aggregate of all Capital Contributions made in the Fund. With respect to the following items in connection with the Fund, Super-Majority of the Contributors shall be formed with the consent of the two-thirds of Contributors by value of their investment in the Fund: - Extension of the Term of the Fund; and - Any material alteration to the Fund's strategy.
Temporary Investments	shall have the meaning as ascribed to it in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS"**.
Term	shall have the meaning as ascribed to it in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS"**.
Transfer	is as defined in '**SECTION VII: SUMMARY OF PRINCIPAL TERMS'**.
Units	means a unit of Class evidencing Beneficial Interest in the Fund and issued by the Investment Manager to a Contributor on the making of a Capital Contribution and such interest shall include a fraction of a Unit evidencing Beneficial Interest in the Contribution Fund, of a value less that the face value of the unit.

SELF RELIANT INDIA (SRI) FUND

SCHEDULE II: DISCIPLINARY HISTORY

Details of Disciplinary History of the AIF, Sponsor, Investment Manager and each of their Directors/Partners/Promoters and Associates are in coordance with Clause 2.1.5. and 2.1.6. of SEBI Master Circular dated July 31, 2023 and is updated till March 2024

SELF RELIANT INDIA (SRI) FUND

A. **Disciplinary history of the Sponsor as on 31st March 2024**

CONTINGENT LIABILITIES: CLAIMS AGAINST THE CORPORATION NOT ACKNOWLEDGED AS DEBTS

S.No.	Name of the Party	Branch Office / Centre	Particulars	FY 2023-24 (Amount Rs.)	Status
1	NSIC-PTC Employee Union	Head Office	NSIC (Selection Grade)	25.30	1. NSIC PTC Employees Unions vs NSIC (selection grade) pending before Hon'ble High Court of Delhi, The financial implication will remain at Rs.25.30 lakhs (approx.), status sine-die. 2. SLP (C) No.36386/2014 titled AKS Rathore vs NSIC pending Hon'ble Supreme court has no financial implication, status pending.
2	State Bank of India, padmarao Nagar Branch, Secundrabad, Vs. 1. S.N. Reddy, 2. Smt. Sadathunnisa Begum & NSIC Ltd., Hyderabad	BO Hyderabad	RMA	37.17	The unit M/s. S.N. Reddy Enterprises availed with NSIC RMA facility by furnishing the BG issued by SBI. As the unit failed to pay the dues, NSIC invoked the BG's. SBI filed case against the unit, Guarantors for the unit and NSIC stating that the unit submited fake sale deed and obtained the BG's from them. The Hon'ble Court decreed the suit on 11/10/2006 against all the parties directing the defendants including NSIC to pay the suit amount of Rs. 745963/- with interest 18% p.a., from 13/02/2001 till the date of

					realisation and costs of Rs. 25078/- NSIC filed appeal before Hon'ble High Court of A.P. and also requested to grant interim stay. The Hon'ble court while granting interim stay, directed NSIC to deposit the suit costs. Accordingly the NSIC deposited Rs. 25078.00 in the court towards suit costs. Now the case is to be listed.
3	M/s Brahma Teja Paper Products	BO Hyderabad		66.99	M/s Brahma Teja Paper Products filed claim application before MSEFC against NSIC and other Departments. Finally MSEFC Rangareddy distt. issue an Award against NSIC Rs. 66,98,437/-. The Corporation filed an appeal against the said Award before District. Court Rangareddy, at Huderabad and deposited Rs. 50,23,828/- towards 75% of Award MSMED act. This balance amount of Rs. 16.74,609/- has been shown the balance claim amount. The original petition yet to be Number.
3	General Radiators	BO Noida	HP	16.22	In this case our suit was dismissed and party`s counter claim was allowed. We filed appeals in which High Court directed to deposit the decretal amount. Accordingly, we deposited the amount in the High Court and the case is yet to come up for hearing.

4		NTSC Neemka		10.37	Guest Faculties have filed case against NTSC , so liability for the 5 guest faculty involved
		Total		156.05	

PENDING DUES RELATED TO TAX

The National Small Industries Corporation Limited					
FY 2022-23					
S.No	**Name of Statute**	**Nature of Dues**	**Amount to be reported in CARO in FY 2022-23 (Rs.)**	**Period to which the amount relates**	**Forum where the Dispute is Pending**
1	CST Act, 1956	Central Sales Tax	0.49	2009-10	Appellate Deputy Commissioner CT (III), Chennai
2	CST Act, 1956	Central Sales Tax	0.56	2011-12	Appellate Deputy Commissioner CT (III), Chennai
3	Finance Act, 1994	Service Tax	3.29	2009-10	The Commissioner of Service Tax, Chennai
4	Finance Act, 1994	Service Tax	50.89	2015-16 to 2016-17	The Commissioner of Service Tax, Chennai
5	Commercial Tax	Commercial Tax	13.97	2012-13 & 2013-14	Joint Commissioner, Sales Tax, Cuttack, Orissa
6	Service Tax	Service Tax	9.56	October 2007 to June 2012	Appellate Tribunal, Allahabad
7	Sales Tax Act	Differential Tax, Interest & Penalty	15.88	2005-06	Dy. Comm. Of Sales Tax - Appeals (Mumbai)
8	Sales Tax Act	Differential Tax, Interest & Penalty	23.92	2009-10	Dy. Comm. Of Sales Tax - Appeals (Mumbai)

9	Sales Tax Act	Differential Tax, Interest & Penalty	231.24	2012-13	Jt. Comm. Of Sales Tax - Appeals (Mumbai)
10	Sales Tax Act	Differential Tax, Interest & Penalty	18.92	2013-14	Dy. Comm. Of Sales Tax - Appeals (Mumbai)
11	Sales Tax Act	Differential Tax, Interest & Penalty	46.97	2014-15	Jt. Comm. Of Sales Tax – Appeals (Mumbai)
12	Sales Tax Act	Differential Tax, Interest & Penalty	82.43	2015-16	Jt. Comm. Of Sales Tax - Appeals (Mumbai)
13	Customs, Excise & Service Tax	Service Tax & Penalty	1.85	2015-16 to 2016-17	Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Allahabad
14	GST (Compensation to States) Act, 2017	GST State Cess	71.08	2018-19	Joint Commissioner of Central Tax (Appeals), Cuttack
15	Orissa VAT Act	Sales Tax	13.89	2014-15	Joint Commissioner of Sales Tax, Cuttack
16	Income Tax Act	Income Tax Regular Demand	18.39	2016-17	CIT (Appeals)-IX, New Delhi
17	Income Tax Act	Income Tax Regular Demand	0.08	2017-18	DCIT, Circle -25(1), New Delhi
		Total	**603.41**		

Contingent Liabilities (Other money for which the Corporation is contingently liable) FY 2022-23

Sr. No.	Branch	Particulars	Amount Rs. Lacs
1	BO Jamshedpur	Rent-Bihar-State Financial Corporation	19.90
2	NTSC-Chennai	Booked for the Court case- Dindigul casual labour	0.75
3	NTSC Okhla	The case regarding hospital bill of Gardner Shri Bhagat Singh is still pending before the court.	2.89
4	Head Office	SITC of 33/440 KV Sub Station at MDBP SL Electromac	130.02
5	Head Office	Construction of MDBP Building	2533.39
6	Head Office	Guarantees	300.05
7	NTSC Aligarh	Contingent liability towards Shri Rajkumar Case	0.50

8.	NTSC Okhla	Arbitration case going on for foundry shop building, replacement of roof of main workshop building at NTSC-Okhla contractor is Gupta Builder engaged by CPWD.	227.50
		Total	**3215.00**

Figures in INR cr				
	Capital contribution			
	Class A –GoI	10,000.0	99.95%	
	Class B - NSIC/ Sponsor	6.0	0.05%	
	Total	**10,006.0**	**100.00%**	

Disciplinary history of the Manager and its directors

Name of the Fund and details of the Advisory/Caution letter issued by SEBI	**SEBI Remarks**	**Action taken by SVL as IM**
SVL-SME Fund A Caution letter was issued by SEBI to SBICAP Ventures Limited (in its capacity as the investment manager of SVL-SME Fund) dated February 20, 2023 concerning registration of KRA.	The KRA registration for SVL-SME Fund is not procured.	SBICAP Ventures Limited has acknowledged the letter and responded to SEBI on March 1, 2023 stating that the application for KRA registration was made on 10th November 2022 and the registration was received on 02nd December 2022.
UK India Development Cooperation Fund An advisory letter was issued by SEBI to SBICAP Ventures Limited (in its capacity as the investment manager of UKIDCF) dated February 1, 2024 concerning inaccurate	The quarterly report submitted for March 2023 erroneously indicated that hedging and leverage was undertaken in the Fund.	SBICAP Ventures Limited has taken due note of the letter and has submitted that the error was typographical in nature and going forward, it shall make best endeavours to avoid such inadvertent errors.

information submission in the quarterly report.		
SVL-SME Fund An advisory letter was issued by SEBI to SBICAP Ventures Limited (in its capacity as the investment manager of SVL-SME Fund) dated March 7, 2024 concerning failure to maintain an escrow account.	The PPM Audit report submitted for FY 2022-23 comprised an observation about not maintaining an escrow account as required in the PPM of the Fund. Accordingly, SEBI had asked for action taken on such observation and to ensure and improve the compliance in future.	SBICAP Ventures Limited has taken due note of the letter and shared a letter of acknowledgement stating that the requisite escrow account was opened as mentioned in the PPM of the Fund.
Self Reliant India (SRI) Fund An advisory letter was issued by SEBI to SBICAP Ventures Limited (in its capacity as the investment manager of NSIC Venture Capital Fund) dated March 7, 2024 concerning delay in information submission to the investors of NSIC Venture Capital Fund.	The PPM Audit report submitted for FY 2022-23 comprised an observation about the annual audited financial statements not submitted to the investors within a period of 120 days of end of financial year as mentioned in the PPM.	SBICAP Ventures Limited has taken due note of the letter. To ensure compliance with the said clause in PPM, 100% consent was obtained from the investors to change the period of 120 days to 180 days (as per the SEBI AIF regulation) in PPM for submission of annual audited financial statements not submitted to the investors.

Details of litigation filed by SBICAP Ventures Limited as Investment Manager of SWAMIH Investment Fund I

Nature of litigation and brief details	**Status**	**Developments as of date**
Akash Gupta & Ors V. Shree Vardhaman Infrahome Pvt. Ltd. Homebuyers have filed an Application being	SVL has filed an impleadment application to be made a party to the matter in order to ensure that SVL's rights are safeguarded.	Next date is in May, 2024

Application No.1893 of 2017 filed in the National Consumer Disputes Redressal Commission to claim compensation. We have also initiated CIRP proceedings against the Developer, the Corporate Debtor and the Personal Guarantors.		
Writ Petition No. 1360 of 2023 filed in the Bombay High Court against the Directorate of enforcement, Bengaluru ("ED") to vacate attachment of the secured units (in project known as castles Vista Private Limited) that were attached by the ED	The Bombay HC has vacated the attachment and passed a favourable order in favour of SVL and disposed off the matter.	In furtherance of receiving a favourable order in the Bombay High Court, SVL has filed an application in the Karnataka High Court in in Writ Petition No. 20713 of 2022 filed by Mantri Developers Private Limited against the ED to get a clarification with respect to setting aside of the stay on sale of units in the project. We have received a favourable order from the Karnataka HC as well and the stay by the ED has been vacated.
Arbitration Petition (L) No. 24409 of 2023 was filed in the Bombay High Court against Shree Naman Developers Private Limited wherein the landowners (Petitioners) have asked the Developer for disclosure of accounts.	The Bombay HC has directed the Developer to file a disclosure application	The Fund was made a party as it had invested in the project. Affidavits were filed on our behalf to ensure our rights are not jeaopardised. As on date, we have made a full exit from the investment and therefore

		are not a part of the proceedings anymore.
The homebuyers have filed CIRP proceedings against Ansal Crown Infrabuild Private Limited in NCLT, New Delhi.	We have filed our claim in the said project.	IRP has been appointed and the matter is ongoing.
Erstwhile landowners have filed a matter against Samrin Infra Private Limited.	The matter is filed in the Dindoshi city civil court	Next date is 16th April 2024
Homebuyers have filed against Swastik Homebuild Pvt. Limited in NCLT, Chandigarh Catalyst Trusteeship Limited v. Swastik Homebuild Private Limited (C.P. (IB) No. 290 of 2023)	We have filed and IA to safeguard our rights. The Developer has not been appearing in court.	Next date of hearing is 28th May, 2024
Homebuyers Association have filed against (Sikka) Ecogreen Buildtech Pvt. Ltd. In NCLT New Delhi	Homebuyers have initiated CIRP proceedings against the Developer. We have filed and IA to safeguard our rights.	Next date to be announced
Homebuyers have filed against Imperia Structures Limited in NCLT, New Delhi	Homebuyers have initiated CIRP proceedings against the Developer.	We have filed our claim in the matter.

Details of Claims and disputed liabilities not acknowledged as debts

Claims against the Company/disputed liabilities not acknowledged as debts	2022-23	2021-22	2020-21	2019-20	2018-19

For income tax matters	NIL	NIL	95.99	65.53	NIL

Against the SBI, Promoter of SBICAP Ventures Limited (data is as on 15th March 2024)

a. The Reserve Bank of India imposed a penalty of Rs. 700 lacs on the Bank on 15-07-2019 under the provisions of Section 4 7 A (1) (c) read with sections 46(4) (i) and 51 (1) of the Banking Regulation Act, 1949. RBI had previously issued a Show Cause Notice (SCN) in this regard on 10-10-2018 and Bank had replied on 30-10-2018. A personal hearing was conducted on 15-04-2019. After examining the facts of the case, RBI has observed non-compliance with the directions issued by RBI on (i) Income Recognition and Asset Classification (IRAC) norms, (ii) code of conduct for opening and operating current accounts and reporting of data on Central Repository of Information on Large Credits (CRILC) and (iii) fraud risk management and classification and reporting of frauds. This has resulted in levy of a penalty of Rs. 700 lacs. The penalty has been paid to RBI on 19.07.2019.

b. The Reserve Bank of India in exercise of the powers conferred under Section 47A (1) (c) read with Section 46 (4) (i) and 51(1) of the Banking Regulation Act, 1949 has imposed a penalty of Rs. 50 lacs on 31-07-2019 on the Bank for delay in reporting of fraud in the account of M/s Kingfisher Airlines Limited by Bank and State Bank of Mysore. The penalty has been paid to RBI on 09.08.2019.

c. The Reserve Bank of India had issued Show Cause Notice CO.ENFD.DECB.No.S47/02-01-021/2021-22 dated 24.05.2021 for violations of RBI guidelines, directions. etc. observed during scrutiny conducted in the account of Karnataka State Handicraft Development Corporation Limited. The SCN was replied by Bank vide letter dated 09.06.2021. The RBI, in exercise of the powers conferred under Section 47A (l)(c) read with section 46(4)(i) and Section 51(1) of the Banking Regulation Act, 194 imposed a monetary penalty of Rs. 1 crore (Rupees One Crore only) on the Bank on 18-10-2021, for non-compliance with the directions contained in the "Reserve Bank of India - Frauds Classification and Reporting by Commercial Banks and select FIs" directions 2016. The Bank responded to the SCN vide letter dated 09.06.2021. Thereafter. a personal hearing in the case was conducted by RBI on 10.08.2021 and was attended by Bank's Top Management. The Bank is analysing the issue of non -compliance and corrective action and new controls, etc. shall follow the detailed analysis of the Order by the Bank. The penalty has been paid to RBI on 25.10.2021.

d. The Reserve Bank of India has imposed a total penalty of Rs.200 lacs on 16-03-2021, including penalty of Rs.100 lacs for contravention of the provisions of section of 10(l)(b)(ii) of Banking Regulation Act, 1949 and additional penalty of Rs.100 lacs for contravention of RBI directions specifically issued to the bank vide Letter No.DBS.CO.SSM-SBV1751113.26.00 1/2019-20 dated 19-09-2019 regarding payment of commission to employees engaged in cross-selling activities. The penalty has been paid to RBI on 24-03-2021.

e. The Reserve Bank of India imposed a monetary penalty of Rs.50.00 lacs for failure to ensure data accuracy and integrity while submitting the data on large credit (CRILC

reporting) to RBI. Bank did not report data of two companies namely M/s Managlore SEZ Limited and M/s Parkline LLC, with sanctioned amount of more than Rs. 5 crore as Group Companies of the borrower from June 2017 to March 2020 and from March 2018 to December 2019 respectively. Bank also incorrectly reported data of two companies namely M/s Malwa Solar Power Generation Private Limited and M/s SRM Institute of Science and Technology as group companies of the borrower from March 2018 to March 2020 and June 2018 to September 2018 respectively. The penalty has been paid on 14.07.2021.

f. The Reserve Bank of India imposed a penalty of Rs.1.00 crore for contravention of the provisions of subsection (2) of section 19 of the Banking regulation Act related to the following 1. The bank held shares as a pledgee, of an amount exceeding thirty percent of the paid-up share capital of six borrower companies as on March 31, 2018 and continued to hold shares exceeding thirty percent of the paid up share capital of two borrower companies as on March 2019. The penalty has been paid on 01.12.2021

g. Penalties amounting to Rs. 1824/- is levied by INTL. tax range 4(2) , Mumbai, under section 271C of the IT act,1961. The penalty has been paid on 15.10.2022.

h. A Show Cause Notice (SCN) amounting to Rs.37.15 lakhs has been received from Central GST (Audit) office , Patiala, in respect of e-SBP branches for the period April 2016 to march 2017 on the issue of non-payment of service tax on penal interest recovered from customers.

i. An SCN amounting to Rs.9.75 lakhs, has been received from Deputy Commissioner, Telangana, in respect of Telangana GSTIN for the period April 2020 to March 2021 on the issue of:

i. Excess ITC claimed on account of non-reconciliation of information declared in GSR09.
ii. Excess ITC reversed in GSTR9 over and above GSTR3B.
iii. Under- declaration of ineligible ITC.

SBI has examined the issues involved and have observed that the claim is not sustainable. SBI has replied on 24th June 2022.

j. An SCN amounting to Rs.17.29 crore, has been received from Central Excise (audit), Kochi in respect of eSBT for the period Oct-2016 to Mar-17 alleging:

i. Short Service Tax paid.
ii. Ineligible ITC.

SBI has examined the issues involved and have observed that the Bank is not at fault and the claim by the tax authorities is not sustainable. SBI has replied to the SCN within stipulated time.

k. An SCN amounting to Rs.9.28 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2017- to March 2018). SBI has examined the issues involved and have observed that the Bank is not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

l. An SCN amounting to Rs13.10 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2018- to March 2019). SBI has examined the issues involved and have observed that the Bank is

not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

m. An SCN amounting to Rs.13.72 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2019-to March 2020). SBI has examined the issues involved and have observed that the Bank is not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

n. An SCN amounting to Rs.16.29 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2020-to March 2021). SBI has examined the issues involved and have observed that the Bank is not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

o. An SCN amounting to Rs.9.28 crore from Joint Commissioner of States and Excise, Parwanoo in respect of wrong utilization of Input credit of GST paid of Inter bank Transactions(July 2021-to March 2022). SBI has examined the issues involved and have observed that the Bank is not at fault and claim by the tax authorities is not sustainable. SBI has already referred the matter to GST consultant.

p. SCNs amounting to Rs.4739.44 lakh has been received from Deputy Commissioner, Abids, STU-2, Telangana, in respect of Telangana GSTIN for the period 2020-2021 on the issue of:
(a)Reconciliation of GSTR3B with GSTR 1.
(b) ITC to be reversed on non-business transactions & exempt supplies.
(c) Under declaration of Ineligible ITC.
(d) ITC claimed from cancelled dealers
SBI has filed the reply.

q. SCN amounting to Rs.42.74 lakh has been received from Assistant Commissioner of State, Raipur, in respect of Chattisgarh GSTIN for the period under 2020-21 in respect of Difference in GSTR 3 B with GSTR 2A. SBI has replied on 14.10.2022.

r. SCN amounting to Rs.11.89 lakh has been received from Assistant Commissioner of state, Vijaywada, in respect of Amrawati GSTIN for the period under 2021-22 in respect of GST TDS particulars not shown in GSTR-3B for the month of December 2021. SBI has replied on 10.10.2022.

s. 5 SCNs amounting to Rs. 303.25 crore has been received in respect of Rajasthan GSTIN for the period 2017-18 to 2021-22 on the issue of matching of Input Tax Credit (ITC) availment with GSTRA2A by SBI and ineligible ITC u/s 17(5). SBI has examined the issue involved and have observed that SBI is not at fault and the claim by the tax authorities is not sustainable. SBI is in the process of replying to the tax authorities.

t. The Reserve Bank of India imposed penalty on various currency chests of State Bank of India. The circle wise summary of penalties imposed on currency chests for last three FY are as follows:

(Amount in millions)

Circle-wise summary of Penalty imposed by RBI during				
CIRCLE	**FY 19-20**	**FY 20-21**	**FY 21-22**	**As on September 30, 2022**
AHMEDABAD	5.47	4.23	1.15	32.86
AMARAVATI	2.36	0.02	0.81	0.64
BENGALURU	2.85	4.96	5.46	21.67
BHOPAL	6.83	1.07	5.20	3.31
BHUBANESWAR	1.38	0.34	5.74	6.24
CHANDIGARH	5.61	1.01	1.01	3.61
CHENNAI	2.31	0.50	1.11	0.64
GUWAHATI	0.83	1.56	6.24	1.81
HYDERABAD	1.42	0.38	0.62	0.77
JAIPUR	13.00	0.84	2.47	6.01
KOLKATA	0.30	0.01	0.71	5.84
LUCKNOW	4.48	0.77	31.88	2.27
MAHARASHTRA	2.22	0.88	5.54	1.12
MUMBAI METRO	1.90	0.62	0.74	1.45
NEWDELHI	3.21	1.59	2.37	1.86
PATNA	2.20	33.38	6.64	9.41
THIRUVANANTHAPURAM	0.53	0.33	0.36	0.15
TOTAL	**56.87**	**52.49**	**78.05**	**99.65**

u. RBI issued SCN dated 06.04.2023 as the Bank failed to comply with RBI's directions on the following-:

- Loans and Advances sanctioned to Andhra Pradesh State Development Corporation Limited (APSDCL),
- Kisan Credit Card (KCC) scheme
- Guidelines on management of intra-group transactions and exposures

SBI has replied on 27.04.2023.

v. RBI vide its letter dated 25.09.2023 imposed aggregate penalty of Rs.1.30 Crores on SBI due to non-compliance with RBI's instructions observed during the statutory inspection based on its financial position as on March 31, 2021 for following (i) The Bank did not comply with Reserve Bank Direction on Loans and Advances when it sanctioned a term loan of Rs. 6000 crores to Andhra Pradesh State Development Corporation Limited (APSDCL) (ii) Did not abide with Guidelines on management of intra-group transactions and exposures.

w. RBI has issued SCN on 09.10.2023 pointing out non-compliance in respect of the following:

- The Bank held shares of an amount exceeding thirty percent of the paid-up share capital of 13 companies.
- The Bank did not (a) credit to the Depositor Education and Awareness Fund an amount aggregating Rs.4107.40 Crore standing to the credit of 73.28 lakh accounts, which were not operated for a period of ten years, within a period of three months from the expiry of the said period of ten years and the aforesaid amount was transferred to the Fund with a delay up to eight years; (b) transfer balances pertaining to Inter Office Instruments older than ten years amounting to Rs.750.00 Crore to the Fund and the amount was transferred with a delay
- The Bank failed to comply with the Reserve Bank directions on Central Repository of Large Common Exposures, when it did not report 243 borrowers with an exposure of Rs.5.00 Crore and above in the Central Repository of Information on Large Credits (CRILC) platform.
- The Bank failed to comply with the Reserve Bank directions on frauds classification and reporting, when it did not refer 862 cases of frauds to police/Law Enforcement Agencies (LEA) immediately on detection during FY 2021-22.

SBI has replied on 26.10.2023.

x. RBI issued SCN on 22.12.2023 advising as follows:

1) Reimbursements were availed from RBI in respect of redemption proceeds on maturity, half yearly interest payments for Relief Bonds/Saving Bonds, without the payments actually being made to the bond holders.

2) To remit unpaid redemption proceeds lying with it as on date, to Central Accounts Section (CAS), RBI, Nagpur for which such reimbursements were availed from the RBI and to furnish the information pertaining to unpaid coupon and redemption proceeds outstanding as on date duly verified and certified by its concurrent auditors.

SBI vide letter dated September 22, 2023, made available to the RBI the details of the reimbursements claimed and further authorised RBI to debit an amount of Rs.29,15,764/- towards such reimbursements claimed.

In view of the above, it appeared to RBI that SBI has violated the terms and conditions contained in the Agency Agreement entered into by the RBI with the Bank under Section 45 of the Reserve Bank of India Act, 1934 and also the directions and notifications issued vide Department of Government and Bank Accounts, RBI, Central Office, letter dated October 30, 2002. In this regard, SBI has been called upon by RBI to show cause as to why penalty under Section 30 of the Government Securities Act, 2006 and also under the Agency Bank Agreement shall not be imposed.

SBI has replied on 12.01.2024.

y. RBI vide its letter dated 26.02.2024 imposed aggregate penalty of Rs.2.00 Crores due to non-compliance with RBI directions by SBI, observed during the statutory inspection based on its financial position as on March 31, 2022.

The compliance breaches were as under:
a) The Bank held shares of an amount exceeding thirty percent of the paid-up share capital of 13 companies, as on March 31, 2022, despite imposition of penalty for similar contravention observed during ISE-2018 and 2019.
b) The Bank did not: i) Credit to the Depositor Education and Awareness Fund (Fund) an amount aggregating Rs.4107.40 Crore standing to the credit of 73.28 lakh accounts, which were not operated for a period of ten years, within a period of three months from the expiry of the said period of ten years and the aforesaid amount was transferred to the Fund with a delay up to eight years;
ii) Transfer balances pertaining to Inter Office Instruments older than ten years amounting to Rs.750.00 Crore to the Fund and the amount was transferred with a delay

z. In respect of Overseas Regulators, details of penalties imposed are furnished below:

Commercial Indo Bank LLC, Moscow

i. The Central Bank of Russia (CBR) imposed a penalty of RUB 1000,000 (INR 1082500) on CIBL in August 2019 for violation of certain items in Art 3 and Art 6 of Federal Law No. 353-FZ observed in granting of a term loan to a natural person. The penalty has been paid on 17.09.2019
ii. The Central Bank of Russia (CBR) imposed a penalty of RUB 36,829 (INR 39867) on CIBL on 20-08-2019 for shortfall of RUB 3.31 million, in the obligatory reserves kept by CIBL with CBR from 10.07.2019 to 06.08.2019. The penalty has been paid on 06.09.2019
iii. The Central Bank of Russia issued a penalty of RUB 8,637,000 (INR 81,40,373 appx) in December 2020 for violations of legislation of Russian Federation and regulations of Central Bank of Russia in the field of AML, established by results of inspection dated 30-07-2020.The penalty has been paid on 15-12-2020.

Bank SBI Indonesia

i. The Otoritas Jasa Keuangan (OJK) (Financial Services Authority of Indonesia) has fined IDR 9,540,000.00 on Bank SBI Indonesia in October 2019 for error in input of data in Financial Information Service System (SLIK) detected by the regulator in an off-site examination. The penalty has been paid on 16-10-2019.
ii. The Otoritas Jasa Keunangan imposed a penalty of IDR 50.000 in August 2019 for errors in reporting LHBU sanction Form 201 International Banking April 2019. The penalty has been paid on 08-08-2019.

iii. The Otoritas Jasa Keunangan imposed a penalty of IDR 200.000 in May 2019 for errors in reporting LBU online correction sanction cost April 2019. The penalty has been paid on 23-05-2019.

iv. The Otoritas Jasa Keuangan (OJK) (Financial Services Authority of Indonesia) has fined IDR 3,162,000.00 in December 2019 for adjustment / correction of Monthly General Bank Report (LBU) and in SLIK based on the OJK inspection. The penalty has been paid on 12-12-2019.

v. The Otoritas Jasa Keuangan (OJK) (Financial Services Authority of Indonesia) fined in August 2020 the Bank SBI Indonesia IDR 7000000 for late reporting of the extension of tenure of an existing Director. The penalty has been paid on 02-09-2020.

vi. OJK has fined of IDR 3,050,000 in October 2020 on account of errors found in regulatory reporting in their annual inspection at the Bank. The penalty has been paid on 12-01-2021.

vii. The Otoritas Jasa Keunangan imposed a penalty of IDR 4.85 million on July 16, 2021 for errors in regulatory reporting. The penalty has been paid on 29-07-2021.

viii. The Otoritas Jasa Keunangan imposed a penalty of IDR 300,000 on August 05, 2021 for errors in published quarterly results. The penalty has been paid on 25.08.2021 .

ix. The Otoritas Jasa Keunangan imposed a penalty of IDR 6.20 million (INR 33000) on December 16, 2021 for errors in regulatory reporting. The penalty has been paid on 22-12-2021.

x. The Otoritas Jasa Keunangan imposed a penalty of IDR 0.10 million (INR 550) on March 2, 2022 for errors in regulatory reporting. The penalty has been paid on March 8, 2022 .

xi. The Otoritas Jasa Keunangan conducted an inspection as on 30.04.2022, during which certain inadequacies in Regulatory Reporting were noted by the regulator and levied a penalty of IDR 153,250,000 in September 2022. The penalty has been paid on September 23, 2022.

SBI (Mauritius)_ Ltd

The Bank of Mauritius imposed a penalty of MUR 200,000.00 (INR 3,48,000.00) for discrepancy in data reported to Mauritius Credit Information Bureau (MCIB). The penalty has been paid on 13-08-2021.

SBI South Africa operations (SBISA)

SBI South Africa operations (SBISA) has received a notice dated 26.07.2022 from Prudential Authority, notifying the regulators' intention to impose Administrative Sanctions on SBISA which include an aggregate financial penalty of ZAR10.25 million (INR 4.84 crore)(out of which ZAR 3.5 mio is suspended until 26.07.2025). the Prudential Authority (PA) in its letter dated 26.07.2022 has stated that SBSA may make representations to the PA, in writing or or before 06.09.2022, citing reasons as to why some or all the above mentioned sanctions should not be imposed.. SBISA submitted its representation on 04.10.2022.

SBI Australia (SBIA)

SBIA noticed on 03.02.2023 that it did not notify *Australian Prudential Regulation Authority* (APRA) about the appointment of M/s. Findex Australia Pty Ltd. in June 2022 as Internal Auditors of SBIA. (As per APRA CPS 231-Outsourcing requirements, all outsourcing agreements entered into are to be notified to the regulator in not later than 20 business days). The apparent breach of APRA CPS 231-Outsourcing requirements came to the notice of SBIA on receipt of an APRA email dated 03.02.2023 seeking information on the existing Internal Auditors and their appointment notification. In response to APRA mail dated 03.02.2023, breach Notification letter, including the causes of breach, details of the underlying SBIA procedures, the assessment of the breach and the letter of notification for appointment of the Internal Audit firm, was submitted by SBIA to APRA on 09.02.2023. APRA was given assurance that SBIA has outlined the appropriate corrective actions to ensure against repetition of the issue.

Noting the breach, APRA, vide letter dated 09.03.2023, confirmed that they have decided not to take further action on the basis that SBIA will thoroughly undertake the remedial actions outlined in its letter of 09.02.2023.

SELF RELIANT INDIA (SRI) FUND

SCHEDULE III: ILLUSTRATION OF EXPENSES

Figures in INR cr															
Particulars	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**FY2030**	**FY2031**	**FY2032**	**FY2033**	**FY2034**	**FY2035**	**FY2036**
Capital commitment:															
Total Capital commitment from Unit Holders	10,005.0														
Total Contribution received from Unit Holders	613.3	1,346.3	1,853.9	2,455.9	3,095.4	362.7	35.5	35.7	35.9	36.0	36.2	36.4	36.6	19.8	5.4
Fees and other expenses															-
Fund registration, set-up and structuring / legal cost (one time)	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management fees (inc. GST*)	7.1	15.6	21.4	28.3	35.7	9.9	-	-	-	-	-	-	-	-	-
Operating fees (inc. GST*)	2.8	8.1	14.9	22.4	29.9	32.4	32.4	32.4	32.4	32.4	32.4	32.4	32.4	15.4	0.8
Fees to advisory board	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees to investment committee	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2

Other organization expenses	2.3	2.5	2.5	2.6	2.7	2.8	2.9	3.1	3.2	3.4	3.6	3.7	3.9	4.1	4.3
Net amount invested by Fund in Daughter Funds (Capital Deployed)	600.0	1,320.0	1,815.0	2,402.4	3,027.0	317.4	-	-	-	-	-	-	-	-	-
**Management fees and operating fees include GST at 18%*															

SELF RELIANT INDIA (SRI) FUND

Figures in INR cr				
	Capital contribution			
	Class A –GoI	10,000.0	99.95%	
	Class B - NSIC/ Sponsor	5.0	0.05%	
	Total	**10,005.0**	**100.00%**	
	As there is no hurdle rate for investor, there are 3 cases:			
	Case A Fund is at loss	8,004.0	80% of committed capital	
	Case B Fund is at no profit no loss	10,005.0		
	Case C Fund is at profit	12,006.0		
	Capital Commitment Received and Drawn Down			
S.No.	**Particulars (in INR cr)**	**Class A**	**Class B**	**Total**
1	Total Capital commitment from Unit Holders	10,000.0	5.0	10,005.0
2	Total Contribution received from Unit Holders	10,000.0	5.0	10,005.0
3	*Fees and other expenses*			
a	Fund registration, set-up and structuring/ legal cost (one time)	1.0	0.0	1.0
b	Management fees (inc. GST)	118.0	0.1	118.1
c	Operating fees (inc. GST)	353.8	0.2	353.9
d	Fees to advisory board	-	-	-
e	Fees to investment committee	2.6	0.0	2.6
f	Other organization expenses	47.5	0.0	47.6
4	Net amount invested by Fund in Daughter Funds (Capital Deployed)	9,477.1	4.7	9,481.9
	Case A: Fund is at a loss			
S.No.	**Particulars (in INR cr)**	**Class A**	**Class B**	
1.	Total amount available for distribution, post all expenses	8,000.0	4.0	

2.	Allocation of consideration for unit holders as documented in the PPM	8,000.0	4.0	
3.	Towards 100% repayment of capital contribution, if any	8,000.0	4.0	
4.	Balance amount available post repayment of capital contribution, if any	-	-	
5.	Towards hurdle rate on capital invested, if any	Not applicable	Not applicable	
6.	Towards catch-up rate on capital invested, if any	Not applicable	Not applicable	
7.	Balance distribution proceeds in excess of capital contributed, hurdle rate and catch up, if any	-	-	
8.	Allocation of distribution proceeds in excess of capital contributed, hurdle rate, and catch up to unit holders of each class, if any	-	-	
9.	Total distribution made to unit holders of each class	8,000.0	4.0	

	Case B: Fund is at no profit no loss			
S.No.	**Particulars (in INR cr)**	**Class A**	**Class B**	
1.	Total amount available for distribution, post all expenses	10,000.0	5.0	
2.	Allocation of consideration for unit holders as documented in the PPM	10,000.0	5.0	
3.	Towards 100% repayment of capital contribution, if any	10,000.0	5.0	
4.	Balance amount available post repayment of capital contribution, if any	-	-	
5.	Towards hurdle rate on capital invested, if any	Not applicable	Not applicable	
6.	Towards catch-up rate on capital invested, if any	Not applicable	Not applicable	
7.	Balance distribution proceeds in excess of capital contributed, hurdle rate and catch up, if any	-	-	
8.	Allocation of distribution proceeds in excess of capital contributed, hurdle rate, and catch up to unit holders of each class, if any	-	-	
9.	Total distribution made to unit holders of each class	10,000.0	5.0	
	Case C: Fund has earned profits			
S.No.	**Particulars (in INR cr)**	**Class A**	**Class B**	
1.	Total amount available for distribution, post all expenses	12,000.0	6.0	
2.	Allocation of consideration for unit holders as documented in the PPM	12,000.0	6.0	
3.	Towards 100% repayment of capital contribution, if any	10,000.0	5.0	
4.	Balance amount available post repayment of capital contribution, if any	2,000.0	1.0	
5.	Towards hurdle rate on capital invested, if any	Not applicable	Not applicable	
6.	Towards catch-up rate on capital invested, if any	Not applicable	Not applicable	
7.	Balance distribution proceeds in excess of capital contributed, hurdle rate and catch up, if any	2,000.0	1.0	
8.	Allocation of distribution proceeds in excess of capital contributed, hurdle rate, and catch up to unit holders of each class, if any	2,000.0	1.0	
9.	Total distribution made to unit holders of each class	12,000.0	6.0	

The above schedule is only illustrative of the expected expenses and distribution, it shall be subject to individual agreements amongst the stakeholders and operations of the Fund.

ANNEXURE I

Annexure I-A
INVESTOR CHARTER FOR ALTERNATIVE INVESTMENT FUNDS

A. Vision and Mission Statement:

Vision

To develop the Alternative Investment Fund ("**AIF**") industry on professional and ethical lines and maintain high standards of governance and transparency.

Mission

- Maintain high professional and ethical standards within the AIF industry.
- Comply with all applicable regulations and co-operate with the regulators in all aspects of the AIF activity.
- Act in a fiduciary capacity towards the investors.

B. Details of business transacted by the organization with respect to the investors:

- To raise capital from domestic and offshore investors.
- To invest in portfolio entities in accordance with investment strategy stated in Fund documents, with an objective to generate positive returns for the stakeholders including investors.
- To distribute returns to the investors as per the fund documents.

C. Details of services provided to investors:

1. On-boarding of investors.

1.1. Sharing of Private Placement Memorandum ("**PPM**").

1.2. Account opening with the AIF:

- Completing KYC of investors and registration of KYC with KYC Registration Agencies ("**KRA**").
- Sharing of copies of fund documents with investors.
- Entering into contribution agreement with investor.

2. Obtaining investor consent for material changes to fund structure

2.1. Change in the sponsor or the manager of the AIF.

2.2. Change in control of the sponsor or the manager of the AIF.

2.3. Material changes to terms of PPM:

- Term of Fund.
- Investment Strategy.
- Increase in fees and charges.

2.4. Winding up of Fund/ Scheme prior to expiry of tenure.

3. Dissemination of financial information of Fund.

3.1. Net Asset Value of Fund.

3.2. Financial information of Investee Entities.

3.3. Information on performance of Fund.

4. **Disclosures with respect to material risks associated with the fund and its portfolio investments.**
   4.1. Any inquiries/ legal actions by legal or regulatory bodies in any jurisdiction. - Please refer "**SECTION XIV- DISCIPLINARY HISTORY**".
   4.2. Any material liability arising during the tenure of the fund - Please refer "**SECTION XIV- DISCIPLINARY HISTORY**".
   4.3. Any breach of a provision of the PPM or any other agreement made with the investor or any other fund documents - There is no breach of a provision of the PPM of the Fund.
   4.4. Intimation regarding any conflict of interest – Please refer "**SECTION IX: CONFLICTS OF INTEREST**".
   4.5. Risks associated with the portfolio, such as concentration risk, foreign exchange risk, leverage risk, realization risk, strategy risk, reputation risk, extra-financial risks such as social and corporate governance risks etc. at fund and investee company/portfolio entity level - Please refer "**SECTION IX: CONFLICTS OF INTEREST**".

5. **Intimation of any non-material changes in the operations of the fund:**
   5.1. Non-material changes such as
   - Bank account details
   - Address of AIF or its Manager or Sponsor – Please refer to "**SECTION I: EXECUTIVE SUMMARY"** of this Memorandum for details.
   - Contact details such as email-id, contact number, etc. of AIF or its Manager or Sponsor - Please refer to the **DISCLAIMER** of this Memorandum for details of the Manager.

6. **Grievance redressal**
   Redressal of investor complaints received directly from investors and/ or from SEBI / SCORES – NIL. Please refer to Annexure I-B for complaints data.

D. Timelines of the activity/services provided to investors:

Sr. No.	Description of activity/services provided by Alternative Investment Funds (AIFs) to its investors	Timeline for completion of activity
1.	**Valuation related disclosures:**	
a.	Valuation of investment by Category I and II Alternative Investment Fund	At least once every six months. Can be extended to once a year with approval of 75% of its investors by value of investment.
2.	**Transparency related disclosures:**	
a.	Disclosure of financial information of investee companies/portfolio entities	Category I and II AIFs - within 180 days from the end of the quarter end or earlier as per the fund documents.
b.	Disclosure of Material risks: concentration risk, foreign exchange risk at fund level and leverage risk, realization risk, strategy risk, reputation risk at investee company/portfolio entity level, extra-financial risks such as social and	

	corporate governance risks etc. at fund and investee company/portfolio entity level	
C.	Financial, risk management, operational, portfolio, and transactional information regarding fund investments	To be disclosed periodically to the investors
d.	Any fees ascribed to the Manager or Sponsor; and any fees charged to the Alternative Investment Fund or any investee company/portfolio entity	
e.	Any inquiries/ legal actions by legal or regulatory bodies in any jurisdiction	As and when occurred
f.	Any material liability arising during the Alternative Investment Fund's tenure	
g.	Any breach of a provision of the placement memorandum or agreement made with the investor or any other fund documents	
h.	Intimation regarding conflict of interest in any transaction	As and when they arise or seem likely to arise
i.	Any change in terms of Private Placement Memorandum /fund documents	On consolidated basis within one month of end of each financial year
3.	**Complaint handling related services:**	
a.	Response to complaint received from investors	Within 30 days from the date of receipt of complaint
b.	Redressal of investor complaint received from SEBI/ SCORES	Within 30 days from the date of receipt of complaint

E. Details of grievance redressal mechanism and how to access it.

1. Alternative Investment Funds are required to redress all investor complaints in timely manner.

2. An Alternative Investment Fund, by itself or through the Manager or Sponsor, are required to lay down procedure for resolution of disputes between the investors and AIF or Manager or Sponsor through arbitration or any such mechanism as mutually decided between the investors and the Alternative Investment Fund.

3. Investors can also approach SEBI for redressal of their complaints through SEBI SCORES platform. On receipt of complaints, SEBI takes up the matter with the concerned AIF.

4. Investors may send their complaints to: Office of Investor Assistance and Education, Securities

and Exchange Board of India, SEBI Bhavan. Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

F. Responsibilities of investors

1. Responsibility to inform and educate yourself

1.1. Read thoroughly all fund documents including Private Placement Memorandum, Contribution Agreement, sales literature, newsletters and understand the product.

1.2. Carefully consider all investment risks, fees, and/or other factors detailed in these documents.

1.3. Ensure and make certain that the proposed investment in the Fund meets your investment objective and is in alignment with your risk appetite.

1.4. Review your portfolio holdings, account statements and transaction confirmation on regular basis to ensure that you aware of all transactions and securities where you are invested.

2. Responsibility to timely update your KYC and information with the Intermediary

2.1. Provide complete and accurate information in your KYC documents, including financial/ income status.

2.2. Timely updation of KYC information.

3. Responsibility to abide by the contribution agreement.

3.1. The investor needs to read carefully and understand the agreement that he/she is entering into with the Alternative Investment Fund and abide by the terms thereof.

3.2. The investor should be aware that investment terms are not guarantee of future performance or returns of the Fund/ Scheme.

4. Responsibility to use right financial intermediaries, consultants and advisors.

4.1. Carefully consider validity and reliability of investment information obtained from all sources, especially unsolicited information obtained over the Internet.

5. Responsibility to maintain confidentiality of information.

5.1. Investors shall not disclose any material non-public information that is received by virtue of being investors of the fund, except as may be guided by the terms of the fund documents.

SELF RELIANT INDIA (SRI) FUND

Annexure- I - B
COMPLAINTS DATA TO BE DISPLAYED BY AIFS FOR EACH SCHEME

A. Investor complaints data for the quarter ending March 2024

S.No.	Investor Complaints received from	Pendingas at the end of the last quarter	Received	Resolved	Total Pendingat the end of the quarter	Pending complaints > 3 months	Average Resolution time ^ (in days)
1.	Directly from Investors	-	-	-	-	-	-
2.	SEBI (SCORES)	-	-	-	-	-	-
3.	Other Sources (if any)	-	-	-	-	-	-
	Total	-	-	-	-	-	-

^ Average Resolution time is the sum total of time taken to resolve each complaint in days in the currentquarter divided by total number of complaints resolved in the current quarter.

B. Investor complaints data for last three Financial Years (FY)

S.No	FY	Carried forward from previous FY-	Received	Resolved	Pending at the end of FY
1.	2021-22	-	-	-	-
2.	2022-23	-	-	-	-
3.	2023-24	-	-	-	-
	Total	-	-	-	-

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NSE Indices

Annexure A

SELF-RELIANT INDIA FUND

AIF Performance Report



September 2023

This report pertains to the period ended September 30, 2023
This report has been prepared relying on the data reported to us by the fund without due diligence of the accuracy and validity of the data being submitted to us.
This report has been provided for the sole purpose of comparing the fund's performance with Nifty AIF Benchmarks for reporting to existing investors.

SRI FUND*

FUND OF FUNDS (FOF), VINTAGE: 2022

IRR and Investment Multiples – Pooled and Equal Weighted (INR)

Metric	Scheme Performance	Fund of Funds			Fund of Funds Vintage: 2022		
		No. of Schemes	Pooled	Equal Weighted	No. of Schemes	Pooled	Equal Weighted
IRR	8.42%	14	25.27%	17.88%	5	15.00%	14.39%
DPI	0.00		0.30	0.58		0.04	0.08
RVPI	1.06		1.71	1.79		1.10	1.17
TVPI	1.06		2.00	2.37		1.14	1.25

Source: NSE Indices. Data as of Sep 30, 2023. Returns and multiples are calculated on a post-expenses, pre-carry, and pre-tax basis.
Please refer the annexure for definitions, Definitions of metrics used, and the number of schemes excluded from the calculation of benchmark metrics for the period ended Sep 30, 2023.
Abbreviations used: IRR: Internal Rate of Return, DPI: Distribution to Paid in Capital, RVPI: Residual Value to Paid in Capital, TVPI: Total Value to Paid in Capital.

The table above compares the IRR, DPI, RVPI and TVPI of SRI Fund with pooled and equal-weighted metrics of the following Nifty AIF indices:

- Fund of Funds: consisting of 14 Category I and II schemes which are “Fund of Funds”
- Fund of Funds 2022: consisting of 5 Category I and II schemes which are “Fund of Funds” having Vintage 2022

In INR terms, SRI Fund has generated an IRR of 8.42%, while both indices have achieved pooled IRRs of 25.27%, and 15.00% respectively.

*The fund has revised data for SRI Fund after publication of Nifty AIF Benchmark Report for the period ended September 30, 2023. Metrics for this scheme in this report are calculated using revised data submitted by the fund. However, Nifty AIF Fund of Funds Benchmark metrics are the published numbers which were calculated using the fund’s previously submitted data.

NSE Indices

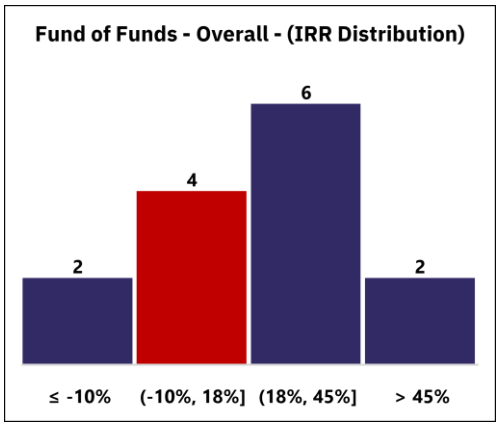
Quartile Analysis (INR)

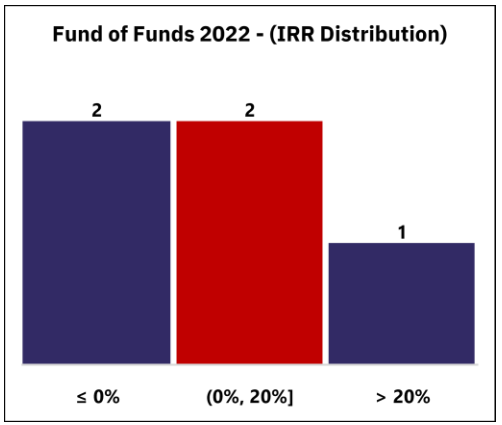
Metric	Scheme Performance	Fund of Funds					Fund of Funds Vintage: 2022				
		No. of Schemes	Q1	Median	Q3	Position	No. of Schemes	Q1	Median	Q3	Position
IRR	8.42%	14	25.32%	20.02%	2.44%	Third Quartile	5	13.44%	0.15%	-3.02%	Second Quartile
TVPI	1.06		2.27	1.84	1.03	Third Quartile		1.12	1.00	0.98	Second Quartile

Source: NSE Indices. Data as of Sep 30, 2023. Returns are calculated on a post-expense, pre-carry, and pre-tax basis.
1st and 3rd Quartiles are the return and multiple thresholds for the top 25% and bottom 25% schemes respectively, based on individual scheme IRRs and TVPIs. Please refer the annexure for Definitions, definitions of metrics used, and the number of schemes excluded from the calculation of benchmark metrics for the period ended Sep 30, 2023.
Abbreviations used: IRR: Internal Rate of Return, TVPI: Total Value to Paid in Capital.

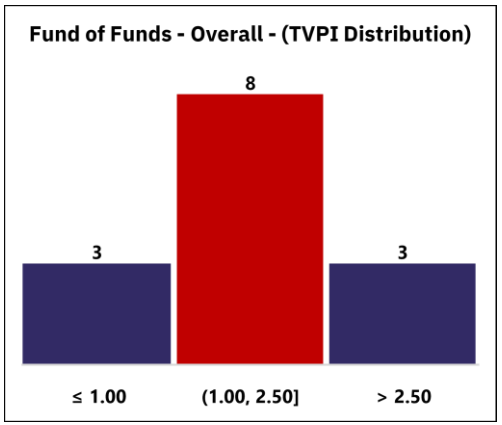
The table above shows SRI Fund's IRR and TVPI compared to the distribution of IRRs and TVPIs of relevant Fund of Funds indices, in INR terms. For instance, there are 14 Category I and II schemes which are fund of funds. SRI Fund has an IRR of 8.42% and TVPI of 1.06 putting it in the Third Quartile of all Category I and II schemes which are fund of funds for both metrics. Further, there are 5 Category I and II schemes which are fund of funds and have the same vintage as SRI Fund. When compared to those 5 schemes, an IRR of 8.42% and TVPI of 1.06 puts SRI Fund in the Second Quartile for both metrics.

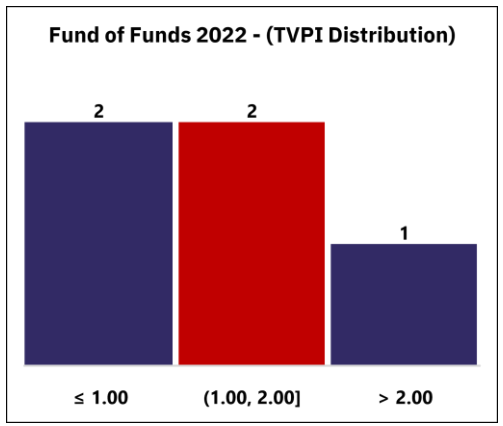
IRR Distribution (INR)





TVPI Distribution (INR)





Red bars indicate the positioning of SRI Fund
Source: NSE Indices. Data as of Sep 30, 2023. Returns and multiples are calculated on a post-expenses, pre-carry, and pre-tax basis. Please refer the annexure for details regarding scheme eligibility criteria and the number of schemes excluded from the calculation of benchmark metrics for the period ended Sep 30, 2023. Abbreviations used: IRR: Internal Rate of Return, TVPI: Total Value to Paid in Capital.

NSE Indices

Annexure

Definitions and Calculation Methodologies

NSE Indices strives to be in alignment with the best practices in the industry and maintain consistency and transparency in the methodology and definitions used. Below are the definitions of metrics used in this report.

Definitions relevant to Category I and II:

Vintage Year

Benchmarks for Categories I and II are calculated based on their vintage years. Vintage year is defined as the financial year in which the scheme had its first close i.e., the vintage year of a scheme will be FY14 if it had its first close anywhere between Apr 01, 2013, and Mar 31, 2014.

Pooled Internal Rate of Return (IRR)

Pooled IRR denotes the IRR calculated at an aggregate level by pooling all the cash flows that have occurred within all the schemes belonging to a particular category - vintage year combination. The cash flows are considered according to the date on which they have occurred and the valuation as of Sep 30, 2023, is considered as the terminal value for calculation.

Equal – Weighted IRR

This is equivalent to a simple average of the individual schemes' IRRs. The result is that each scheme in these calculations has an equal impact on the output, regardless of the scheme size.

Multiples and Realization ratios

Three types of ratios are considered for calculation of benchmarks, viz distributions to paid-in capital (DPI), residual value to paid-in capital (RVPI) and total value to paid-in capital (TVPI). All the three ratios are calculated for each applicable vintage year.

Distribution to paid – in capital multiple (DPI)

DPI is calculated by dividing the total distributions made to investors, by the total paid-in capital by the investors. DPI is also known as the realization multiple.

Residual Value to paid-in capital multiple (RVPI)

RVPI is calculated by dividing the residual value of all the investments remaining in the scheme post distributions, by the total paid-in capital. The residual value refers to the valuation of the scheme as of the date for which the benchmarks have been calculated.

Total Value to paid-in capital multiple (TVPI)

TVPI is calculated by dividing the sum of total distributions and residual value, by the total paid-in capital. It is also known as the investment multiple. It is the sum of DPI and RVPI.

Pooled Multiples

These ratios are calculated by aggregating (summing) the cashflows of all schemes of a vintage year into a single series of cashflows.

Equal-Weighted Multiples

These ratios are calculated as the simple average of the multiples of constituent schemes of each vintage year.

Quartile Analysis

Summary statistics of the distribution of IRRs and TVPIs by vintage year are calculated. Top quartile, median and bottom quartile IRR and TVPI levels are reported. Top and bottom quartiles are the calculated IRR/TVPI levels for the top 25% and bottom 25% schemes, respectively based on the individual scheme IRRs/TVPIs in each vintage year. Quartile numbers in the report are calculated basing calculations on a percentile range of 0 to 1, inclusive of lower bounds.

Kaplan-Schoar Public Market Equivalent (KS-PME)

The Kaplan-Schoar PME represents the market-adjusted equivalent to the traditional TVPI. It incorporates the performance contribution of a public market index by compounding each scheme cash flow – both capital calls and distributions – based on the public market index performance between the date of the cash flow and the valuation date. The KS-PME is calculated by adding the scheme's final NAV to the distributions compounded at the public market index return and dividing this sum by the sum of capital calls compounded at the public market index return. The KS-PME produces a multiple that represents the out/underperformance of the scheme relative to the public market index. If the KS-PME is greater than 1, the scheme outperformed the public market index and vice versa.

The formula for KS-PME is given as: $$KS - PME = \frac{\sum FV(D) + NAV}{\sum FV(C)}$$

Where FV(D) and FV(C) are the future value (at the final calculation date) of distributions and capital calls respectively, compounded at the public market index CAGR, and NAV is the valuation of the fund/scheme as on the final calculation date.

NSE Indices

Sub-Category Definitions

For classification of schemes into various sub-categories, actual asset allocation has been considered. For schemes that are active as on September 30, 2023, portfolio composition as on September 30, 2023, has been considered. For schemes that have matured, their last available portfolio compositions have been considered.

Category I & II sub-classification criteria

For Category I Schemes:
Category I Schemes are classified purely based on their nature of registration with Securities and Exchange Board of India (SEBI).

For Category II schemes:
Real Estate – Equity Oriented Fund: Schemes that have at least 90% exposure to real estate sector and at least 65% exposure to real estate equity.
Real Estate – Non-Equity Oriented & Others Fund: Schemes that have at least 90% exposure to real estate sector and less than 65% exposure to real estate equity. Also included in this category are those schemes that have at least 90% exposure to real estate sector but have not specified the nature of real estate investments – whether equity or debt.
Real Estate – Non-Equity Oriented & Others Fund – Residential Only: Schemes that are classified as Real Estate – Non-Equity Oriented & Others above and have at least 65% exposure to Residential real estate.
Distressed Asset Fund: Schemes that have at least 65% exposure to distressed asset.
Debt Fund: Schemes that are not classified as Real Estate above and have at least 65% exposure to debt.
Unlisted Equity Fund: Schemes that are not classified as Real Estate above and have at least 90% exposure to unlisted equity.
Listed + Unlisted Equity Fund: Schemes that are not classified as Real Estate and Unlisted Equity above and have at least 65% exposure to equity (listed + unlisted).
Fund of Funds: 'Fund of Funds' (FOF) is an investment strategy of holding a portfolio of other investment funds rather than investing directly in stocks, bonds, or other securities. An FOF Scheme of a primarily invests in the units of another AIF scheme.
Note:

In addition to the above-mentioned criteria, scheme's historical portfolio allocation, investment strategy and self-classification have also been considered for subcategorization.

Eligibility Criteria

All AIFs registered with SEBI under the SEBI (Alternative Investment Funds) Regulations, 2012, are considered for the calculation of benchmarks, provided they fulfil the following criteria:

- Completion of one year from the first close of the scheme as on the date for which the benchmarks are calculated. For e.g., the AIF benchmark calculated for the period ending Sep 30, 2023, will have schemes that had their first close on or before Sep 30, 2022
- Valid data is provided to NSE Indices Ltd. in the specified format and by the stipulated deadline.

The following are **excluded** from calculation of benchmarks:

- Any scheme that has not completed one year since its first close as on the date for which the benchmarks are calculated, i.e., Sep 30, 2023
- Angel Funds registered under Category I-AIF
- Any scheme that has not provided complete or valid data or that has not provided data in the required format.
- Schemes having vintage of 2012 or earlier.

22 schemes were excluded from the calculation of Category I and Category II benchmark metrics as on Sep 30, 2023, due to the following reasons:

- Submission of incomplete/ inconsistent data
- Manual exclusions when data was provided/ revised after stipulated deadline or cases of extreme IRRs for which confirmations were not received from respective AIFs within stipulated time.

Contact Details

Analytical contact
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Vice President and Head of Sales – (Index and Data Analytics)
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About NSE Indices Limited:

NSE Indices Limited (formerly known as India Index Services & Products Ltd. - IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. The company focuses on the index as a core product. The company owns and manages a portfolio of indices under the Nifty brand of NSE, including the flagship index, the Nifty 50. Nifty equity indices comprises of broad-based benchmark indices, sectoral indices, strategy indices, thematic indices, and customised indices. NSE Indices Limited also maintains fixed income indices based on Government of India securities, corporate bonds, money market instruments and hybrid indices. Many investment products based on Nifty indices have been developed within India and abroad. These include index-based derivatives traded on NSE and NSE International Exchange IFSC Limited (NSE IX) and a number of index funds and exchange traded funds. The flagship Nifty 50' index is widely tracked and traded as the benchmark for Indian Capital Markets.
For more information, please visit: www.niftyindices.com

Disclaimer

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Contact

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Address: Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai– 400 051(India)

SBICAP Ventures Limited
Balance sheet as at 31st March 2024

(Rs in lakhs)

Particulars	Note	As at 31st March 2024	As at 31st March 2023
ASSETS			
Financial Assets			
Cash and cash equivalents	2(a)	1,793	31
Bank balance other than above	2(b)	643	2,847
Receivables			
Trade receivables	3	420	4,753
Other receivable	3	218	108
Investments	4	24,756	16,180
Other financial assets	7	23	81
Total Financial Assets		**27,853**	**24,000**
Non-financial Assets			
Property, plant and equipment	5	131	173
Right-of-use assets	5	900	235
Intangible assets	6	34	30
Current tax assets (net)	8	-	26
Other non-financial assets	9	84	49
Total Non - Financial Assets		**1,149**	**513**
TOTAL ASSETS		**29,002**	**24,513**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	10(a)	8	5
Total outstanding dues of creditors other than micro enterprises and small enterprises	10(b)	32	24
Lease liabilities	11	926	249
Total Financial Liabilities		**966**	**278**
Non-Financial Liabilities			
Current tax liabilities (net)	8	30	-
Provisions	12	1,618	1,320
Deferred tax liabilities (net)	13	682	711
Other non-financial liabilities	14	58	849
Total Non-Financial Liabilities		**2,388**	**2,880**
EQUITY			
Equity share capital	15	6,038	6,038
Other equity	16	19,610	15,317
Total Equity		**25,648**	**21,355**
TOTAL LIABILITIES AND EQUITY		**29,002**	**24,513**
Significant accounting policies	1		

The accompanying notes are an integral part of these financial statements

As per our attached report of even date

For K P M R & Co
Chartered Accountants
(FRN : 104487W)

Pravesh Dangaich
Date : 22nd April 2024
Membership No. 154813

Place : Mumbai
Date : 22nd April 2024

For and on behalf of the Board
SBICAP Ventures Limited

Suresh Kozhikode
MD & CEO
DIN: 08183787

S V Sastry
Director
DIN: 07972562

Pawan Baheti
Chief Financial Officer

Ankita Shrivastav
Company Secretary

K P M R & CO. FRN : 104487W 203-A, Centre Point Bldg., 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400 012. CHARTERED ACCOUNTANTS

SBICAP VENTURES LIMITED

SBICAP Ventures Limited

Statement of Profit and Loss for the year ended 31st March, 2024

(Rs in lakhs)

Particulars	Note	For the period ended 31st March 2024	For the year ended 31st March 2023
Revenue from operations			
Fees and commission income	17	11,895	12,404
Net gain on fair value changes	18	645	1,566
Total revenue from operations		**12,540**	**13,970**
Other income	19	173	201
Total income		**12,713**	**14,171**
Expenses			
Finance costs	20	33	26
Employee benefits expense	21	4,744	4,219
Depreciation, Amortisation and Impairment	22	504	503
Other expenses	23	1,201	1,085
Total expenses		**6,482**	**5,833**
Profit before tax		**6,232**	**8,338**
Tax expense:			
- Current tax	24	1,944	1,900
- Deferred tax	24	(29)	255
Total tax expense		**1,915**	**2,155**
Profit after tax		**4,317**	**6,183**
Other comprehensive income			
Actuarial losses on defined benefit plan		(24)	(17)
Other comprehensive income for the year (net of tax)		**(24)**	**(17)**
Total comprehensive income for the year (net of tax)		**4,293**	**6,166**
Earnings per equity share (face value of Rs 10 each)	25		
- Basic		7.15	10.21
- Diluted		7.15	10.21

The accompanying notes are an integral part of these financial statements

As per our attached report of even date

For K P M R & Co
Chartered Accountants
(FRN : 104497W)

Pravesh Dangaich
Date : 22nd April 2024
Membership No. 154813

Place : Mumbai
Date : 22nd April 2024

For and on behalf of the Board
SBICAP Ventures Limited

Suresh Kozhikote
MD & CEO
DIN: 08183787

S V Sastry
Director
DIN: 07972562

Pawan Baheti
Chief Financial Officer

Ankita Shrivastav
Company Secretary

SBICAP Ventures Limited
Cash flow statement for the year ended 31st March 2024

(Rs in lakhs)

Particulars	31st March 2024	31st March 2023
A. Cash flow from operating activities		
Net profit before taxation	6,232	8,338
Adjustment for :		
Depreciation	504	503
Interest on lease liability	33	26
Capital gain on sale of mutual fund units	(411)	(64)
Capital gain on sale of units of AIF	-	(117)
Changes in fair value of financial assets through FVTPL	(234)	(1,385)
Interest income	(115)	(189)
Operating profit before working capital changes	**6,009**	**7,112**
Adjustments for changes in working capital		
(Increase) / decrease in financial assets	58	35
(Increase) / decrease in non financial assets	(35)	(17)
(Increase) / decrease in trade receivables	4,333	(4,704)
(Increase) / decrease in other receivables	(110)	(7)
(Increase) / decrease in other accounts held with bank	(24)	33
Increase / (decrease) in other non financial liabilities	(517)	1,012
Increase / (decrease) in financial liabilities	11	26
Cash generated from operations before tax	9,725	3,490
Direct taxes paid	(1,888)	(1,932)
Net cash generated from operating activities	**7,837**	**1,558**
B. Cash flow from investing activities		
Investment in units of AIF	**(1,464)**	(1,948)
(Increase) / decrease in mutual fund units	**(6,878)**	(642)
(Increase) / decrease in equity instruments	-	3
Maturity / (investment) in fixed deposits	2,228	1,110
Interest income	115	189
Capital gain on sale of mutual fund units	411	64
Capital gain on sale of units of AIF	-	117
Sale of property, plant and equipment	2	4
Purchase of property, plant and equipment	(1,133)	(130)
Net cash used in investing activities	**(6,719)**	**(1,233)**
C. Cash flow from financing activities		
Repayment of lease liabilities	644	(330)
Net cash used in financing activities	**644**	**(330)**
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	1,762	(5)
Cash and cash equivalents at the beginning of the year	31	36
Cash and cash equivalents at the end of the year	**1,793**	**31**
Notes:		
1) **Cash and cash equivalents include:**		
Cash on hand	-	0
Balances with banks in current accounts	1,793	31
	1793	**31**

The cash flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The accompanying notes are an integral part of these financial statements

As per our attached report of even date

For K P M R & Co
Chartered Accountants
(FRN : 104497W)

Pravesh Dangaich
Date : 22nd April 2024
Membership No. 154813

Place : Mumbai
Date : 22nd April 2024

For and on behalf of the Board
SBICAP Ventures Limited

Suresh Kozhikote
MD & CEO
DIN: 08183787

Pawan Baheti
Chief Financial Officer

S V Sastry
Director
DIN: 07972562

Ankita Shrivastav
Company Secretary

SBICAP Ventures Limited
STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Rs in lakhs)

Particulars	No of shares (Nos.)	Amount
Balance as at 01st April 2022	6,03,77,917	6,038
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	6,03,77,917	6,038
Changes in equity share capital during the current year	-	-
Balance as at 31st March 2023	6,03,77,917	6,038
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	6,03,77,917	6,038
Changes in equity share capital during the current year	-	-
Balance as at 31st March 2024	6,03,77,917	6,038

B. Other Equity

(Rs in lakhs)

Particulars	Reserves and surplus		Other items of other comprehensive income	Total
	Capital reserve	Retained earnings		
Balance as at 01st April 2022	94	9,085	(28)	9,151
Transfer to retained earnings	-	6,183	-	6,183
Actuarial losses on defined benefit plan	-	-	(17)	(17)
Balance as at 31st March 2023	**94**	**15,268**	**(45)**	**15,317**
Balance as at 01st April 2023	**94**	**15,268**	**(45)**	**15,317**
Transfer to retained earnings	-	4,317	-	4,317
Actuarial losses on defined benefit plan	-	-	(24)	(24)
Balance as at 31st March 2024	**94**	**19,585**	**(69)**	**19,610**

The accompanying notes are an integral part of these financial statements

As per our attached report of even date

For K P M R & Co
Chartered Accountants
(FRN : 104497W)

Pravesh Dangaich
Date : 22nd April 2024
Membership No. 154813

Place : Mumbai
Date : 22nd April 2024

For and on behalf of the Board
SBICAP Ventures Limited

Suresh Kozhikote
MD & CEO
DIN: 08183787

S V Sastry
Director
DIN: 07972562

Pawan Baheti
Chief Financial Officer

Ankita Shrivastav
Company Secretary

SBICAP VENTURES LIMITED

Notes to financial statements for the year ended March 31, 2024

Company Overview

SBICAP Ventures Limited (hereinafter referred to as ''the Company'') is a unlisted public limited company domiciled in India and incorporated under the provisions of the Companies Act, applicable in India. The registered office address of the Company is located at 12th floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel (East) Mumbai - 400 013, India.

The Company is providing services of fund manager to Neev fund, SVL SME Fund, SWAMIH Investment Fund I, Self-Reliant India Fund, UK India Development Corporation Fund and Trilateral Development Cooperation Fund.

The Company is a wholly owned subsidiary of State Bank of India.

1. Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These accounting policies have been consistently applied to all the years presented by the Company unless otherwise stated.

A. Basis of Preparation and Recent Accounting Developments

i. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (hereinafter referred to as "Ind AS") under the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended. The Company is covered under the definition of NBFCs as per MCA notification dated 30th March 2016. Therefore, the financial statements have been prepared as per format prescribed by MCA for Non-Banking Financial Companies.

ii. Basis of measurement

The financial statements have been prepared on historical cost basis except the following:

- certain financial instruments that are measured at fair value;
- defined benefit plans- plan assets measured at fair value.

B. Summary of material accounting policies

a. Foreign Currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency. The amounts have been rounded off to nearest lakhs as per the requirement of schedule III unless otherwise stated.

Transaction and balances

Transactions in foreign currencies are initially recorded by the Company in their functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period.

Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in profit or loss except

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- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks;

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

b. Revenue recognition

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115 to determine when to recognize revenue and at what amount. The Company applies for the five - step approach for recognition of revenue:-

- Identification of contract(s) with customer
- Identification of separate performance obligation in the contract
- Determination of transaction price
- Allocation of transaction price to the separate performance obligation, and
- Recognition of revenue when (or as) each performance obligation is satisfied

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, cash discount and amounts collected on behalf of third parties.

Fee based Income

Management Fees are accrued and recognized based on respective agreements entered into with each fund.

Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

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

Dividend Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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c. Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replaced part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.
Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the depreciation method mentioned in table below. Management believes based on a technical evaluation that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Useful lives estimated by the management (years)	Depreciation Method
Computers and mobiles	3	SLM
Office Equipment (other than mobile phones)	5	SLM
Electrical fittings	10	SLM
Furniture & Fixtures	10	SLM
Plant & Machinery	15	SLM
Plant & Machinery (Electric fittings)	8	SLM

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

Improvements to the leasehold premises are amortised over the primary lease period subject to a maximum period of Three years.

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Capital work in progress

Projects under which property plant and equipment are not ready for their intended use are carried at cost less accumulated impairment losses, comprising direct cost, inclusive of taxes, duties, freight, and other incidental expenses.

Intangible assets

a. Recognition and measurement

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

Initial cost of software implementation is capitalised and any subsequent maintenance cost or enhancement cost are expensed out to statement of profit and loss unless it meets recognition criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortisation expense is recognised on a straight-line basis over their estimated useful lives in the statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

b. Useful lives of intangible assets

Estimated useful lives of the intangible assets adopted by management are as follows:

Description of assets	Useful lives (In years)	Method of depreciation / amortization
Computer software	3 years	SLM

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2017 measured as per the Previous GAAP as the deemed cost of the property, plant and equipment.

d. Taxation

Current taxes

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally

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recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside the profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity)

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

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

e. Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.





f. Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets that have an indefinite useful life and which are not subject to amortization are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

g. 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.

Financial Assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss. Investments are recognised on the transaction date, which is the date on which the Company enters into the transaction.

b) Subsequent measurement

Financial; Assets at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

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Financial Assets at Fair Value through Other Comprehensive Income (OCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income and impairment gains or losses in the statement of profit and loss. On derecognition of the asset, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income is classified as fair value through profit or loss. Debt instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Dividends from such investments are recognized in profit or loss as other income. There is no recycling of the amounts from OCI to Profit and Loss, even on sale/derecognition of equity instrument. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in subsidiaries, associates and joint ventures is carried at previous GAAP carrying cost in the financial statements.

Investment in Alternative Investment Funds (AIFs)

All investments in AIFs are measured at fair value. The valuation shall be done at the Net Asset Value (NAV) as disclosed by the AIF. Any proceeds realized from the exit of an investment in AIF shall be recognized as per the Distribution Waterfall mechanism as defined in the Private Placement Memorandum (PPM) of the respective Fund.

c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company balance sheet) when:

The rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d) Impairment of financial assets

The Company recognizes impairment loss by applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

For trade receivables or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

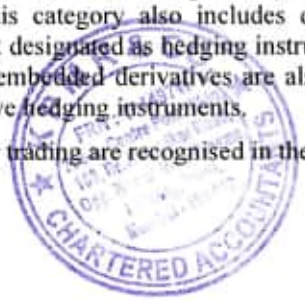
b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.





Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortisation is included as finance costs in the statement of profit and loss.

c) Derecognition

A financial liability is derecognised 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 recognised in the statement of profit or loss.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h. Leases

Company as a Lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee

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in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

In accordance with the standard, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. Lease payments for short term leases and leases for which the underlying asset is of low value are recognized as an expense on a straight- line basis over the lease term in the statement of profit or loss.

Company as a Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

i. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

j. 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. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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k. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

l. Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a 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.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

m. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events wshose 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Capital commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/ development of assets and other commitment represent the amounts pertaining to investments which have been committed but not called for.

n. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income-tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.





o. Cash and Cash Equivalents

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

p. Employee Benefits

Defined Contribution Plan:

i. Provident Fund

The Company has defined contribution plans for post-employment benefits in the form of Provident fund. Under the Provident Fund plan, the company contributes to Government administered Provident Fund on behalf of employees. The Company has no further obligation beyond making the contribution.
The Company's contribution to Government Provident Fund is charged to the Statement of Profit and Loss.

ii. National Pension Scheme/Scheme (NPS)

NPS is a defined contribution scheme. In case employee opts for NPS, the Company contributes a sum not exceeding 10% of basic salary plus dearness pay of the eligible employees' salary to the NPS. The Company recognizes such contribution as an expense as and when incurred.

Other Long-term employee benefit obligation: Compensated absences

The company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation carried out as at the end of each financial year.

- **Post- employment obligations**

The Company operates the following post-employment schemes:

I. Defined benefit plans -Gratuity

Defined benefit plan - Gratuity Obligations

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972.

The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Company.

As required by the Ind AS19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method.

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SBICAP VENTURES LIMITED

Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations. The Company recognizes these items of remeasurements immediately in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

1.1 Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the financial statements are as follows:

- **Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Actuarial valuation is made on yearly basis.

- **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1.2 Standards Issued/Amended but not Effective.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any amendments to the Companies (Indian Accounting Standards) Amendment Rules, 2023.





SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

(Rs in Lakhs)

	As at 31st March 2024	As at 31st March 2023
Note 2-Cash and Cash equivalents and Other Bank Balances		
(a) Cash and Cash equivalents		
Balances with banks		
- In current accounts	1,793	31
- In Fixed Deposits (Maturity less than 3 months)	-	-
Cash on hand	-	0
	1,793	31
(b) Bank balance other than (a) above		
Deposits -maturity more than 3 months	579	2,807
Balances with bank in current accounts*	64	40
	643	2,847
Total	**2,436**	**2,878**
* includes a balance of Rs. 64 lakhs to be utilised towards SIDBI technical assistance		
Of above bank deposits, Rs 500 lakhs (PY: Rs 500 lakhs) are placed as security against bank guarantee		
Note 3-Receivables		
Trade Receivables	420	4,753
Receivable from related parties	-	-
Less : Allowance for doubtful debts	-	-
	420	**4,753**
Break up of security details		
Secured, considered good	-	-
Unsecured, considered good	420	4,753
Doubtful	-	-
	420	**4,753**
Less : Allowance for doubtful debts	-	-
Total	**420**	**4,753**
Other Receivables	218	108
Total Other Receivables	**218**	**108**
Note 4-Investments		
(i)		
(a) Investment in Equity instruments		
Quoted		
Unquoted (At FVTPL)	6	3
Total	**6**	**3**
(b) Investments in Mutual funds		
- Quoted (At FVTPL)	9,377	2,357
- Unquoted	-	-
Total	**9,377**	**2,357**
(c) Other non-current investments(AIF and Trusts)		
- Quoted	-	-
- Unquoted (At FVTPL)	15,373	13,820
Total	15,373	**13,820**
Total	**24,756**	**16,180**
The Company has valued its investments at FVTPL.None of its investment are valued at amortised cost or FVTOCI.		
(ii)		
(a) Investment outside India	-	-
(b) Investment in India	24,756	16,180
Total	**24,756**	**16,180**
(iii)		
Less - Allowance for impairment loss	-	-
Total Net (i) - (iii)	**24,756**	**16,180**

KPMR & CO. FRN : 104497W CHARTERED ACCOUNTANTS

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Notes to financial statements for the year ended 31st March, 2024

Note 5 - Property, plant and equipment

(Rs in Lakhs)

Particulars	Computers	Office Equipments *	Furniture and Fixtures	Leasehold Renovation	Right of Use Assets	Total
A. Gross carrying amount						
Opening Balance as at April 1, 2022	**90**	**53**	**15**	**267**	**975**	**1,400**
Additions	39	10	-	4	42	95
Disposals	(7)	(1)	-	-	-	(8)
Balance as at March 31,2023	**122**	**62**	**15**	**271**	**1,017**	**1,487**
Additions	31	10		41	1,034	1,116
Disposals	(4)	(1)			(975)	(980)
Balance as at March 31, 2024	**149**	**71**	**15**	**312**	**1,076**	**1,623**
B. Accumulated depreciation						
Opening Balance as at April 1, 2022	**44**	**10**	**1**	**86**	**444**	**585**
Depreciation charge for the period	30	12	1	117	338	498
Disposals	(4)	-				(4)
Balance as at March 31,2023	**70**	**22**	**2**	**203**	**782**	**1,079**
Depreciation charge for the period	36	14	1	71	369	491
Disposals	(2)	(1)			(975)	(978)
Balance as at March 31, 2024	**104**	**35**	**3**	**274**	**176**	**592**
Net carrying amount as at March 31,2024	**45**	**36**	**12**	**38**	**900**	**1,031**
Net carrying amount as at March 31,2023	**52**	**40**	**13**	**68**	**235**	**408**

* The Fixed asset category of Plant & Machinery has been reclassified under Office Equipments based on the nature of the asset

The Company does not have any capital WIP as on 31st March, 2024

KPMR & CO. CHARTERED ACCOUNTANTS

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Notes to financial statements for the year ended 31st March, 2024

Note 6 - Intangible Assets

(Rs in Lakhs)

Particulars	Software	Total
A. Gross carrying amount		
Opening Balance as at April 1, 2022	-	-
Additions	35	35
Disposals	-	-
Balance as at March 31,2023	**35**	**35**
Additions	17	17
Disposals	-	-
Balance as at March 31, 2024	**52**	**52**
B. Accumulated depreciation		
Opening Balance as at April 1, 2022	-	-
Depreciation charge for the period	5	5
Disposals	-	-
Balance as at March 31,2023	**5**	**5**
Depreciation charge for the period	13	13
Disposals	-	-
Balance as at March 31, 2024	**18**	**18**
Net carrying amount as at March 31,2024	**34**	**34**
Net carrying amount as at March 31,2023	**30**	**30**

KPMR & CO. CHARTERED ACCOUNTANTS

SBICAP VENTURES LIMITED

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Notes to financial statements for the year ended 31st March, 2024

(Rs in Lakhs)

	As at 31st March 2024	As at 31st March 2023
Note 7-Other Financial Assets		
Accrued interest	13	74
Other recievables	-	0
Security deposits	11	7
	24	**81**
Note 8-Current Tax Asset / (Liabilities) (Net)		
Advance tax and TDS	6,294	4,406
Provision for tax	(6,324)	(4,380)
	(30)	**26**
Note 9-Other Non-Financial assets		
Prepaid Expenses	84	49
	84	**49**
FINANCIAL LIABILITIES		
Note 10-Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	8	5
Total outstanding dues of creditors other than micro enterprises and small enterprises	32	24
	41	29
Note 11-Lease liabilities		
Lease liabilities	926	249
	926	**249**
NON-FINANCIAL LIABILITIES		
Note 12-Provisions		
Provision for gratuity	250	194
Provision for leave encashment	343	210
Provision for employee benefits	967	822
Provision for expenses	58	94
	1,618	**1,320**
Note 13-Deferred tax (liability) / asset		
Deferred tax (liability) / asset		
- Fair value of investments	(890)	(831)
- Lease asset creation	(2)	2
- Gratuity	63	17
- Leave encashment	86	53
- Depreciation	60	48
	(682)	**(711)**
Note 14-Other non-financial liabilities		
Statutory Liabilities Payable	13	815
Others*	45	34
	58	**849**

* includes Rs. 45 lakhs payable towards SIDBI technical assistance





SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

(Rs in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Note 15 - Share capital		
Authorised share capital		
10,00,00,000 (PY: 10,00,00,000) equity shares of Rs. 10 each	10,000	10,000
Issued, subscribed and paid-up share capital		
6,03,77,917 (PY: 6,03,77,917) equity shares of Rs. 10 each	6,038	6,038
	6,038	**6,038**

Notes:

a) Reconciliation of shares outstanding as at 31st March, 2023 and as at 31st March, 2024

	No. of Shares		Amount	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Outstanding at the beginning of the year	6,03,77,917	6,03,77,917	6,038	6,038
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	6,03,77,917	6,03,77,917	**6,038**	**6,038**

b) Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares. Each holder of equity shares is entitled to one vote per share.

c) Shares of the Company held by Holding Company

100% of the shares are held by State Bank of India and its nominees

Note 16 - Other Equity

(Rs in Lakhs)

Particulars	Retained earnings	Capital redemption reserve*	Other comprehensive income	Total
Balance as at April 1, 2022	**9,085**	**94**	(28)	**9,151**
Profit for the year	6,183	-	-	6,183
Other comprehensive income for the year	-	-	(17)	(17)
Closing Balance as at March 31, 2023	**15,268**	**94**	**(45)**	**15,317**
Balance as at April 1, 2023	**15,268**	**94**	(45)	**15,317**
Profit for the period	4,317	-	-	4,317
Other comprehensive income for the year	-	-	(24)	(24)
Other Adjustments	-	-	-	-
Closing Balance as at March 31, 2024	**19,585**	**94**	**(69)**	**19,610**

*Capital Redemption reserve has been created on buyback of shares

KPMR & CO. CHARTERED ACCOUNTANTS

SBICAP VENTURES LIMITED

SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

(Rs in lakhs)

Particulars	For the period ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations		
Note 17 - Fees and Comission Income		
Management Fees	11,895	12,404
	11,895	**12,404**
Note 18 - Net gain (loss) on fair value changes		
Instruments measured at Fair value through Profit & Loss		
Unrealized		
- Fair Value gain / (loss) on units of AIF	89	1,343
- Fair Value gain / (loss) on mutual fund units	142	39
- Fair Value gain / (loss) on equity instruments	3	3
Realized		
- Capital gain on sale of units of AIF	-	117
- Capital gain on sale of mutual fund units	411	64
	645	**1,566**
Note 19 - Other Income		
Interest on Bank Fixed Deposit	115	187
Reimbursement of Expenses (Income)	58	-
Other Interest Earned	-	2
Miscellaneous Income	-	12
	173	**201**
Expenses		
Note 20 - Finance Costs		
Interest on Lease Liabilities	33	26
	33	**26**
Note 21 - Employee Benefits Expense		
Salaries, allowances and bonus	4,261	3,712
Leave encashment	133	210
Gratuity	54	56
Contribution to provident and other funds	195	177
Staff welfare expense	101	64
	4,744	**4,219**
Note 22 - Depreciation, Amortisation and Impairment		
Depreciation on property, plant and equipment	122	160
Amortisation on intangible assets	13	5
Depreciation on right to use assets	369	338
	504	**503**





SBICAP Ventures Limited

Notes to financial statements for the year ended 31st March, 2024

(Rs in lakhs)

Particulars	For the period ended 31st March, 2024	For the year ended 31st March, 2023
Note 23 - Other expenses		
Business Promotion Expense	37	139
Travelling and conveyance expenses	113	122
Offsite expense	158	112
Legal & professional fees	295	317
Computer expense	76	55
Electricity charges	19	15
Housekeeping expense	26	20
Repairs and Maintenance	50	46
Membership & Subscription	47	44
Insurance expense	11	10
Rates and taxes	59	8
Directors' sitting fees	11	5
Payment to auditors	2	3
Bank charges	3	3
Communication expense	12	11
GST Expenses	1	1
Rent expense	26	-
Interest on delayed payment of taxes	-	0
CSR expenses	96	61
Royalty	124	65
Other miscellaneous expenses	35	48
	1,201	**1,085**
Note 24 - Tax Expense		
Current Tax	1,944	1,900
Deferred Tax	(29)	255
	1,915	**2,155**
Reco of tax expense and accounting profit multiplied by domestic tax rate:		
Accounting profit before income tax	**6,232**	**8,338**
Statutory income tax rate of 25.168% for other than LTCG	1,568	2,099
Statutory income tax rate of 22.88% for LTCG	-	-
Add: Deferred Tax Adjustment on account of fair valuation	(59)	349
Total	**1,509**	**2,448**
Adjustments recognised in the current year in relation to the current and deferred tax	406	(293)
Income tax expense reported in the statement of profit and loss	**1,915**	**2,155**
Note 25 - Earnings Per Share		
Profit attributable to equity holders of the company	4,317	6,183
Weighted average number of equity shares (nos.)	6,03,77,917	6,03,77,917
Earnings per equity share (face value of Rs 10 each)		
- Basic	**7.15**	**10.21**
- Diluted	**7.15**	**10.21**





SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

Note 26 - Related Party Transactions

Relationship

Disclosure of Related parties by virtue of control as per IND AS-24

Name of Related Party	Nature of Relationship
a) State Bank of India	Holding company
b) SBI Capital Markets Ltd. (Subsidiary of State Bank of India)	Fellow Subsidiary Company*

List of related parties with whom transactions have taken place during the year

Name of Related Party	Nature of Relationship
a) State Bank of India	Holding Company
b) SBI Capital Markets Ltd.	Fellow Subsidiary Company*
c) SBICAP Trustee Company Ltd	Group Company#
d) SBICAP Securities Ltd	Group Company#
e) SBI General Insurance Company Limited	Group Company
f) SBI Life Insurance Company Ltd	Group Company
g) SBI Foundation	Group Company
h) Suresh Kozhikote	Key Management Personnel
i) Shweta Agrawal	Key Management Personnel (upto 03rd Oct 22)
j) Pawan Baheti	Key Management Personnel (w.e.f. 27th Oct 22)
k) Ankita Shrivastav	Key Management Personnel

(Rs in lakhs)

Nature of Transaction	Holding Company	Fellow Subsidiary Company*	Group Company#	Group Company	Key Managerial Personnel
1) Expenses					
Employee Cost					
Suresh Kozhikote					77
					(87)
Pawan Baheti					69
					(23)
Ankita Shrivastav					32
					(26)
Shweta Agrawal					-
					(69)
Royalty	124				
	(65)				
CSR Expenses				96	
				(61)	
Electricty charges			16		
			(17)		
Insurance charges				10	
				(10)	
Bank charges	3				
	(3)				
Computer expense		-			
		(1)			
Rent, repairs, maintenance and salary		464			
		(390)			
2) Assets					
Investments					
Investment in equity instruments				0	
				(0)	
Bank Account (including fixed deposits)	2,436				
	(2,883)				
Current Assets					
Advance for expenses				19	
				(0)	
Accrued interest on Fixed Deposits	13				
	(74)				
3) Income					
Interest income on Fixed Deposits	115				
	(187)				

*Holding Company till 7th Feb 2024 #Fellow Subsidiary Company till 7th Feb 2024.

Figures in bracket '( )' relates to the comparative figures for the related party transaction for the year ended 31st March, 2023 and balance outstanding are as on 31st March, 2023.





SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

Note 27 - Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

(Rs in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
	-	-

Note 28 - Payment to auditors

(Rs in lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
For statutory audit	0.95	0.65
For tax audit	-	1.10
For other services	1.55	1.25
Total payments to the auditors	**2.50**	**3.00**

Note 29 - Contingent liabilities and commitments

(Rs in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
A) Contingent Liabilities		
Claims against the company / disputed liabilities not acknowledged as debts		
- for income-tax matters	97	88
- bank guarantee	500	500
B) Commitments		
- Unfunded commitment towards AIF investments	6,998	10,670
Total Contingent liabilities and commitments	**7,594**	**11,258**

Note 30-Leases

The following are the disclosure requirements as per Ind AS 116 for the leases which meet the definition of lease as per Ind AS 116:

(Rs in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
ASSETS:		
Right-of-use Assets (net)	900	235
Lease liabilities	926	249
Depreciation on right-of-use assets	369	338
LIABILITIES:		
Lease liabilities		
Current	394	211
Non-current	532	37

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Finance cost	33	26





SBICAP Ventures Limited

Notes to financial statements for the year ended 31st March, 2024

Note 31-Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Reconciliation of Defined benefit obligation

(A) Changes in defined benefit obligation **(Rs in Lakhs)**

Particulars	Year ended	
	31st March 2024	31st March 2023
Opening of defined benefit obligation	194	128
Current service cost	40	47
Interest on defined benefit obligation	14	9
Remeasurements due to :		
- Actuarial loss/(gain) arising from change in financial assumptions	10	(8)
- Actuarial loss/(gain) arising from change in demographic assumptions	-	-
- Actuarial loss/(gain) arising on account of experience changes	14	24
Benefits paid	(22)	(6)
Closing of defined benefit obligation	**250**	**194**

(B) Movement in plan Assets **(Rs in Lakhs)**

Particulars	Year ended	
	31st March 2024	31st March 2023
Opening fair value of plan assets	-	-
Employer contributions	22	6
Interest on plan assets		
Remeasurements due to :		
- Actual return on plan assets less interest on plan assets	-	-
Benefits paid	(22)	(6)
Closing fair value of plan assets	-	-

(C) Net asset/(liability) recognised in the balance sheet:

(Rs in Lakhs)

Particulars	Year ended	
	31st March 2024	31st March 2023
Present value of the funded defined benefit obligation	-	-
Fair value of plan assets at the end of the year	-	-
Net funded obligation	-	-
Present value of unfunded defined benefit obligation	250	194
Amount not recognized due to asset limit	-	-
Fair value of plan assets at the end of the year	-	-
Net defined benefit liability / (asset) recognized in balance sheet	**250**	**194**
Net defined benefit liability / (asset) is bifurcated as follows:		
Current	11	4
Non-Current	239	190

(D) Expenses recognised in the Statement of profit and loss: **(Rs in Lakhs)**

Particulars	Year ended	
	31st March 2024	31st March 2023
Current service cost	40	47
Past service cost	-	-
Expected return on plan assets	14	9
Total expense charged to profit and loss account	**54**	**56**

KPMR & CO. CHARTERED ACCOUNTANTS

SBICAP VENTURES LIMITED

(E) Statement of other Comprehensive Income (OCI) **(Rs in Lakhs)**

Particulars	Year ended	
	31st March 2024	31st March 2023
Opening amount recognized in OCI outside profit and loss account	53	37
Remeasurements during the period due to:	-	-
Changes in financial assumptions	10	(8)
Changes in demographic assumptions	-	-
Experience adjustment	14	24
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognized the effect of asset ceiling	-	-
Closing amount recognized in OCI outside profit and loss account	77	53

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	Year ended	
	31st March 2024	31st March 2023
Discount rate (in %)	7.20%	7.55%
Salary Escalation rate (in %)	10.00%	10.00%

Sensitivity Analysis

The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

(Rs in Lakhs)

Particulars	Discount Rate	Salary Escalation Rate
Defined Benefit obligation on increase in 50 bps	235	254
Impact of increase in 50 bps on DBO	**-5.92%**	**1.77%**
Defined Benefit obligation on decrease in 50 bps	266	245
Impact of decrease in 50 bps on DBO	**6.46%**	**-1.82%**

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity Profile	Rs in Lakhs
Expected benefits for year 1	11
Expected benefits for year 2	12
Expected benefits for year 3	13
Expected benefits for year 4	14
Expected benefits for year 5	15
Expected benefits for year 6	16
Expected benefits for year 7	16
Expected benefits for year 8	17
Expected benefits for year 9	17
Expected benefits for year 10	587

The weighted average duration to the payment of these cash flows is 12.37 years

Note 32-Leave Encashment

The principal assumption used in determining Leave encashment obligation for the Company's plan are shown below:

Particulars	Year ended	
	31st March 2024	31st March 2023
Discount rate (in %)	7.20%	7.55%
Salary Escalation rate (in %)	10.00%	10.00%

Payments to and provision for employees includes Rs. 1.33 cr towards provision made as per Actuarial Valuation in respect of accumulated leave encashment debited to the Statement of Profit and Loss. Total Liability as per Actuarial Valuation and as reflected in Company's Accounts is Rs. 5.43 cr. The Company has not funded the liability.

KPMG CHARTERED ACCOUNTANTS
SBICAP VENTURES LIMITED

SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

Note 33 - Financial Instruments

1.Fair values

Set out below, is a comparison by class of the carrying amount and fair value of the financial instruments:

(Rs in Lakhs)

	Carrying value		Fair Value	
	31st March 2024	**31st March 2023**	**31st March 2024**	**31st March 2023**
Financial assets				
Cash and cash equivalents	1,793	32	1,793	32
Other balances with banks	643	2,847	643	2,847
Trade receivables	420	4,753	420	4,753
Other receivables	218	108	218	108
Financial investments	24,756	16,180	24,756	16,180
Other financial assets	24	81	24	81
Total	**27,854**	**24,001**	**27,854**	**24,001**
Financial liabilities				
Trade payables	8	5	8	5
Other financial liabilities	926	249	926	249
	934	**254**	**934**	**254**

The management assessed that cash and cash equivalents, other balances with bank, trade receivables, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

- Fair value of the quoted bonds, mutual funds, govt securities are based on the price quotations near the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The cost of certain unquoted investments approximate their fair value because there is a wide range of possible fair value measurements and the cost represents the best estimate of fair value within that range.

2.Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted equity instruments, government securities, traded debentures (borrowings) and mutual funds that have quoted price.

Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes derivative financial instruments and investment in redeemable non-cumulative preference shares.

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

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SBICAP VENTURES LIMITED

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

(Rs in Lakhs)

	Fair value hierarchy as at 31st Mar, 2024			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	**Total**
Asset measured at fair value				
Investments in mutual funds	9,377	-	-	9,377
Investments in alternative investment funds	-	-	15,373	15,373
Investments in unlisted equity shares	-	-	6	6
Total	**9,377**	**-**	**15,379**	**24,756**

	Fair value hierarchy as at 31st March, 2023			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	**Total**
Asset measured at fair value				
Investments in mutual funds	2,357	-	-	2,357
Investments in alternative investment funds	-	-	13,820	13,820
Investments in unlisted equity shares	-	-	3	3
Total	**2,357**	**-**	**13,823**	**16,180**

Fair value measurement using significant unobservable inputs (level 3)

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	For year ended 31st Mar 2024	For year ended 31st March 2023
Opening Balance	10,533	8,223
Net gain / (losses) on financial instruments recognised in the statement of profit and loss	1,343	748
Purchase / (redemption) of financial instruments	1,948	1,562
Closing Balance	**13,824**	**10,533**

There has been no transfer between level 1 and level 2 during the period.

3.Capital Management & Gearing Ratio

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 objective of the Company's capital management is to maximize the shareholder value.

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 its policy related to return capital to shareholders or fresh issue of shares.The Company does not have any debt as on 31st March 2024 (Nil on 31st March 2023)

4.Financial risk management objectives and policies

The Company's principal financial liabilities, comprise trade and other 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 trade and other receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations. The Company also holds FVTPL investments .

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

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SBICAP VENTURES LIMITED

4.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of 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 , therefore not exposed to interest rate risk as well.

4.2 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

	(Rs in Lakhs)	
	31st Mar 2024	**31st March 2023**
Trade receivables	420	4,753
Total	**420**	**4,753**

The Company has not acquired any credit impaired asset. There was no modification in any financial assets.

4.3 Liquidity risk management

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

Note 34 -Statement of corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financials years on corporate social responsibility (CSR) activities.

		(Rs in Lakhs)
Particulars	**31st Mar 2024**	**31st March 2023**
a) Amount required to be spent as per Section 135 of Companies Act, 2013	96	61
b) Amount spent during the year on		
- (i) Construction/acquisition of any asset	0	0
- (ii) On purposes other than (i) above - in cash	96	61
(c) shortfall at the end of the year,	0	0
(d) total of previous years shortfall,	0	0
(e) reason for shortfall,	0	0
(f) nature of CSR activities,	Medical & Healthcare	Medical & Healthcare
(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	All CSR activities is routed through SBI Foundation	All CSR activities is routed through SBI Foundation
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NIL	NIL
Total *	**96**	**61**

* The entire amount has been paid to SBI Foundation Ltd





SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

Note 35-Trade Receivable ageing schedule

(Rs in Lakhs)

Particulars	As at 31st March, 2024							
	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good			420					420
(ii) Undisputed Trade Receivables – which have significant increase in credit risk								-
(iii) Undisputed Trade Receivables – credit impaired								-
(iv) Disputed Trade Receivables–considered good								-
(v) Disputed Trade Receivables – which have significant increase in credit risk								-
(vi) Disputed Trade Receivables – credit impaired								-

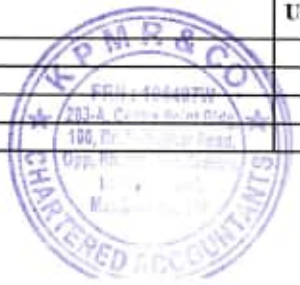
Particulars	As at 31st March, 2023							
	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good			4,753					4,753
(ii) Undisputed Trade Receivables – which have significant increase in credit risk								-
(iii) Undisputed Trade Receivables – credit impaired								-
(iv) Disputed Trade Receivables–considered good								-
(v) Disputed Trade Receivables – which have significant increase in credit risk								-
(vi) Disputed Trade Receivables – credit impaired								-

Note 36-Trade Payable ageing schedule

(Rs in Lakhs)

Particulars	As at 31st March, 2024							
	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME		1	7					8
(ii) Others		0	32					32
(iii) Disputed dues – MSME								-
(iv) Disputed dues - Others								-

Particulars	As at 31st March, 2023							
	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME		3	7					10
(ii) Others		10	9					19
(iii) Disputed dues – MSME								-
(iv) Disputed dues - Others								-





SBICAP Ventures Limited

Notes to financial statements for the year ended 31st March, 2024

Note 37-Shares held by promoters at the end of the year

	As at 31st March, 2024		
Promoter name	No. of Shares	% of total shares	% Change during the year
State Bank of India	6,03,77,917	100%	100%

	As at 31st March, 2023		
Promoter name	No. of Shares	% of total shares	% Change during the year
SBI Capital Markets Ltd	6,03,77,917	100%	-100%

Note 38-Shareholders with more than 5% shares

	As at 31st March, 2024		
Shareholder Name	No. of Shares	% of total shares	% Change during the year
State Bank of India	6,03,77,917	100%	100%

	As at 31st March, 2023		
Shareholder Name	No. of Shares	% of total shares	% Change during the year
SBI Capital Markets Ltd	6,03,77,917	100%	-100%

Note 39-Additional disclosures

1) No proceedings have been initiated or pending against the Company for holding any Benami Transaction Act, 1988 (45 of 1988) rules made thereunder.

2) The Company is not declared wilful defaulter by bank or financial Institution or other lender.

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

4) The Company is not required to create or satisfy any charge with ROC.

5) The Company has not traded or invested in Crypto currency or Virtual Currency during any financial year.

6) The Company does not have transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during financial year in the tax assessments under the Income Tax Act, 1961.

Note 40-Ratios

As required in Additional Regulatory Information (WB) (xiv) of Division III of Schedule III Amendment, disclosure of ratios is not applicable to the Company as the Company is the Investment Manager to the AIF's and not registered as NBFC under section 45-IA of Reserve Bank of India Act, 1934.

Note 41-Segment Reporting

The Company's operations falls under a single business segment of Financial services. The Company is engaged in providing Asset Management Services, primary segment is identified as asset management services. As per Chief Operating Decision Maker (CODM), the Company's financial statements are largely reflective of the asset management business and accordingly there are no separate reportable segments as per Ind AS 108, Operating Segment.

The Company operates in one geographic segment namely "within India" and hence no separate information for geographic segment wise disclosure is required.

KPMR & CO. CHARTERED ACCOUNTANTS

SBICAP VENTURES LIMITED

SBICAP Ventures Limited
Notes to financial statements for the year ended 31st March, 2024

Note 42-Significant Events after the Reporting Period
There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

Note 43 -Previous year figures have been regrouped / reclassified wherever necessary.

Note 44 -The financial statements were approved for issue by the board of directors on 22nd April 2024.

As per our attached report of even date

For K P M R & Co
Chartered Accountants
(FRN : 104497W)

Pravesh Dangaich
Date : 22nd April 2024
Membership No. 154813

For and on behalf of the Board
SBICAP Ventures Limited

Suresh Kozhikote
MD & CEO
DIN: 08183787

S V Sastry
Director
DIN: 07972562

Pawan Baheti
Chief Financial Officer

Ankita Shrivastav
Company Secretary

Place : Mumbai
Date : 22nd April 2024

DALLAS VENTURE CAPITAL

February 2024
Hyderabad, India

Dear Investors,

Hope you and your family members had a great start to the year. As we wrap up the calendar year 2023 and are well into the New Year, we are faced with the data on yearly funding coming down; investment in Indian startups dropped to a five-year low in the third quarter of calendar year 2023, with funding declining by 54 per cent year-on-year to $1.5 billion. The funding also fell 29 per cent quarter-on-quarter, according to a report by market intelligence platform Tracxn.

However, SaaS remains bullish and 71% of companies globally are relying on SaaS model applications, solidifying their role as primary catalysts for digital transformation. In 2024, it is anticipated that approximately 85% of all business products will be SaaS applications.

While the India fund has taken extra time with the due diligence process, gearing up for investments in Q4, we have ramped up our sourcing efforts, deepened our engagement with Nasscom and became their Deep Tech Partner. We continued to be on the Jury Panel for the Product Segment Finale at the DSCI (Data Security Council of India) Excellence Awards 2023 as part of the Annual Information Security Summit (AISS 2023).

Our India portfolio of 5 companies continues to perform well, BluSapphire was named 'League of 10' Awards Winner at the Nasscom Future Forge event where VuNet was also named an Emerge 50 Awards Winner. VuNet and Disprz were both honored as Forbes DGEMS Select 200 Companies.

Data Security Council of India's (DSCI) CEO - Vinayak Godse published a Revised Map of Supervisory Technologies created by DSCI and its National Centre of Excellence. It featured three DVC Portfolio companies- BluSapphire, IntelleWings and VuNet.

The India team has grown further with the addition of two new members this quarter – Akhil Lukose and Gaurav Gunapati.

We value your support as we strive to curate a strong portfolio of groundbreaking startups in 2024 and the coming year.

Thanks & Best Wishes!

Dayakar Puskoor
Founder & Managing Director

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Knowledge City, Rai Durg, Telangana - 500032

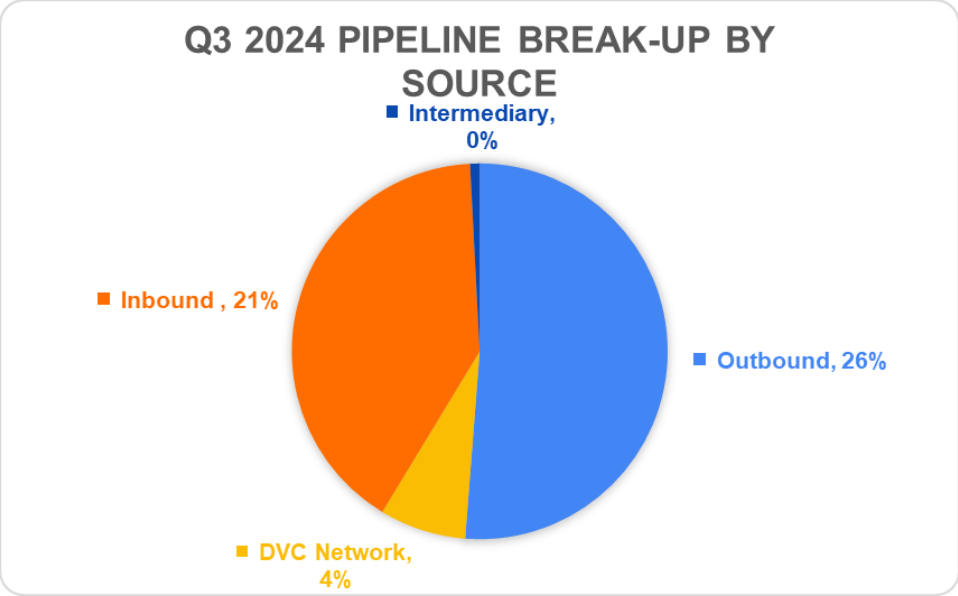
DVC India Fund 1 Updates – Q3FY24

We are pleased to present our Investor Report for the quarter ended December 31st, 2023, to our investors in DVC India Fund 1. In this report, we have covered key updates about the fund along with details on sourcing & investments.

I. Deal Sourcing & Pipeline

In this update, we have covered the opportunities reviewed during the quarter & the status of the key investment opportunities being pursued. The opportunities have been received from various sources likethe DVC team network, other VCs, intermediaries, incubators/accelerators, etc.

Q3 FY24 Pipeline Status	
Total Inflow	123
Passed Deals	108
Revisit Deals	10
Diligence	5



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II. Portfolio Companies Updates

1. disprz

Company Name	Heuristix Digital Technologies Private Limited
Website	https://disprz.com/
Investment Period	November 2021
Investment Commitment	₹18.2 Cr
Amount Disbursed	₹18.2 Cr
Instrument Type	CCPS (Compulsorily Convertible Preference Shares)
Ownership Stake	3.79%

About the Company:

Disprz is an AI-powered right skilling suite, helping enterprises unlock business potential by enabling organization-wide skilling. They leverage the power of artificial intelligence, cloud, & mobile to help organizations identify & benchmark themselves against trending skills required in their industry, create impactful learning pathways for bridging skill gaps, & drive learning adoption to facilitate capability building. Their ultimate goal is to empower CXOs (C-level executives) to drive the right capability & createbusiness impact – be it higher sales, better customer service, impactful leadership, or digital transformation.

Key Updates:

- Disprz's current ARR is ₹84.46 Cr as of Dec'23
- Key new customers include Kotak Mahindra Bank, Maxis, Qinnox, Alpro, Doha Bank etc.
- Key hires include Saurabh Sharma who has joined as VP Marketing and Shobhit Mathur who has joined as head of CX in Jan 2024
- Disprz was honored as one of Forbes DGEMS Select 200 Companies

2. IntelleWings
Anti Money Laundering Solutions

Company Name	IntelleWings Private Limited
Website	https://www.IntelleWings.com/
Investment Period	March 2022
Funding Round	pre-Series A
Investment Commitment	₹1.5 Cr
Amount Disbursed	₹1.5 Cr
Instrument Type	CCD (Compulsorily Convertible Debentures)
Ownership Stake	-

About the Company:

IntelleWings develops AML/CFT solutions with a clear, concise, & fresh perspective. Founded by a team of experienced business & technology professionals, IntelleWings is determined to introduce game-changing solutions & products in the AML/CFT market. Customer centricity, cutting-edge technologies such as Algorithmic filtering & Machine Learning & a deep understanding of business dynamics sets IntelleWings apart from the competition. A dedicated business research division ensures that IntelleWings solutions are constantly upgraded to stay ahead of the curve. IntelleWings is headquartered in India. They have clients in India & UAE & there is plan of expansion in US, Africa & South Asia. IntelleWings caters to Banks, NBFCs, E-Commerce Platforms and Payment Gateways.

Key Updates:

- IntelleWing's Exit ARR crossed ₹4 Cr as of Dec 23
- Key new customers for the quarter included – Berar Finance and Northern Arc
- IntelleWings hired Sr. Manager Engineering, Project Manager and a Program Manager to strengthen its delivery team.
- Starhealth Screening went live in November 2023, Flipkart TM module went live in November 2023, HDFC Bank annual contract renewed for the 3rd year.
- DSCI and its National Center of Excellence featured IntelleWings in the Revised Map of Supervisory Technologies.

3. vunet

Company Name	VuNet Systems
Website	https://vunetsystems.com/
Investment Period	November 2022
Investment Commitment	₹8 Cr
Amount Disbursed	₹8 Cr
Instrument Type	CCPS (Compulsorily Convertible Preference Shares)
Ownership Stake	7.48%

About the Company:

VuNet is an AIOps platform with focus on mid-tier banks, financial firms with strengths including a strong Data Observability layer - Breadth of sources / vendors with an ability to stitch data in real time at scale. VuNet delivers seamless visibility and actionable insights to reduce failures through Business Journey monitoring. It enables enterprises with Transaction Intelligence, analytics and Cross-Tier (Transaction / Application / Infrastructure) Performance insights.

Key Updates:

- VuNet's ARR as of Dec 23 is ₹13.94 Cr
- Key new customers include AU Small Finance Bank, Equitas Bank, ICICI Bank, NPCI, Indian Bank etc.
- VuNet sponsored 'Enterprise Ops' - an AIOps Event in Dubai where Bharat Joshi (Co-Founder and Chief Product Officer) hosted a roundtable conversation on 'Growth of AIOps' in the MEA region.
- VuNet Systems was honored as One of Forbes DGEMS Select 200 Companies
- VuNet Systems was awarded Emerge50 by NASSCOM
- DSCI and its National Center of Excellence featured VuNet in the Revised Map of Supervisory Technologies.

4. BLUSAPPHIRE INTELLIGENT CYBER DEFENSE

Company Name	BluSapphire Cyber Systems Private Limited
Website	https://www.blusapphire.com/
Investment Period	March 2023
Investment Commitment	₹16 Cr
Amount Disbursed	₹16 Cr
Instrument Type	CCPS (Compulsorily Convertible Preference Shares)
Ownership Stake	7.49%

About the Company:

BluSapphire is a cloud based unified platform that offers threat intelligence solutions for businesses of all scales and sizes. The platform enables organizations to quickly transform their cybersecurity posture by cyber breach detection and mitigation. BluSapphire's unified & intelligent Security Operations Center (SOC) automation platform acts as a one-stop solution for organizations looking to automate their SOC. Key SOC metric they are helping with is the TTDR (Time to Detect and Remediate) and BluSapphire can provide this 300% faster.

Key Updates:

- BluSapphire's ARR is at ₹16.54 Cr as of Dec 23.
- Onboarded *Bakelite 2* and *Channel Next* among others as customers.
- BluSapphire signed a partnership agreement with *ASMGi*, a NY based partner with over 50 plus active customers and over 250 customers.
- Soft launch of the product 'One Platform' was successfully completed.
- BluSapphire was named 'League of 10' Awards Winner at the Nasscom Future Forge event.
- DSCI and its National Center of Excellence featured BluSapphire in the Revised Map of Supervisory Technologies.

5. Hippo Video

Company Name	Lyceum Technologies Inc.
Website	https://www.hippovideo.io/v2/
Investment Period	Feb 2023
Investment Commitment	₹4 Cr
Amount Disbursed	₹4 Cr
Instrument Type	CCPS (Compulsorily Convertible Preference Shares)
Ownership Stake	1.136%

About the Company:

Hippo Video ("Hippo") is a video customer engagement platform that allows SMBs and middle market enterprises to create customizable and interactive videos for engaging with their customers at scale. They are focused on being a leading video communication platform for sales, marketing and customer success teams, though the opportunity for additional use cases is significant. Hippo has demonstrated a strong track record of growth with SMBs using product led growth strategies and are at the cusp of penetrating the middle-market segment with a hybrid sales strategy

Key Updates:

- Hippo Video's ARR is at ~ ₹9.6 Cr as of Dec 2023. (A primary use case for Hippo Video is SDRs, the macro slowdown impacted Hippo's SDR business, which led to the drop in revenues since last quarter)
- Scored some new clients including DHL, DAS and Etihad.
- Key Hires include VP of Finance – Vaidhy and CMO - Abishek Murthy
- Hippo video is planning to deploy a two-pronged strategy going forward. They will continue to focus on their existing business of AI SDRs with a GTM motion fueled by partnerships with sales enablement platforms such as partnerships with Hubspot, Salesloft, Zoominfo.
- Complimenting that will be new products focused on creating video content by leveraging a Fullstack GenAI Layer (Humanize, Interactive Avatars, Multilingual) for new target markets and ICPs such as L&D, IT Compliance etc.

III. Deals in Advanced Stage

Location	Theme	Product Offering	ARR	Current RoundSize
Pune, IN	RPA	Cognitive Process Automation Solution	₹16 Cr	₹80 Cr
Pune, IN	FinTech	Spend Management Solution	₹12 Cr	₹24 Cr
Pune, IN	LegalTech	LegalTech Solution	₹11 Cr	₹40 Cr

IV. Unaudited Fund Financials

Balance Sheet

(Amount in ₹)

Equity and Liabilities	As at Dec 2023	As at Sep 2023	As at March 23 (Audited)
Investor Funds	80,52,34,059	75,77,34,059	50,05,64,548
Accumulated Deficit	(13,73,48,973)	(10,33,21,255)	(5,82,67,063)
Capital Account Balance	**66,78,85,086**	**65,44,12,804**	**44,22,97,485**
Current Liabilities			
Trade Payables	6,38,44,637	5,22,28,350	4,83,051
Other Current Liabilities	28,42,325	47,24,744	79,81,893
Total	**73,45,72,048**	**71,13,65,898**	**45,07,62,429**
Assets	**As at Dec 2023**	**As at Sep 2023**	**As at Mar 23**
Portfolio Investments at FMV (Schedule I)	49,32,40,015	49,32,40,015	43,84,36,055
Cash and Cash equivalents	24,13,32,033	21,81,12,079	1,22,38,272
Other Current Assets	-	13,804	88,102
Total	**73,45,72,048**	**71,13,65,898**	**45,07,62,429**

DALLAS VENTURE CAPITAL

Revenue statement

(Amount in ₹)

Particulars	For the quarter (Oct - Dec 2023)	YTD (Apr - Dec 2023)	Since Inception
Other Income			
Realised gain on Liquid mutual funds	-	-	-
Interest income	-	-	-
Total Income	-	-	-
Expenses			
Operating expenses	5,89,336	20,49,350	55,11,605
Set up Expenses	1,64,430	1,76,230	78,85,088
Management Fee	3,32,73,952	9,16,72,054	13,87,68,003
Total Expenses	**3,40,27,718**	**9,38,97,634**	**15,21,64,696**
Unrealized gain/(loss) on investment	-	1,48,15,723	1,48,15,723
Surplus/(Deficit) for the period	**(3,40,27,718)**	**(7,90,81,911)**	**(13,73,48,973)**

Schedules to Balance Sheet as of 31st December 2023

Schedule I: Investment in Portfolio Companies

(Amount in ₹)

Sl no	Name of the company	Date of initial investment	Cost	FMV	Unrealised Gain or (Loss)	Multiple
1	Heuristix Digital Technologies Private Limited	04-Dec-21	18,23,78,087	19,71,93,810	1,48,15,723	1.08
2	IntelleWings Private Limited	15-Mar-22	1,50,00,000	1,50,00,000	-	1.00
3	Vunet Systems Private Limited	14-Nov-22	7,99,61,623	7,99,61,623	-	1.00
4	Lyceum Development Centre Private Limited	30-Jan-23	4,10,72,155	4,10,72,155	-	1.00
5	Blusapphire Cyber Systems Private Limited	28-Mar-23	16,00,12,427	16,00,12,427	-	1.00
	Total		**47,84,24,292**	**49,32,40,015**	**1,48,15,723**	**1.03**

For further Information, please contact: indiafund_ir@dallasvc.com

Disclaimer:

The information & opinions in this report have been prepared or compiled by Dallas Venture Partners India LLP ("DVC") on behalf of Dallas Venture Capital India Fund 1 & are subject to change/modificationwithout any notice. The information contained in this Bulletin is believed to be accurate at the time of printing, but no representation or warranty is given (expressed or implied) as to its accuracy, completenessor correctness. This Bulletin & information contained herein are strictly confidential & are meant solely for the selected recipient & shall not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consentof DVC. DVC accepts no liability for any direct, indirect or consequential loss or damage arising from any use of or reliance placed on this material for any purpose.

Aavishkaar India Fund VI

Quarterly Report

January 2024 - March 2024

Confidentiality Notice:
This report contains confidential information on Aavishkaar India Fund VI (hereinafter "AIF VI" or "the Fund") and its investees. The report is intended solely for Investors of the Fund. The information contained herein is not to be disclosed to third parties without the consent of the Fund.

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1 - Fund Overview

March 2024

Name of the Fund	**Aavishkaar India Fund VI**
First Closing Date	March 07, 2022
Final Closing Date	September 06, 2023
Term of Fund	March 06, 2032
Commitment Period	March 06, 2027
Management Fee Details	2% p.a
Carried Interest	20%
Hurdle Rate	10% (INR) and 8% (USD) as applicable
Total Commitment[1]	INR 1,204.4 Cr
Total Drawn Down To Date	INR 249.6 Cr
Percentage Drawn Down	20.7% of Total Commitment at Fund level
Legal Domicile	India
Legal Form	Category II Alternative Investment Fund registered with SEBI and constituted as a Determinate Trust
Investment Focus	Investment in early-growth and growth-oriented companies in India seeking to maximise return and impact
Current Investments (at cost)	INR 144.1 Cr

Footnotes:

[1]The above INR Commitment has been calculated as per the Clause 38.18.2 of the Comtribution Agreement.

2.1 - Fund Update

The Indian economy was one of the fastest growing major economy in 2024 despite significant global headwinds and signs of global recession. Goods and Service Tax (GST) collection reached record level, crossing INR 20 lakh crore mark in in FY24 for the first time an increase of 11.7% compared to the last financial year.

The growth rate of GDP during 2023-24 is estimated at 7.6 percent as compared to growth rate of 7.0 percent in 2022-23 (NSO). The fourth quarter growth is suspected to be modest because of uncertainties related to India's 2024 general elections and modest consumption growth. The global economy is expected to witness rebound in 2025 and India will likely see improved capital flows boosting private investment and exports. Inflation concerns can be expected to ease only in the latter half of the next fiscal year barring any surprises from rising oil or food prices. Our portfolio continues to grow on the back of these factors and the resilience of the Indian economy.

Portfolio updates

'• Gajju Tech Private Limited continued to demonstrate good traction on its embedded stack product with 12 new institutional partnerships during Q4FY24 and 50% qoq revenue growth led by this new vertical

• Agrostar closed FY24 at INR 772 Crs revenues. The Company is projected to achieve EBITDA breakeven during H1-FY25 and the company will initiate its fundraise during the next quarter.

• Newtrace has reached internal manufacturing capacity of 500 KW and is on track to reach 1MW capacity by September 2024. The company will go for fundraising next quarter.

• Mooofarm is currently closing an INR 2.5-3Cr bridge round. The Company is in conversation for potential acquisition

Team updates

• The team saw two updates: (i) Ms. Sushma Kaushik, Partner in the Fund has moved on to pursue other oppurtunities (ii) Ms. Ankita Saptpathy has joined the Fund as an Associate Director.

2.2 - Portfolio Report

March 2024

2.2.1 - Portfolio Summary

Investee Company	Date of Initial Investment	Country	Sector	Total Commitment (INR Cr)	Invested Amount (INR Cr)	Stake (%)[1]
Gajju Technologies Private Limited	13 Apr 2022	India	Essential Services	54.2	54.2	12.3%
Mooofarm Private Limited	01 Dec 2022	India	Sustainable Agriculture	40.7	40.7	12.0%
Ulink Agritech Private Limited	13 Jan 2023	India	Sustainable Agriculture	40.0	40.0	1.7%
Newtrace Private Limited	17 May 2023	India	Essential Services	9.2	9.2	4.5%
Total portfolio				**144.1**	**144.1**	

Footnotes:

[1]On fully diluted basis

2.3.1 Gajju Technologies Private Limited ('GTPL')

Company Overview	
Headquarters:	Mumbai, Maharashtra
Sector:	Essential Services
Business:	Education Technology platform enabling access to education to students and access to digitization tools to educational institutes
Number of Permanent Employees:	112
E&S Risk Classification	C (Low Risk)
2x Initiative Criteria	Yes

Investment Summary	
Date of Investment:	April 13, 2022
Aggregate Commitment (INR Cr):	54.2
Investment Type:	SOW
Key Investors:	Aavishkaar India Fund VI, QED Investors, Ardent VC
Investment Amount (INR Cr):	54.2
Stake Held:	12.3%
Realization Proceeds (INR Cr):	N/A

Key Highlights During the Quarter

• GTPL continued to demonstrate good traction on its embedded stack product with 12 new institutional partnerships during Q4FY24 and 50% qoq revenue growth led by this new vertical

• GTPL closed FY24 with INR 9 Crs in operating revenues and significantly reduced EBITDA burn compared to FY23, and is aiming for an EBITDA breakeven in H1-FY25

• Rohit Sharma (Indian Cricketer) committed to invest INR 1.7 Crs in GTPL during this quarter, with the transaction expected to close in Q1FY25. This is priced as a convertible instrument with a discount structure linked to Series B round. The promoters have also initiated outreach for an interim fundraise of INR 25-30 Crs prior to Series B round, to ensure the business momentum on rollout plan for their Embedded stack offering.

Gajju Technologies Private Limited

Financial Indicators	FY 2022 - 2023	Unaudited FY 2023 - 2024				
(INR Cr)	Audited	Quarter Apr - Jun	Quarter Jul - Sep	Quarter Oct - Dec	Quarter Jan - Mar	YTD
Operating Revenue	5.0	1.5	2.8	1.9	2.8	9.0
Non Operating Revenue	6.3	1.0	1.3	1.0	0.6	3.9
Expenses	73.9	11.7	9.6	9.7	9.3	40.3
EBITDA	(62.5)	(9.2)	(5.5)	(6.8)	(5.9)	(27.4)
Interest expense	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	2.2	0.4	0.5	1.0	0.5	2.4
PBT	(64.7)	(9.6)	(5.9)	(7.9)	(6.6)	(30.0)
Taxes	0.0	0.0	0.0	0.0	0.0	0.0
PAT	(64.7)	(9.6)	(5.9)	(7.9)	(6.6)	(30.0)

E&S Indicators	Pre-Investment March 2022[2]	Post Investment[3]
Number of employees[4]	335	109
% students served in Low Income States by the platform[1]	28%	37%
Fee Enablements by the platform - Value (INR Cr)	67	408
Number of students served by the platform	63,835	2,48,570
Gender metrics	**Pre-Investment March 2022[2]**	**Post Investment**
Number of female employees	128	25
Number of female students served by the platform	N/A	78,711

Footnotes:

[1]12 LIS States as per Niti Aayog

[2]Jan - Mar 2022

[3]Cumulative from Apr 2022

2.3.2 MoooFarm Private Limited

Company Overview	
Headquarters:	Gurgaon, Haryana
Sector:	Sustainable Agriculture
Business:	Cattle trading and Dairy-as-a-Service Platform
Number of Permanent Employees:	89
E&S Risk Classification	B (Medium Risk)
2x Initiative Criteria	Yes

Investment Summary	
Date of Investment:	December 01, 2022
Aggregate Commitment (INR Cr):	40.7
Investment Type:	SOW
Key Investors:	Aavishkaar India Fund VI, Accel Partners, Aditya Birla Ventures, Rockstart, Navus, Alteria Capital
Investment Amount (INR Cr):	40.7
Stake Held:	12.0%
Realization Proceeds (INR Cr):	N/A

Key Highlights During the Quarter

- The company is in process of closing a small bridge round of ~INR 2.5-3 cr from existing and new investors. AIF VI will not be participating in this round.
- The company is in converations with 3 potential acquirers for taking over its operations.
- It has also received a formal apology letter from its erstwhile finance head on the reported incident and has negotiated a settlement amount.

MoooFarm Private Limited

Financial Indicators	FY 2022 - 2023	Unaudited FY 2023 - 2024				
(INR Cr)	Unaudited	Quarter Apr - Jun	Quarter Jul - Sep	Quarter Oct - Dec	Quarter Jan - Mar	YTD
Revenue	116.1	22.7	8.6	5.8	4.9	42.0
Expenses	152.2	33.6	18.0	10.7	6.9	69.2
EBITDA	(36.2)	(10.9)	(9.4)	(4.9)	(2.0)	(27.2)
Interest expense	0.6	0.3	0.2	0.3	0.3	1.1
Depreciation	0.2	0.1	0.1	0.1	0.1	0.4
PBT	(37.0)	(11.3)	(9.7)	(5.3)	(2.3)	(28.6)
Taxes	0.0	0.0	0.0	0.0	0.0	0.0
PAT	(37.0)	(11.3)	(9.7)	(5.5)	(2.4)	(28.8)

E&S Indicators	Pre-Investment November 2022	Post-Investment
Number of farmers transacted[2]	1,141	2,929
Number of farmers receiving veterinary services[2]	3,47,689	5,43,446
Number of VLEs reached[2]	200	1,523
Income earned by VLEs (INR Cr)[2]	0.2	1.8
Number of employees[3]	134	51
Percentage of operations in Low Income States (LIS) in India[4]	82.3%	73.0%

Gender metrics	Pre-Investment November 2022	Post Investment
Number of female employees[3]	16	5

Footnotes:

[1]Investment concluded in Oct-Dec 2022 quarter

[2]Cumulative since inception

[3]As on the reporting date

[4]Post Investment % as on Mar 2023

2.3.3 Ulink Agritech Private Limited (AgroStar)

Company Overview

Headquarters:	Pune, Maharashtra
Sector:	Sustainable Agriculture
Business:	Full-stack agritech platform providing access to end-end supply chain solutions, including access to inputs, agronomy services and output linkages.
Number of Permanent Employees (Consol):	1548
E&S Risk Classification	B (Medium Risk)
2x Initiative Criteria	No

Investment Summary

Date of Investment:	January 13, 2023
Aggregate Commitment (INR Cr):	40.0
Investment Type:	SOW
Key Investors:	Aavishkaar India Fund VI, Aavishkaar Bharat Fund, Bertelsmann, funds managed by Chiratae and Accel, Rabo Frontier Ventures, IFC (Chiratae Theta), BII, Evolvence, Hero Corp and Schroders
Investment Amount (INR Cr):	40.0
Stake Held:	1.7%
Realization Proceeds (INR Cr):	N/A

Key Highlights During the Quarter

• Ulink closed FY24 at INR 772 Crs revenues, while achieving some key milestones during the year:
- The outputs vertical achieved EBITDA breakeven and won several key accounts to pave the way for growth during FY25
- Saathi store sales channel posted a 36% yoy growth, contributing to close to 2/3rd of overall input sales
- Own brand input sales grew by 50% on a yoy basis
• Ulink is projected to achieve EBITDA breakeven during H1-FY25 and is initiating its fundraise during the next quarter

Ulink Agritech Private Limited (AgroStar)

Financial Indicators	FY 2022 - 2023	Unaudited FY 2023 - 2024				
(INR Cr)	Audited[1]	Quarter Apr - Jun (Consol)	Quarter Jul - Sep (Consol)	Quarter Oct - Dec (Consol)	Quarter Jan - Mar (Consol)	YTD
Operating Revenue	645.3	246.4	163.3	198.0	164.6	772.2
Expenses	820.2	266.1	182.9	222.5	196.6	868.1
EBITDA	(175.0)	(19.8)	(19.7)	(24.5)	(32.0)	(95.9)
Interest expense	20.0	6.6	7.5	9.0	6.9	30.0
Depreciation	151.2	49.8	49.8	49.8	50.2	199.6
PBT[2]	(346.2)	(75.7)	(76.1)	(81.0)	(88.8)	(321.7)
Taxes	0.0	0.0	0.0	0.0	0.0	0.0
PAT	(346.2)	(75.7)	(76.1)	(81.0)	(88.8)	(321.7)

E&S Indicators	Pre-Investment December 2022[3]	Post-Investment[4]
Number of app downloads (AgroStar)	82,00,956	1,00,55,127
Number of farmers transacted (AgroStar)	17,39,855	18,90,052
Cost Savings to Farmers (INR Cr, AgroStar)	907	1,527
Jobs/livelihoods created through self-delivery network (AgroStar)	1,411	1,652
No. of Employees (Consol)[5]	2,349	2,094
Number of farmers who sold produce (INI)	6,643	9,938
Income earned by farmers (INR Cr, INI)[6]	104	330
Percentage of operations in Low Income States in India	33%	33%

Gender metrics	Pre-Investment December 2022[3]	Post Investment
Number of female employees[7]	604	485

Footnotes:

1. Numbers are audited starting July 1, 2022 and unaudited for the period prior because the merger was effected starting the appointed date of the merger, i.e. July 1, 2022
2. Excluding exceptional items
3. Cumulative as of end of Dec'22
4. Cumulative till end of quarter
5. Includes both permanent and contract employees
6. Pre-Investment number pertains to Apr-Dec-22; Cumulative from Apr-22 till end of quarter
7. As at the end of the period

2.3.4 Newtrace Private Limited

Company Overview	
Headquarters:	Bangalore, Karnataka
Sector:	Essential Services
Business:	Manufacturing of electrolyzers for production of green hydrogen
Number of Permanent Employees:	43
E&S Risk Classification	B (Medium Risk)
2x Initiative Criteria	No

Investment Summary	
Date of Investment:	May 17, 2023
Aggregate Commitment (INR Cr):	9.2
Investment Type:	SOW
Key Investors:	Aavishkaar India Fund VI, Peak XV, Micelio, and Speciale Invest
Investment Amount (INR Cr):	9.2
Stake Held:	4.5%
Realization Proceeds (INR Cr):	N/A

Key Highlights During the Quarter

• The company is on track to manufacture 1 MW system by Sep-24. It has reached internal capability to manufacture 500 kW which is a critical milestone after its deployment of 10 KW electrolyser in Dec-23 for BPCL. It is in active discussions with multiple prospects clients to add to their pipeline of projects.
• The company continues to hire across multiple functions including engineering and administration to enhance its team capability. They have a team strength of 43
• The company plans to go for its next round of fundraise in the coming quarter

Newtrace Private Limited

Financial Indicators	FY 2022 - 2023	Unaudited FY 2023 - 2024				
(INR Cr)	Audited	Quarter Apr - Jun	Quarter Jul - Sep	Quarter Oct - Dec	Quarter Jan - Mar	YTD
Revenue	0.0	0.3	0.7	0.7	1.8	3.6
Expenses	1.7	2.2	3.9	2.9	3.3	12.3
EBITDA	(1.7)	(1.9)	(3.2)	(2.1)	(1.5)	(8.8)
Interest expense	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	0.1	0.0	0.1	0.1	0.1	0.3
PBT	(1.8)	(1.9)	(3.3)	(2.2)	(1.6)	(9.1)
Taxes	0.0	0.0	0.0	0.0	0.1	0.1
PAT	(1.8)	(1.9)	(3.3)	(2.2)	(1.7)	(9.1)

E&S Indicators	Pre-Investment March 2023	Post-Investment
Number of Employees	13	43
CO2 emissions reduced	Nil	Nil
H2 production capacity	Nil	10 KW

Gender metrics	Pre-Investment March 2023	Post Investment
Number of female employees	1	10

3 - Financial Summary

March 2024

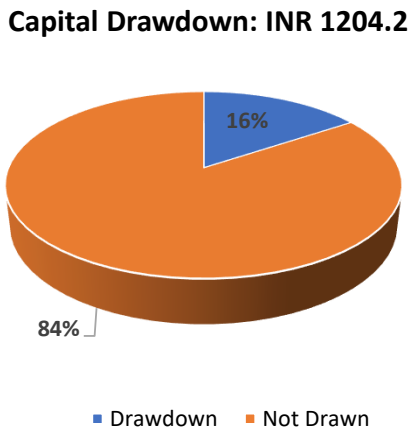
Sr. No.	Particulars	INR Cr	% Committed
1	Total Capital Commitment (A)[1]	1,204.2	100.0%
2	Capital Drawn Down to date (B) - Refer 6 below	249.6	20.7%
3	Capital Available for Drawdown (C=A-B)	954.6	79.3%
4	Distributions (D)	0.0	0.0%
5	Net Capital Contribution (E)	954.6	79.3%
6	Utilisation of Capital Drawn Down :	249.6	
a)	Capital Invested in portfolio companies	144.1	57.7%
b)	Total Fund Expenses till March 31, 2024	55.2	22.1%
c)	Balance available to be utilised for Portfolio Investments[2]	37.8	15.1%
d)	Balance available to be utilised for Fees and Fund expenses	12.5	5.0%

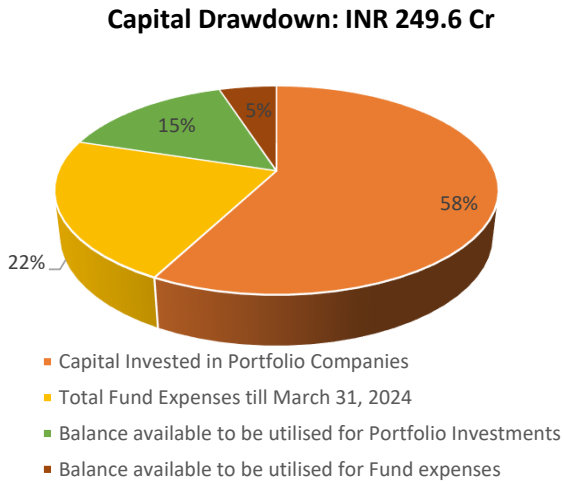
Footnotes:

[1]The above INR Commitment has been calculated as per the Clause 38.18.2 of the Comtribution Agreement.

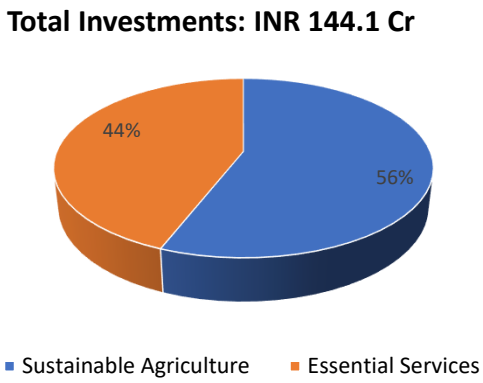
[2]Capital Contribution received pending disbursment towards portfolio investment in GODESI Mandi and Altum Credo.

4.1 Committed Capital Utilisation





4.2 Sector-wise Allocation of Deployed Capital





Alkemi Venture Fund II - Scheme I

Investment Manager’s Quarterly Report

January - March 2024

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Report of the fund manager

Dear Valued Investors,

Greetings! This quarter marked the end of financial year FY24. This quarter we also completed our 1st anniversary for our Fund 2, Scheme 1. We have made significant progress in the last year and this memo attempts to capture the same.

Fund raise: We have line of sight on ~65 M USD. We already have a hard commit of 50M USD and we are in advanced discussions on the remaining. We will have more clarity over the next few weeks on the timing for the same if at all an extension is required.

Sourcing and Deployment: Over the last year we have interacted with close to 400 companies (~8 companies a week) and invested in 3 of them – details in the portfolio section. While there is a large sub-stratum of companies, execution is taking longer than what it was in the 2021/2022. We are in advanced discussions with two other companies. If those materialize, our portfolio count will be ~5 by Q3 2024. In addition to companies raising, we spend a significant bandwidth with existing operators to understand their requirements. We truly believe this network, our domain knowledge and our values set us apart in the eco-system.

Team: Our team is now 5 investment professionals; we may add another professional to the team in the coming quarters. The ops team is 4 people. With this team size, we are very well positioned to do expansive sourcing, working with our portfolio companies and initiating early conversations for exits.

We continue to build our brand and pre-eminence in the healthcare and investing industry. Certain notable events include:

- Alkemi was awarded the "Here to Win" award by WINPE. We were inspired when we were told that the award was especially created for us after the independent jury felt the need to recognize the progress we have made and the impact we are having.
- Alkemi published its book – "The comic (serious) side of start-up investing" The book was launched by the US Ambassador Eric Garcetti in an audience of select global institutional investors. The book is available on Amazon and even has an e-book version. The book is receiving very positive feedback. We encourage you to read the same and let us know your opinions.
- We also held multiple expert series including one with CXOs in the insurance sector space given the rapidly changing dynamics. These round tables are instrumental in helping us deepen our network and understanding of the changing landscape.

Thank you again for your support. Please feel free to, as always, reach out to me for any clarifications

Best wishes

Alka

Fund Overview

Fund Overview	
Fund Name	Alkemi Venture Fund II - Scheme I
First closing	January 12, 2023
Final closing	July 2024
Commitment Period	4 + 1 years from initial closing
Vintage Year	F.Y 2022-23
Commitment - Overseas Investors[1]	USD 25.45 Million (INR 2,099.63 Million)
Commitment - Domestic Investors[2]	INR 2,011.12 Million[2]
Fund term	8+1+1 Years (Till FY 2032-2033)
Fund domicile	India
Legal form	SEBI registered Category II Alternate Investment Fund
Investment Manager	Alkemi Growth Capital LLP
Investment focus	Early Growth, Healthcare/Wellness
Geography	India
Financial Year end	31st March

[1] Commitment Amounts are based on Contribution Agreements signed on or before 31st Mar, 2024.
[2] Additional USD 15 Mn linked to Fund size

Fund Summary

Fund Summary	Amount	In %
Total Commitment		
i) Overseas Investors	USD 25.45 Million	51.08%
ii) Domestic Investors	INR 2,011.12 Million	48.92%
Total Drawdown		
i) Overseas Investors	USD 3.58 Million	14.07%
ii) Domestic Investors	INR 281.17 Million	13.98%
Total remaining available for drawdown		
i) Overseas Investors	USD 21.87 Million	85.93%
ii) Domestic Investors	INR 1,729.95 Million	86.02%
Total Investment in Portfolio	INR 455 Million	11.07%
Total Distribution		
i) Overseas Investors	Nil	0.00%
ii) Domestic Investors	Nil	0.00%
Paid in Capital to Committed Capital	Overseas 14.07%	
	Domestic 13.98%	

Expected draw-down in next reporting period

Period	Expected draw down (INR)	% of committed capital
July 2024 (Expected to be called)	3,74,23,000	6.90%

Capital Account Statement

Capital Account Statement as on Mar 31, 2024		
Particulars		**At Cost**
Total Commitment		INR 54,09,74,655
Beginning Balance		INR 2,35,07,621
Contributions in the period Jan – Mar 2024		INR 4,49,91,000
Refund of Capital contribution		INR -
Capital Redemption		INR -
Add: Distributions made		INR -
Net Operating Gain/(Loss)		INR (92,81,655)
Unrealised Gain/(Loss)		INR -
Ending Balance		INR 5,92,16,966
Beginning Unfunded Commitment	(A)	INR 51,05,18,655
Add: Incremental Capital Commitment	(B)	INR -
Less: Contributions in the period Jan – Mar 2024	(C)	INR 4,49,91,000
Add: Return of Excess Capital	(D)	INR -
Ending Unfunded Commitment	(A)+(B)-(C)+(D)	INR 46,55,27,655
Class B Units allotted		75,447
NAV per unit		**INR 785**

Disclaimer: The report is for the period January – March 2024. Capital calls and transactions post the period will be updated for the next quarterly report. The disclosed financial and operational performance details on the portfolio companies are based on formal monthly MIS's (monthly information system), informal discussions and quarterly board meetings. These numbers may be adjusted as the portfolio companies continue to reconcile their accounts and after the formal annual audits.

Historical and Projected Cash Flows at Master Fund Level

(Amount in INR)

Particulars	Historical Capital Utilisation	Projected Capital Call
	Jan 2023 to Mar 2024	Apr – Sep 2024
Management Fees	10,21,10,431	4,79,28,465
Operating Expenses	69,47,611	35,00,000
Establishment Expenses	1,21,92,158	53,45,692
Investment in Portfolio Companies		
i. Saveo Healthtech Private Limited (Saveo)	18,00,00,000	-
ii. Wholsum Foods Private Limited (Slurrp Farm)	17,49,99,712	-
iii. Medulance Healthtech Private Limited (Medulance)	10,00,02,623	2,00,00,000
iv. Company 4 (Term Sheet issued, Diligence ongoing)	-	20,75,00,000
Total Capital Call	**57,62,52,535**	**28,42,74,157**

Schedule of Your Capital Contributions

(Amount in INR)

S. No	Due Date of Capital Call	Date on which Amount Received	Amount Due	Adjustment	Net Amount Received
1	12-09-2023	26-09-2023	3,04,56,000	-	3,04,56,000
2	31-01-2024	07-02-2024	4,49,91,000	-	4,49,91,000
	Total		**7,54,47,000**	**-**	**7,54,47,000**
	Units allotted till Mar, 2024		**75,447**		

Our Key Advisors

Role/Purpose	Advisor Name(s)
Fund Administrator - Mauritius	Apex Fund & Corporate Services (Mauritius) Ltd.
Auditors - Mauritius	BDO & Co.
- India	BDO & Co.
Legal	Trilegal
Taxation	PwC and Grant Thornton Bharat LLP

Fund Level Risk Assessment

Risk Category	Description	Remarks
Concentration Risk	Not more than 15% of the aggregate capital commitments of the Fund will be invested in one Portfolio Entity.	The Fund has not invested more than 15% of the aggregate capital commitments in any portfolio entity.
Foreign Exchange Risk	The Fund invests in INR, to the extent INR depreciates, it is the risk of the fund.	Foreign exchange rate (USD/INR) has moved from INR 81.64 as on inception date i.e., 12th January 2023 (First Close of the Fund) to INR 83.37 as on 31st Mar 2024 which equals to annualised rupee depreciation of 2%. The fund does not hedge due to benefit cum hedge cost trade off.

Process Update: Dematerialization of units and IPEV Valuation Guidelines

Boosting Corporate Governance of AIF Industry has been the focus area of Indian regulators throughout and more so during last couple of years.

We informed earlier in our quarter ended September 2023 memo about two key regulatory changes promulgated by principal regulator of AIFs in India, viz., SEBI (Securities Exchange Board of India).

These changes are intended to foster digitization of units, strengthen corporate governance, promote transparency and comparability of valuations. We strongly believe that these will further strengthen the compliance framework of AIF industry.

Current status of these amendments is explained below:

- Dematerialization of AIF units:

  We are in compliance of SEBI regulation whereby the Fund was required to get Issuer Code and ISINs for its units by 30 April 2024.

  By 10 May 2024, units have to be transferred to demat accounts of investors or to Escrow Demat Account of the Fund where demat account is not provided by the Investor. From Escrow, units will be transferred to respective investor's demat account as and when the such demat account details are provided by such investor, timeline to complete the same is 31 May 2024.

  Process of dematerialization of units of investors who have provided demat details is already initiated.

  Please note since this amendment is India specific, it is not applicable to units issued by Mauritius entity.

- Valuation guidelines:

  India's apex AIF representation body, IVCA (Indian Venture and Alternate Capital Association) has formally endorsed IPEV (International Private Equity and Venture Capital) Valuation guidelines as required by SEBI.

  These guidelines will serve as the underlying framework for independent valuations that will be conducted henceforth. Since IPEV guidelines are framed in a manner to be in compliant with IFRS (International Financial Reporting Standards) and our existing valuation approach is already in compliance with IFRS, we do not expect material

variation in outcomes. However, a variation cannot be ruled out till Valuation exercise is completed. We will keep you posted of the same.

We have a strong compliance framework in place with multiple checks and balances. Our strong in-house compliance team in India is assisted by reputed law firms and well-regarded audit firms. At Mauritius level, the Fund Administrator is regularly monitored by India in-house compliance team, an independent Control Tower organisation and audit is conducted by reputed international audit Firm.

Innovative initiatives in healthcare: Health Claims Exchange and Bima Sugam

India is currently the most populated country with ~1.43 billion people, but is the 9th largest Life Insurance market and the 14th largest Non-Life Insurance Market. ~68% of India's population is young and ~56% of its population is in the age group of 20-59 (working population) in the year 2024-2025. These demographics highlight a big potential segment for the insurable population in India. Insurance penetration has climbed from ~2.7% of the GDP in the year 2000 to ~4.57% of the GDP in the year 2022, with life insurance leading the charge in just the last 4 years - at double the rate of emerging markets and slightly above the global average. Unlike some global markets where insurance is seen as an investment tool, in India it's often driven by the fear of losing financial security. This focus on protection makes insurance a "push product" where consumers may need more convincing. Despite this, the Indian insurance industry is a powerhouse. In recent times, assets under management by insurance companies have surpassed 60 trillion rupees (over $750 billion), exceeding the GDP of several countries. India's insurance premium volume stands at ~$127 Bn as of 2021 (Life ~76%, Non-Life ~24%). For FY24, within the non-life insurance segment, the public sector insurers clocked ~8.99% growth in premiums comprising ~31% of the general insurance market (*down from 32.27% one year ago*), and the private sector counterparts witnessed ~17.53% growth while owning ~53.2% of the general insurance market (*up from 51.36% one year ago*).

The life insurance market is forecasted to grow at an annual average of ~6.7% from 2024 to 2028. And, non-life premiums including health insurance, could expand by an average of ~8.3%. The net incurred claims of non-life insurers stood at ~₹1.4 Lakh Cr in FY22, primarily driven by rising per capita income, product innovations and customization, development of strong distribution channels, and rising financial literacy. Around 70% of the Indian population is estimated to be covered either under public health insurance or voluntarily private health insurance. The remaining 30% i.e. ~400 Mn individuals are devoid of health insurance. Ayushman Bharat PM-JAY is the largest health assurance scheme in the world funded by the Government - under which 230+ Mn beneficiaries have been provided Ayushman cards, and over 44 Mn hospital admissions have been authorized through a network of 25,969 empaneled healthcare providers, including 11,700 private hospitals (9th Mar'23). However, India is majorly reliant on the private healthcare system to cater to the medical needs of people. ~58% of hospitals in the country are privately owned, and ~81% of doctors serve at these hospitals. Hence, individual coverage under non-govt health insurance scheme becomes critical.

The Indian Insurance industry has also become more attractive to foreign investors. Since 2000, India has steadily opened its doors to private insurance companies and foreign direct investment (FDI). The initial 26% FDI limit was raised to 49% in 2014 and increased to 74% in 2021. Currently, there are no restrictions on FDI for insurance intermediaries. India has 67 insurers of which 24 are life insurers, 26 are general insurers, 5 are stand-alone health insurers, and 12 are re-insurers (March 2022). However, the current landscape has fragmentation across certain levels:

- **Information asymmetry**: Policy comparison and selection remain challenging due to a lack of standardized product information and price transparency. There are cases of significant mis-selling and there is a general perception that insurers don't settle insurance claims.
- **Inefficient processes**: Manual processes plague policy issuance, renewal, and claim settlements, leading to delays and customer dissatisfaction. At present, 60–70% of life and health products are being dealt with via offline channels due to the complex nature of the product. All these factors together slow down the adoption of insurance.

With continuous rising medical inflation, the increasing cost of medical services and financial awareness will steadily prompt Indians to buy health insurance products for themselves. For these fast-growing consumer segments of health insurance and first-time policy holders - there are significant gaps across domains of policyholder experience, accuracy in risk assessment & pricing, efficiency in claims processing, potential for innovative products by insurance companies, policymaking, stakeholder transparency, and regulatory compliances.

Health Claims Exchange (HCX): A Game-Changer in the Making

The Health Claims Data Exchange (HCX) Protocol is a new initiative in India's Digital Public Infrastructure (DPIs – like UPI, ONDC, OCEN) stack that aims to facilitate faster claim processing for policyholders and provide a reduction in costs for insurance companies - by automating and streamlining claim processing. HCX is a set of specifications consisting of APIs, data models, reference architecture, and domain-specific standards that enable the creation of decentralized networks to promote cashless processing for outpatient expenses, making even small claims economically viable. It was floated as a recommendation of the National Health Authority (NHA) and the Insurance Regulatory and Development Authority (IRDAI), to be developed as part of the Ayushman Bharat Digital Mission (ABDM) anchored by 120+ volunteers from the healthcare, health-tech, and health payer ecosystem. The DPI stack focused on Health Insurance will serve as a tech-enabled platform for exchanging claims-related information among all the key stakeholders i.e. insurance companies, claimants or beneficiaries, and regulators.

The current version of specifications is designed to cater to both cashless & reimbursement health claims processes and envisions to facilitate the following information flows:

- Network Participant details - addressing, data security, and integrity certs
- Eligibility check and Pre-authorization (including enhancements)
- Claims request flow (discharge/settlement) and status check
- Payment notification and Payment acknowledgment

The integration of HCX with ABDM-compatible Health Information Management Systems (HIMS) of healthcare delivery providers (both public and private) further enhances its impact, ensuring seamless communication and real-time updates across key stakeholders (insurance companies & government). As India embraces a digital healthcare paradigm, HCX emerges as a breakthrough solution, promising transparency, reliability, and accessibility in India's evolving health insurance ecosystem.

Bima Sugam: A One-Stop Portal for All Insurance Policies

Bima Sugam, translating to "Easy Insurance" in Hindi, is an innovative and ambitious initiative by the Insurance Regulatory and Development Authority of India (IRDAI) aimed to revolutionize the country's insurance sector. Bima Sugam will attempt to impact the insurance sector in India, the way UPI impacted the banking sector. A McKinsey report estimates that Bima Sugam could increase insurance penetration by 2-3% by 2030, translating to a potential market size of $100 billion. Bima Sugam aims to create a centralized Amazon-like digital marketplace that's free for customers with the potential to:

- **Enhance accessibility:** By aggregating all insurance products (life, health, and general) from various providers under one roof, Bima Sugam will offer a one-stop shop for policy discovery and purchase, reaching the most remote corners of India.
- **Streamline processes:** Bima Sugam will leverage digital technologies to automate key processes like policy issuance, renewal, and claim settlements, improving efficiency and customer experience.

In a recent amendment, the IRDAI also increased the maximum number of insurer tie-ups by three times for corporate agents and insurance marketing firms - a forward-looking step towards making insurance more accessible. HCX and Bima Sugam represent a transformative force in India's insurance sector. Strategic collaboration between insurers, governments, intermediaries, and regulators will be the way forward to realize the full potential of the insurance ecosystem and drive businesses toward achieving sustainable growth in the industry. With its potential to increase insurance penetration, improve customer experience, and unlock billions in growth, HCX and Bima Sugam could open up a few lucrative opportunities for well-positioned founders as well as investors seeking to capitalize on India's booming insurance market.

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Alkemi Portfolio

1. Saveo Healthtech Private Limited

Investment Summary	Company	Saveo Healthtech Private Ltd
	Alkemi Role	Lead Series A investor, Co-investors with Matrix Partners, RTP Global, Peer Capital, LC Nueva
	Date of Investment	Sept'23
	Total Amount Invested by Alkemi/ Cost of Acquisition (INR million)	180
	Alkemi Stake (%)	6.9%
	Entry post-money valuation (INR million)	2596
	Total funds raised (equity) by the company so far (INR million)	1215

Business Description

- Saveo is a B2B Managed market place for primary and secondary medical market (wholesalers and pharmacies). It also has recently launched its own private label product to take advantage of the already established distribution chain.
- The company has two business lines today – 1) Business to retail (B2R) segment – where it provides medical supplies (Branded Generics, Trade Generics, OTC, Private label to retail pharmacies 2) Private label Generics. It discontinued its Carin business and Wholesale business in order to improve profitability.
- The company has 2 hubs in Bengaluru and Hyderabad and has onboarded 13k+ pharmacies (5k+ active pharmacies) at the time of Alkemi's investment. It provides Branded Generics, Trade Generics, OTC drugs, surgicals, etc. to these pharmacies (50K+SKUs)
- The Founding team has 4 Co-founders: CEO - Vivek Jaiswal (IIT Kanpur'15; Previous Work-ex with Edelweiss FS as a Banker; Comes from a pharma family business background), CTO – Amit Kumar (IIT Kanpur'15; Previous work-ex with founding team of Yulu and Sharechat), Demand Head - Anurag Savarnaya (IIT Kharagpur'14, Previous work-ex as a trader with Trafigura; comes from a Doctor family), Operations Head – Shivansh Shrivastav (IIT Kharagpur'14, Previous work ex with Moonfrog Labs, Has Co-founded two companies in e-gaming space – Transzeneca and Clutch Gamers)

Key Business

- Saveo is one of the most recognised companies in the healthcare vertical ecommerce space. They recently won the Deloitte TechFast 50 2023 award and they continue to win industry accolades while building a sustainable business.
- While they were growing their revenues in FY24, they started to rationalise their spend on each business vertical: Retail and Silvercross were strong businesses with a white space and core

Update for last quarter	gross margin advantages. The other 2 business lines i.e. wholesale business (GM of 1.5%) and Branded Generic business (Carin) required a significant amount of capital to build. One of the key strategic decisions that was taken by the board was to close these businesses while retaining 2 business verticals: B2R and Silvercross business. • This has led to a short-term decline in sales however it has an impact on an increase in gross margin. The full impact of this decision will be seen over the next 2 quarters. Due to this decision, the company was able to reduce its EBITDA loss by 500bps. The EBITDA loss has reduced from INR 2 Cr (Dec'23) to INR 65 Lakhs (Mar'24) within three months. • This has also significantly improved the absolute and percent value of CM3. In Dec'23 CM3 was INR 25 Lakhs which has improved to INR 33 Lakhs even though the top line has reduced by 40%. • Continued strong growth in Private label business (Silvercross) o In FY-24 Silvercross sales have increased aggressively at 15% MoM growth. From Apr'23, the company's sales have increased by 5 times (INR 3Mn in Apr'23 to INR 15Mn in Mar'24) o The company continues to expand the chemist first brand in states beyond the company's presence (i.e., 7+ states with the plan to make it pan India business) • Fundraise update o The company recently closed INR 9 Cr Venture debt round from 2 venture debt funds. This capital will be used to manage the current working capital needs of the company. o The company is planning to raise an additional $3Mn bridge round and is already in advance conversations with 3 funds and few family offices. As per company's growth plan, this fund-raise will be enough for them to sustainably grow and achieve EBITDA profitability in 12-15 months. This fundraise could mean an uptick on Alkemi's investment in a short period of time.
Key Risks	• Path to profitability: The company is focused to make its B2R segment profitable at a fully loaded cost level. The company forecasts that this journey is 12-15 months long. • Pending receivables: With the recent closure of wholesale and Carin Business, The company will have recovered its pending receivables from vendors with who it has stopped doing business from for these two verticals.

	Particulars	FY'23	Jul-Sept '23	Oct-Dec'23	Jan-Mar'24	Q-o-Q Growth/Change
Key Financial Metrics	Net Sales (INR Mn) – B2R	1213	305	318	309	-0.03%
	Net Sales (INR Mn) – SilverCross	-	18	28	41	+46.4%
	Gross Margin (Overall)	9.3%	8.4%	9.8%	12.7%	+2.9%
	EBITDA Margin (Overall)	-18%	-14%	-11%	-7%	+4%

	Particulars	FY'23	Jul-Sept '23	Oct-Dec'23	Jan – Mar'24	Q-o-Q Growth/Change
Key Operational Metrics	# No. of active pharmacies	4088	4677	4394	3937	-10.5%
	Average Order Value (in INR) (B2R)	2556	2795	3575	3592	+1.0%
	% Sales from Private label (Silver cross in B2R)	1.06%	6.8%	10.3%	14.7%	+4.4%

2. Wholsum Foods Private limited

Investment Summary	Company	Wholsum Foods Private Ltd
	Alkemi Role	Co-lead Series C investor, Co-investors with Narotam Sekhsaria Family Office, Sharrp Ventures, Fireside, Investment Corporation of Dubai
	Date of Investment	Jan'24/Feb 24
	Total Amount Invested by Alkemi/ Cost of Acquisition (INR million)	175
	Alkemi Stake (%)	3.43%
	Entry post-money valuation (INR million)	510
	Total funds raised (equity) by the company so far (INR million)	1300

Business Description

- Wholsum foods is an omnichannel healthy breakfast and snacks brand for 0 - 14 year-old kids under a brand called Slurrp Farm. These products are sustainable alternatives to products with refined flours, sugar, salt, fat, artificial additives and preservatives. The company recently started their first adult food category a Millet brand called Mille.
- The company has 6 product categories under brand Slurrp Farm (60+ SKUs) and 1 product category under brand Mille (13 SKUs).
- The founding team consists of 2 highly experienced and complementary co-founders:
- Meghana Narayan - A versatile leader with a track record in consulting, sports, and education. McKinsey Associate Principal, accomplished swimmer with 400 national gold medals, Harvard MBA, Rhodes Scholar, and a distinguished background in computer science engineering. Currently responsible for Sales, Operations, and Product leadership.
- Shauravi Malik - Experienced Investment Manager at Virgin Group, previously in Consumer and Retail Advisory at J.P. Morgan. Holds an MS in Economics from Cambridge and a BA in Economics from Delhi University. Currently overseeing Marketing, Finance, and People functions.

Key Business

- The company is a market leader in healthy kids snacking segment. They have been growing consistently since their launch. In the last 3 years, they have achieved significant scale and have grown their top line by more than 100% (Dec'23 ARR at 949 INR Mn) from FY'23 while consistently improving its EBITDA margins.

Update for last quarter

- In addition to the growth across all financial and operating metrics, they continue to forge partnerships with industry defining brands like Cult fit to launch their products. Their brand Mille, a millet based brand is getting traction and as the leaders in the millet space they represented India at the UN food and Agriculture organisation to celebrate the International year of millets.
- They continue their offline activations with mothers to educate them about nutritious food and create new recipes.
- The company has doubled its offline penetration in 7 months (13% (in FY'23) to 27% in Oct'23). They have also launched in international markets with a growing presence in Middle East supermarkets.
- Revenues continue to increase due to increased scale up in all channels and an increase in its product portfolio by adding newer SKUs. They are very agile in product launch and rationalisation, a true testament to their innovative spirit.
- They are also planning to vertically integrate and have been exploring setting up of their manufacturing plant under the government PLI scheme to promote millets. This will lead to margin expansion in the future.
- The company recently closed its Series C fundraise of INR 60 Cr. The round was co-lead by Alkemi and NSFO. The fundraise also saw participation from existing investors: Fireside and ICD
- Continued topline growth**:**
    - In Feb'24, WholSum Foods had INR 7.42 cr revenue which has increased 14.5% to INR 8.50 Cr in Mar'24
- Costs optimization initiatives:
    - COGS – The company is working on improving the GM by mapping out vendors and figuring out the top 2-3 in terms of cost and quality. All ingredients but date powder is sourced domestically, hence the business is less vulnerable to global supply chain disruptions.
    - The company is working on reducing logistics cost to less than 10% in FY25.
- Anticipated increase in costs to achieve long term growth:
    - Branding expense – The company has entered partnerships with celebrity Anita Hasnandani for Slurrp Farm and with Cult for Mille. This has increased the branding expense.
    - People cost – New hires were recruited for various senior positions, increasing the people cost. This includes a new COO, recruits in the data analysis team, e-commerce leads. The company is also expecting attrition in the junior rungs of the sales team.
    - Since Jan'24, the company has 15 new senior team members, 88 on-roll employees and 105 off-roll employees. The sales team consists of 40 people.
- It is also working on improving the delivery times; today 85% of online orders are delivered within 3 days. The company is working on same day delivery
- Today, Slurrp Farm is present in 3950 offline stores across India. The company aims to be in 40,000 key stores in 7 cities in India by end of FY 25
- The two biggest initiatives for the next financial year will be:

- Achieving brand presence in 40,000 stores across 7 cities in India
- Large brand activation initiative via brand ambassador: Anushka Sharma

Key Risks

- Increased working capital requirements: As they increase offline sales, working capital requirements could increase as receivables increase
- Changes to the organizational structure: The inflow of new talent including the COO may take time to settle and take effect in terms of growth and profitability

Key Financial Metrics

Particulars	FY23	FY24	Apr – Jun'23	Jul – Sept'23	Oct-Dec'23	Jan-Mar'24	Q-o-Q Growth
Net Sales (INR million)	455.7	786	165.9	179.1	210.9	229.9	+9.1%
Gross Margin	65%	63%	63%	64%	64%	63%	-1%
EBITDA Margin	-66%	-24%	-34%	-11%	-12%	-36%	-24%

Key Operational Metrics

Particulars	FY'23	FY'24	Apr – Jun'23	Jul – Sept'23	Oct-Dec'23	Jan-Mar'24	Q-o-Q Growth
Website	21%	13%	18%	14%	12%	10%	-2%
Offline	13%	25%	17%	22%	27%	30%	+3%

Disclaimer: The report is for the period January – March 2024. Capital calls and transactions post the period will be updated for the next quarterly report. The disclosed financial and operational performance details on the portfolio companies are based on formal monthly MIS's (monthly information system), informal discussions and quarterly board meetings. These numbers may be adjusted as the portfolio companies continue to reconcile their accounts and after the formal annual audits.

3. Medulance Healthcare Private Limited

Investment Summary	Company	Medulance Healthcare Private Ltd
	Alkemi Role	Lead Series A investor
	Date of Investment	Mar'24
	Total Amount Invested by Alkemi/ Cost of Acquisition (INR million)	120
	Alkemi Stake (%)	9.9%[3]
	Entry post-money valuation (INR million)	1266
	Total funds raised (equity) by the company so far (INR million)	216

Business Description

- Medulance is an emergency response service provider offering smart ambulance and emergency helpline services to the government, corporates, hospitals and retail customers. The ambulatory services are enabled by robust GPS technology which reduces the response time for the ambulances
- The company has three core offerings:
  - MeduERS: Provide tech-enabled stationed ambulances (three type of ambulances: Patient Transfer, Basic life support, Advance life support) with paramedic and driver support to Government, Corporates (Manufacturing units, Large MNCs) institutions and Hospitals. This service is also provided to residential complexes, events, malls and sport venues etc.
  - MeduClinic: Provide man-power and human resources for in-house clinics of corporates. They also provide one-time set-up for firms that do not have a clinic at their premise
  - MeduAlert: Provide on-call ambulance service for corporate employees and their family members. The service is sold to corporate as per employee subscription or on per ride basis. This service is also provided to residential complexes, events, malls, sport venues
- The company has grown from an MRR of INR 2.6 Cr in Nov'22 to INR 5.3 Cr in Mar'24 (Based on signed contracts) showcasing a ~5% MoM growth
- The founding team has 2 co-founders:
  - Pranav Bajaj: Recognized in Forbes 30U30, Pranav started his career as being one of the early employees at Zomato and was the key account manager at the company. He then led the business development vertical of real-estate associated data analytics platform. At Medulance, Pranav is leading the corporate growth and investor relations

[3] An additional INR 2 crores has been committed but yet to be called. This may reduce further as few additional commitments are closing up for up to INR 3 crores.

- Ravjot Singh Arora: Ravjot is a serial entrepreneur. After completing his engineering, he started a highly profitable shrimp farming business in Goa. After successfully exiting that venture, he along with Pranav started their journey with Medulance. He is currently leading the government business and technology division at the company

Key Business Update for last quarter

- Medulance is one of the fastest growing organised players in the emergency medical response in India. They grew their revenues from INR 27 Cr in FY23 to an ARR of INR 64 crores, a 137% growth while maintaining their profitability. The profitability has somewhat declined as their product mix is changing marginally because of increase in corporate expenses and the change in product mix.
- They were largely focused on government segment until FY 23 and then started growing their revenues in the corporate and the hospital segment. Today, the government business accounts for less than 40% of their overall revenues and this strategic shift was to reduce the customer concentration risk while also serving a large variety of customers across segments.
- It has scaled its corporate business by nearly four times in terms of MRR. It has grown from INR 50 Lakhs/month to ~INR 2 Cr/month.
- Strong start in the Hospital business line:
    - The company started its hospital business 3-6 months back. The company has onboarded 3 hospital clients and is already at an MRR of INR 20 Lakhs/month. They have a strong pipeline for FY-25 and are looking to target major hospital chain to increase this growth further
- Significant potential in government business:
    - The company has already renewed their Delhi CATs government for one more year and has major contracts (tenders) lined up for other state government. Government contracts also apply to various government departments such as National Highway authority, PSU's etc which are INR <1 crore contracts each per annum yet long term and do not require a long drawn tendering process.
- In addition to the core business lines, they are the official medical partners to IPL, BCCI which are high viewership events that positive impact on brand building.
- Fundraise update
    - The company closed its $3Mn round with Alkemi leading the round. The round also saw participation from Deepinder Goyal, Founder of Zomato, Aman Gupta, Founder of Boat, Namita Thapar, and Dexter capital.
    - The company has created a hiring plan for various top management position (including CFO, Compliance officer) for these business lines.

Key Risks	• Revenue concentration: Currently 40% of the revenue for the company comes from the government segment. The company is continuously increasing its scale in the corporate and hospital business vertical and going forward the revenue concentration risk will go down as these business verticals pick-up • Gross margin contraction: The company faces pricing pressure from various other players in order to win other state government tenders. Given high revenue contribution from government business lines, the company can face reduction in gross margins

Key Financial Metrics	Particulars	FY'23	Mar'24 Annualized
	Net Sales (INR million)	261	627
	Gross Margin	24.6%	22%
	EBITDA Margin	12%	7%

May 15th, 2024

Dear Investor,

We are writing this letter in Bangalore where after a scorching April and first half of May, the pre-monsoon has brought in moderate temperatures, cloudy skies and rain/drizzle most afternoons. In short, things seem to be returning to some sort of normalcy again. Venture at the seed stage feels similar Buoyancy in deal volume and seed investing is back. Later stage investing though seems to be still stuck on the leeward side; There is a lot of thunder and lightning, but still no showers at all. We are hoping that the monsoon finds it way over the mountains!

The last quarter of the financial year has been busy like most earlier ones. We have been busy fundraising, investing and building out the organisation. Key updates from Q4 are as follows:

- *New deal commitments:* We have given out two additional term sheets in the Jan – March period bringing the total number of committed investments to twelve (12) companies.

- *Completed Investments:* We have completed nine (9) of the twelve (12) committed investments. One investment has run slow in the diligence phase We now expect all these three investments to be completed end of July 2024

- *Fund Raise:* We have raised gross capital commitments of close to INR 250 Cr. We have a bunch of ongoing conversations that we hope will keep adding to this.

- *Team:* We have added another team member to the investing team, taking Arali's team strength to eight (8). We now have a three-member dedicated investment team supporting the three of us partners in deal sourcing, evaluation & investment management. It should be noted that Arali is back to being a 50%-woman team, possibly one of the few if not the only one in the VC world in India. We now have freed up one senior resource to focus on follow on fund raising of portfolio companies, ecosystem & brand building and exits.

- *Portfolio support:* We have also formally signed on four (4) venture partners, who will work with the portfolio companies in various capacities to build their capabilities & strengthen some of their focus areas.

Our insights from the evolving landscape…

Growth stage investing in the venture world is going through a reset. The bar for going public has gone up significantly & growth capital has been scarce & slow. This is leading to all scaled up ventures focussing on turning profitable, probably at the cost of growth, and realising that it will cause a significant reduction in their valuations. Most of them are now considering going public in India in the short to the middle term.

Considering all of this, we are doubling down on a few key principles of our investment evaluation process. These have now acquired more importance than the standard ones around market size, founder-market fit & differentiated business model. These key principles are as follows:

- Modelling the potential scaling path of our investee companies & ensuring these have venture velocity.
- Planning for enough operational support in that early scaling process & cultivating enough capital sources that might be interested in the specific startup, both venture & otherwise. In one of our investments, the co-investor is a public market fund that shares our conviction in the company and will also be able to provide capital in a subsequent round in case classic venture funds do not come to the party
- Constructing a realistic exit pathway and accordingly sizing our target equity positions

The seed stage B2B tech market continues to be vibrant. Deal volumes are high, however there are a lot of Me-too products coming out. Moreover, many founders are still building out horizontal solutions, where markets are

crowded with large well capitalised incumbents. Hence, at Arali, we are starting to focus a lot more on businesses & solutions that are focussed on specific industries (vertical focussed products) We believe that while it takes a lot more effort initially to identify such an opportunity and build a solution for a specific industry, the solutions tends to be more sticky, markets tend to be less crowded and the returns are likely to be venture scale.

Other trends that we see in the market are

- There seems to be some slowdown in Generative AI focussed startups, at least from India. There is a lot of uncertainty on how GenAI adoption will pan out and how AI led businesses will scale
- Climate tech, encompassing everything from EV / Battery tech to alternative energy and sustainability financing is starting to becoming the flavour of the season
- Fintech is going through a reset, there is now a focus on innovating within the regulatory framework laid down by the regulators
- Deeper tech & longer gestation plays surprisingly seem to have more takers at the seed stage compared to earlier
- B2B marketplaces have fallen out of flavor. However, full stack managed B2B commerce has legs since this is not just a tech layer but an augment or value-add to the existing value chain

Doubling down on our venture partner model

Expectations from founders on scaling have changed significantly. For e.g. the expected timeframe to reach a $1m ARR is much lesser than what it was 3-4 years ago. There is a clear expectation for founders to get it right the first time. We have onboarded a venture partner solely focused on helping portfolio companies get the GTM motion right. This is our 4th venture partner onboarded onto Arali Ventures. For the sake of clarity, venture partners are individuals that bring one strong competency that is relevant to us and/or our investee companies. In addition to the above dimension of marketing, we have venture partners focused on tech & engineering, product management & PMF, scaling a business & fund raising/exit management. Given the dearth of late-stage capital, the pressure for companies to be efficient and the tightening of the compliance & regulatory environment, we are actively working with a set of trusted CFO service partners to help portfolio companies manage this part of the business.

Having powerful networks or being able to leverage powerful networks has become more important than ever before. We are fortunate to have a very strong pool of LPs that have deep functional and industry exposure. Some of them without being formal venture partners are already supporting us in sourcing deals, evaluating investment opportunities and advising portfolio companies. This is helping create scale for Arali as a team beyond its core team.

Investments

Our Fund II portfolio now stands at nine (9) companies, with three (3) more transactions that will get completed by end of July. As indicated there are commitments to two new companies in the past quarter. One is in the spatial data management space and the other is in the developer tooling space.

The spatial data management company provides a single platform that is able to ingest all types of spatial data. (Satellite imagery, drone data, GIS data, point cloud data) and enable the user to perform meaningful analytics using all of them. They have built a contextual analytical offering for Mining and Power utilities industries using this stack. They will also explore positioning the platform as a spatial data management solution.

The developer tooling solution is building a crash testing solution for Mobile apps. There is a significant amount of complexity in building out mobile apps driven by the plethora of operating system/device/marketplace combinations and their respective regulatory environments. This tool enables automated testing for potential app crashes in all the environments, with a future roadmap to becoming a testing agent for mobile developers.

Across these 12 investments/commitments, Arali Ventures II would have deployed about INR 58 cr. We are on the ball on our average initial investment size and on target to achieve the target portfolio construction strategy. Our pipeline continues to be strong & interesting.

At this point, our portfolio break up by area is as follows:

- 2 in cross border SAAS focused largely on the US market (One vertical – Commercial Insurance & one horizontal – Data security & privacy)
- 3 SAAS companies focused on India currently but all with plans to scale outside India; Two of these are vertical focused (Mining, Asset management, Power) and one is horizontal (Water management)
- 3 in full stack managed B2B commerce (Manufacturing, Logistics & Agritech)
- 1 Fintech (Infra)
- 1 Healthtech (Med-tech device)
- 1 Dev tooling play
- 1 SME tech

We will be publishing a detailed view of each company shortly in our annual report. However, we would like to emphasise that most of the portfolio companies are doing pretty well from a customer traction standpoint. Some of the companies have already scaled 2X on revenue terms since our investment. Two of the companies will be out in the market to raise the next round of capital in the next quarter or two.

Fund Raise

As you all know we sought & obtained your approval for a 6 month extension to the fund final close. We hope to maximise the fund size thus allowing greater cushion for our investee companies. The conversions have been a bit slow, given this is the financial year ending as well as a wait and watch policy due to the general elections in India. Besides, our focus is now on larger investors (family office & institutional) whose processes have a longer lead time. We are positive about a lot of the conversations in the pipeline and will keep you updated. All of you can help with referrals in your network!

Drawdowns & Other operational aspects

- We will raise a drawdown notice to the extent of 5% shortly. This shall be payable by June 15th
- You will also receive the annual account statement along with audited financials & valuation from us by July end
- We have focused significantly on the marketing & brand side. You would have started to see a little bit of that on Linkedin. You will see more of that in the coming months!

Thanking you
Arun Raghavan, Rajiv Raghunandan & Sujata Krishnan
General Partners, Arali Ventures

Arali Ventures II (A Scheme of Arali Ventures Trust)
Balance sheet as at 31st March 2024

(Amount in INR)

Particulars	As at March 2024	As at December 2023	As at March 2023 (Audited)
Equity and Liabilities			
LP Contribution	51,23,58,292	35,92,81,119	6,91,04,823
GP Contribution	3,90,00,000	3,21,00,000	1,07,00,000
Trust Settlement	5,000	5,000	5,000
Accumulated Surplus/(Deficit)	(7,97,33,358)	(5,28,45,381)	(1,71,40,038)
Capital Account Balance	**47,16,29,934**	**33,85,40,738**	**6,26,69,785**
Current Liabilities			
Trade Payables	27,88,482	61,46,691	41,32,790
Other Current Liabilities	28,73,936	23,13,978	27,12,895
Total	**47,72,92,354**	**34,70,01,410**	**6,95,15,471**
Assets			
Portfolio Investments (at Cost)	34,27,13,192	30,25,74,237	4,00,00,159
Cash and Cash Equivalents	13,44,21,340	4,43,73,171	2,92,35,325
Other Current Assets	1,57,822	54,002	2,79,987
Total	**47,72,92,354**	**34,70,01,410**	**6,95,15,471**

Arali Ventures II (A Scheme of Arali Ventures Trust)
Revenue statement for the period 1st April to 31st March 2024

(Amount in INR)

Particulars	For the quarter (January to March 2024)	YTD (April to March 2024)	Since Inception
Income			
Income from temporary investments	-	-	-
Total Income	**-**	**-**	**-**
Expenses			
Operating expenses	12,98,166	34,27,426	45,10,158
Management fee (incl of taxes)	2,10,81,875	5,06,06,546	6,22,04,280
Set-up expenses	45,07,936	82,79,704	1,30,18,920
Total Expenses	**2,68,87,977**	**6,23,13,676**	**7,97,33,358**
Surplus/(Deficit) for the period	**(2,68,87,977)**	**(6,23,13,676)**	**(7,97,33,358)**

Arali Ventures II (A Scheme of Arali Ventures Trust)
Details of Portfolio Investments as at 31st March 2024

(Amount in INR)

Sl No	Investment	Date of initial investment	Ownership %	Cost	FMV	Unrealised Gain / (loss)	MOIC
1	Pibit Technologies Private Limited	27-03-2023	10.00%	4,00,00,159	4,00,00,159	-	1.00
2	Frigate Engineering Services Private Limited	16-05-2023	10.00%	5,49,85,920	5,49,85,920	-	1.00
3	Fluxgen Sustainable Technologies Private Limited	16-05-2023	6.67%	2,73,89,048	2,73,89,048	-	1.00
4	Ezo Technologies Private Limited	06-07-2023	12.00%	3,36,02,166	3,36,02,166	-	1.00
5	Protecto India Private Limited	31-10-2023	NA-CCD	4,15,00,000	4,15,00,000	-	1.00
6	Growcoms Private Limited	03-11-2023	11.43%	11,60,52,561	11,60,52,561	-	1.00
7	Radar Ventures Private Limited	24-01-2024	0.20%	2,91,83,336	2,91,83,336	-	1.00
Total				**34,27,13,192**	**34,27,13,192**	**-**	**1.00**

Epiq Capital II

Quarterly Report
March 2024

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Fund Manager's Note

Dear Investors,

The financial year ended March 2024 closed with encouraging financial updates from our portfolio companies, while the overall private market sentiment continues to remain cautious.

In the March ended quarter, Indian startups attracted $2B in funding across 214 deals, as compared to $2.9B across 229 deals in the same quarter last year. Mega deals (deals with $100M or more in transaction size) remained low at 3 deals this quarter (vs 7 last year), as investors chose to be selective and prioritised profitability especially in growth and later stage companies. The number of M&A deals was down to 15 from 35 YoY. This is reflective of a stable, but cautious market.

Market Macros	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24
Deal Value ($B)	2.9	2.5	1.7	2.5	2.0
Deal Volume	229	241	221	206	214
No. of Mega Deals	7	7	3	6	3
No. of M&As	35	33	27	28	15

Source: Inc42 Indian tech startup funding report Mar'24

We are still in a consolidation phase after an overheated market in 2021. With the froth in the market subsiding, long term investors should have better opportunities to invest in high quality companies at reasonable prices in the near to medium term.

Financial year ending look into our portfolio

In the financial year ended March, our portfolio companies met growth expectations with a strong focus on profitability. Lenskart ended the year with $715M in revenue annual run rate (ARR) and is EBITDA profitable. The company has made significant progress in rolling out its manufacturing plant, as well as expanding internationally. Builder.ai ended the year with $156M in ARR ($220M Bookings ARR) with deeper global expansion, new tech roll outs, partnership with Microsoft and closed a funding round with Qatar Investment Authority.

Parkplus is a relatively younger company with ~$20M in ARR, but has outpaced its FASTag roll outs with negative customer acquisition cost and now has one in five Indian car owners on its platform. Pristyncare has completed $75M in ARR despite cutting its marketing budget by one-third this year. The company's BeatXP business has also expanded in volume over the last year, and gained significant customer visibility. Although Teachmint grew 150% YoY and now has an ARR of $3.6M with a 50+ month cash runway, we believe it is still an early-stage business.

Dailyhunt completed a strong fiscal year with an ARR of $263M, as both Dailyhunt and Josh contributed strongly to the business. Together Dailyhunt and Josh have

more than 200M daily active users. Curefit ended the year with $140M in ARR with continued market leadership in fitness services. Mswipe closed the year at $36M in ARR, and bagged ~$20M in a new round of funding, which will help the company scale up its terminal deployment significantly.

Overall, most of the portfolio companies continue to be in a market leadership position and are well funded for growth.

Going Forward

Looking ahead at FY25, we expect private markets to make a comeback, albeit slowly. We continue to focus on making high quality investments and not mere deployment of capital. We believe there are good opportunities in the horizon and as always we will focus on value creation through investing in Tech Nifty50 companies being driven by exceptional entrepreneurs.

Warmest Regards,



For and on behalf of Epiq Capital II
Epiq Capital Investment Advisory LLP
Investment Manager

Portfolio Summary

Company	First Investment Date	Investment Cost (INR Cr)	Investment FMV* (INR Cr)
Lenskart Solutions Private Limited (Lenskart)	Apr'22	172.9	190.5
Engineer.Ai India Private Limited (Builder.ai)	May'23	122.3	122.3
Parviom Technologies Pvt. Ltd. (Parkplus)	Dec'21	105.6	115.2
GHV Advanced Care Pvt. Ltd. (Pristyncare)	Jan'22	74.8	74.8
Teachmint Technologies Pvt. Ltd. (Teachmint)	Dec'21	33.5	11.2
Total		**509.1**	**514.0**

** Unaudited values. Audited financial statements for Epiq Capital II will be finalized by June 30.*

Portfolio Update



Founder: Peyush Bansal | **Location:** Delhi

Leading global eyewear platform

Lenskart is a category defining, tech enabled global eyewear platform, that sells direct to customers. The company has created a strong brand in the premium affordable eyewear category. Lenskart is tech enabled in every layer of its business such as pricing, product, experience, supply chain, creating a scalable GTM.

In the March ended quarter, Lenskart's revenue stood at INR 1,429.0 Cr, a 20% increase YoY. The company turned EBITDA profitable last year, and in this quarter, has posted a 7% EBITDA margin led by strong product margins and improved efficiencies in marketing spends. India business posted an EBITDA margin of 10% (versus 6% in the previous quarter).

57% of this revenue came from Lenskart's India business while remaining was from its international businesses. The India business grew 27% YoY, while the international business (that constitutes of both the Lenksart and Owndays brands selling internationally) grew 15% YoY. The core regions beyond India include Singapore, Japan and the Middle East. Overall, the company sustained its store expansion by adding 131 new stores this quarter, bringing the total store count to 2,406 stores. Same store sales increased 11% YoY.

Lenksart has set up the world's largest optical smart factory to produce eyewear products in North India and has plans to set up another plant near Bangalore.

In the coming quarter, the company will focus on tech initiatives to improve its supply chain further and offline staff recruitment. The company also has plans to bring the Owndays brand to India, which will be positioned at a slight premium to the current John Jacobs range. Lenskart will continue to ramp up its presence internationally. The company has over INR 2,000 Cr cash for growth opportunities and is well poised to IPO in the Indian public markets within the next 2 years.

Net Revenue (Q4FY24)	# of stores	Funds Raised	Key Investors
INR 1,429.0 Cr	2,406	$765M	KKR, ADIA

Founder: Sachin Dev Duggal | **Location:** London

Global App Development Platform

Builder.ai is a global AI-powered app development platform that allows anyone with an idea to build an app. Software development is a $180B market globally with not enough developer talent to match this demand. Builder.ai offers a no code platform where the company's proprietary lego-like code blocks enable software development at scale. The company's solution is 6x faster and 70% cheaper than traditional developer teams.

In the March ended quarter, the company achieved INR 312.0 Cr in net revenue, flat YoY due to one-time accounting changes, which align revenue with customer payments. However it achieved a high $55M in bookings which on a like to like basis would have resulted in 30% growth YoY. Being a software business, the company has high gross margins of 77%. The company is focused on better profitability margins as it scales and aims to achieve EBITDA breakeven in the coming quarters (excluding R&D costs). Builder.ai will continue to invest in R&D to build software ahead of time to meet future demand.

Builder.ai provides AI solutions for software development that require limited to no coding; and is integrated with Microsoft's products such as Azure OpenAI Service, Azure Cognitive Service. Builder.ai' has also built an AI product manager, 'Natasha' that handles many things that a human product manager would. Builder.ai's Natasha is now integrated with Microsoft Teams.

"We see Builder.ai creating an entirely new category that empowers everyone to be a developer" said Jon Tinter, corporate vice president of business development at Microsoft. "Our new, deeper collaboration fueled by Azure AI will bring the combined power of both companies to businesses around the world," he added.

In the coming quarter, Builder.ai has a focus on building operational efficiencies through its project Code Gen which improves automation, reduces project timelines and hence increases user satisfaction and improves the company's cash flow cycles. The company will continue global expansion. Builder.ai is well poised for growth.

Revenue (Q4FY24)	International Revenue %	Funds Raised	Key Investors
INR 312.0 Cr	75.0%	$292.0M	QIA, Microsoft

Founder: Amit Lakhotia | **Location**: Gurgaon

India's super app for car owners

Parkplus has established itself as a clear early mover in the market, with no other large organised player existing today. The market for car owners' needs is highly fragmented. Car owners have 10+ use cases including parking, insurance, car wash, electric car charging, fuel, servicing, spares, accessories, challans, FASTags, etc. Parkplus is building the one stop shop to service all car owner needs. One in five Indian car owners are registered on Parkplus.

In the March ended quarter, Parkplus recorded gross transaction value (GMV) of INR 683.5 Cr, a 70% increase YoY; while the net revenue of INR 38.5 Cr was a 26% increase YoY. Parkplus has a healthy gross margin of over 50% and also high positive contribution margins.

46% of the company's revenue came from its FASTag and FASTag related business; while 33% of revenue from B2B businesses that included access control at residential apartment buildings. The company distributed ~770k new FASTags during the quarter, a 44% increase YoY, benefitting from PayTM FASTags becoming obsolete.

Parkplus has onboarded new car dealerships and also expanded its network of service centres. This is showing early signs of revenue for Parkplus' lead generation business as dealers pay Parkplus for new customer leads.

Going forward, the company will deepen engagement with its user base. Parkplus has over 3 million monthly active users. The company will focus on increasing its user base and also user engagement on its platform. Parkplus is well funded and has over a year and half of cash runway.

Revenue (Q4FY24)	# of B2C Transactions (Q4FY24)	Funds Raised	Key Investors
INR 38.5 Cr	6,778,635	$54M	Matrix, Sequoia

Pristyn Care

Founder: Harsimarbir Singh | **Location:** Gurgaon

Digital hospital for elective surgeries

Pristyn Care is a digital hospital for multi-specialty non-critical surgeries. The company provides an asset light, full stack hospital solution to patients to solve for broken service experiences. The company also owns BeatXP, a consumer health and fitness brand that sells health equipment.

In the March ended quarter, Pristyncare recorded net revenue of INR 155.0 Cr, a 17% increase YoY primarily led by the BeatXP business. Currently, the company has ~60:40 split for its surgeries and products business. Given that surgeries is not a repeat business, the company is focusing on profitability in the surgery vertical, while growth comes from its BeatXP vertical.

For the quarter, Pristyncare completed 15,318 surgeries, a 6% decrease in volume, but 5% increase in revenue YoY due to better pricing. The company has also put strategic measures in place to reduce its customer acquisition cost. Despite marketing budgets being cut by nearly one-third, the company managed to sustain its revenue from this vertical (customer acquisition cost per surgery INR 30,600 in FY23 vs INR 13,000 last quarter and INR 11,000 in the Mar'24 ended quarter).

The BeatXP business grew 22% YoY in topline, and witnessed improved product margins. With endorsements from a leading Bollywood actor, BeatXP has gained significant visibility and customer love. The company will continue marketing spends for brand awareness.

Going forward, Pristyncare will continue to focus on profitability for its surgery business. The company is renegotiating doctor and hospital contracts to remove ones with low productivity. Further the company is also rationalizing its people cost by 20% and keeping a tight lid on marketing. These efforts will have visible impact on profitability in the coming quarters.

Revenue (Q4FY24)	# of surgeries (Q4FY24)	Funds Raised	Key Investors
INR 155.0 Cr	15,318	$178M	Sequoia, Tiger Global

Teachmint

Founder: Mihir Gupta | **Location**: Bangalore

India's leading online learning platform

Teachmint has created a seamless learning platform for digital classrooms. The company is helping a large market of K12 schools get online. Within 15 months of launch, the company was able to gain market share to rank number one in the education category on multiple platforms. Teachmint offers a better than Zoom experience with a mobile first, video view experience, along with a fully digitally integrated software to schools.

In the March ended quarter, the company achieved INR 6.9 Cr in revenue, a 2.5x increase YoY, with a gross margin of 20%. This was led by significant contribution from devices (65% of revenue) and the remaining from its SAAS offering (35% of revenue).

Teachmint has improved its customer acquisition cost (CAC) to average contract value (ACV) ratio by acquiring larger ticket size clients in the quarter. The average contract value per institute stands at ~INR 2,81,000 during the quarter.

The company has over 4 years of cash runway and it's still relatively early stage. We have a smaller investment in Teachmint, 2% of our fund.

ARR (Mar'24)	# of TMUs (500 students/ TMU)	Funds Raised	Key Investor
INR 27.6 Cr	1,751	$115M	Lightspeed

Disclosures

Fact Sheet

Fund Name	Epiq Capital II, a scheme of Epiq Capital
Legal Entity	Category II Alternative Investment Fund
SEBI registration number	IN/AIF2/21-22/0930
Sponsor/Investment Manager	Epiq Capital Investment Advisory LLP
First Closing	December 17, 2021
Final Closing	June 17, 2023
Capital called to date	38%

Disclosures under SEBI (Alternative Investment Funds) Regulations, 2012:

Regulation	Description	Disclosure
10(E)	Sponsor's continuing interest in the Fund	Epiq Capital Investment Advisory LLP, the Sponsor and Investment Manager to the Fund has committed INR 5 crores as Sponsor's continuing interest. Affiliates of the Sponsor have committed INR 45 crores.
22(A)	Financial, risk management, operational, portfolio, and transactional information w.r.t. fund investments to be disclosed periodically	Relevant details have been provided under various sections in this report.
22(B)	Any fees ascribed to Fund Manager/Sponsor and any fees charged to the Fund or any investee company by an associate of Fund Manager/Sponsor	The Investment Manager of the Fund charges investment management fees and Organizational Expenses to the Fund at the rates mentioned in the Fund Documents. For the year ended March 31, 2024, the total amount of such fees (including GST) amounted to: Management fees INR 44.7 crores Organizational Expenses INR 2.1 crores
22(C)	Details of inquiries/legal actions by legal or regulatory bodies in any jurisdiction	No inquires or legal actions by any legal or regulatory bodies in any jurisdiction have been initiated during the period under review.
22(D)	Details of material liability arising during the Fund's tenure	No material liabilities have risen for the Fund for the period under review.
22(E)	Details of any breach of a provision of Private Placement Memorandum, Contribution Agreement, or any other Fund document	The Fund is not in breach of any provision of the Private Placement Memorandum, Contribution Agreement or the Fund Documents.
22(F)	Details of change in control of Sponsor / Fund Manager	There has been no change in control of the Sponsor or Investment Manager during the period under review.

Regulation	Description	Disclosure
22(G)	Report on the following	
a.	Financial information of investee companies	Provided under the section 'Portfolio Update' in this report.
b.	material risks and how they are managed i.e. risk mitigation:	
i.	concentration risk at fund level	The Fund has not made any investment in a portfolio company exceeding 25% of the investable funds.
ii.	foreign exchange risk at fund level	All current investments of the Fund and all capital commitments of the Fund are in Indian Rupees. Hence the Fund is not exposed to any foreign exchange risk.
iii.	leverage risk at fund and investee company levels	The Fund does not resort to borrowings and hence is not exposed to any leverage risk at the fund level. The portfolio companies of the Fund may resort to borrowings for their daily operations/ growth. The Fund evaluates leverage risks, if any, at portfolio company level while analysing the quarterly financial information from these companies.
iv.	realization risk (i.e. change in exit environment) at fund and investee company levels	The Fund does not have any realization risk during this quarter.
v.	strategy risk (i.e. change in or divergence from business strategy) at investee company level	The Fund seeks to manage this risk by seeking affirmative rights along with its co-investors in the investment agreements which require the investor majority consent to any changes in the business or key managerial personnel of the investee companies.
vi.	reputation risk at investee company level	None to the best of our knowledge.
vii.	extra-financial risks, including environmental, social and corporate governance risks, at fund and investee company level	Given the nature of business of the Fund, it is not exposed to any environmental or social risks at the Fund level. The investee companies have adequate safeguards like statutory/internal audits, board of directors to mitigate this risk.
22(H)	Details of change in the key investment team	During the quarter under review, there has been no change in the key investment team of the Investment Manager.
23	Valuation Methodology	The Fund will value its investments in Portfolio Entities in accordance with International Private Equity Valuation Guidelines as established from time to time. The valuation methodology has been mentioned in 'Section VIII: Principles of Portfolio Valuation' in the Private Placement Memorandum and the Fund Documents.

Contact Information:

Epiq Capital Investment Advisory LLP
Investment Manager to Epiq Capital II
(A Scheme of Epiq Capital)

Birla Aurora
15th Floor, Dr Annie Besant Road
Worli, Mumbai – 400030
Maharashtra, India

Phone: +91 22 62817300

Email: ir@epiqcapital.com



Exfinity Technology Fund - Series III

Investors' Update

For the Quarter ended December 31st, 2023

Exfinity Venture Partners LLP
10, Museum Rd, Shanthala Nagar,
Ashok Nagar, Bengaluru, Karnataka 560001
And
1 Shobha , Shanthala Nagar, Ashok Nagar,
Bengaluru, Karnataka 560001
IR@Exfinityventures.com

From the Partners' Desk

Dear Investor,

Greetings!

From a deal perspective, we have completed our investment in Zyla health. IC approval was received in the last quarter and final money transfer happened this quarter. Further, we have two more deals in the Pipe line where the IC approval was received last quarter. One of them is a US investment and we are awaiting SEBI approval for the same and other one we plan to close in a couple of months.

Here is the summary of some key updates in our portfolio.

Zyla is our latest investment and we lead the round. It's a Health-Tech platform that provides personalised healthcare to users. Insurance companies can utilize it to reduce claim rates by improving health of their customers. Corporate customers can use it to improve employee health and provide better healthcare benefits. Pharmaceutical customers use it to improve their medical brands and increase adherence.

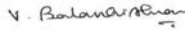
Raga.ai Raga came out of stealth and announced its AI testing platform as well as the seed funding round this quarter. Most significantly, Raga has closed their first large enterprise contract with Honeywell for pre-deployment testing of their computer vision models

AI Palette has closed the funding round and we expect the money to hit the bank by this quarter. They have also put in place an operating plan for the upcoming year, and are making key hires in the product and tech domains.

NeuralGarage NeuralGarage has successfully hit a revenue milestone of $100k for FY24 YTD within 5 months of launching the product. The discussions with a large movie distributor to get access to 4k data and commercially dub their distributed movies is expected to close in Q4 FY24. The company is working on releasing their SaaS platform on priority.

A detailed description of the companies can be found in the report that follows. Should you need any further information or clarifications, do let us know at ir@exfinityventures.com.

Sincerely,





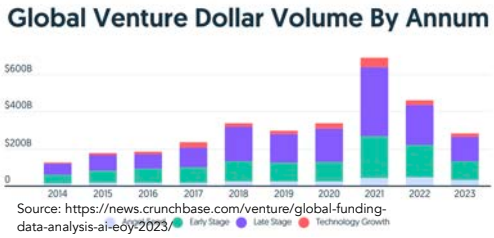

Balakrishnan V	**Shailesh Ghorpade**	**Chinnu Senthilkumar**	**Nihar Ranjan**
Chairman	Founding Managing Partner	Managing Partner	General Partner

Industry Update & Outlook

Dear Investor,

We completed the Q3 of FY24 and global calendar year 2023 was also concluded. We are summarising the key developments and global trends for the calendar year ending December 2023.

CY2023 saw a decline in the venture funding globally. It was lowest since 2018 making 2023 a dull year for the ecosystem.



Source: https://news.crunchbase.com/venture/global-funding-data-analysis-ai-eoy-2023/

Though there was a global decline in the VC activity we observed active engagement of the global investor in India via G20 meet and Vibrant Gujarat Global Summit 2024. UAE President Mohammed bin Zayed attended the Vibrant Gujarat Global Summit 2024 as chief guest. India and UAE clocked multi billion dollar bilateral agreements during the summit.

Key Highlights of the Ecosystem

Global M&A and IPO

There has been a decline in the Global M&A and IPO activity. 2023 is termed as a year of corrections across the primary investment and exits. However, we witnessed few significant and industry defining M&As this year and a few of them are listed below.

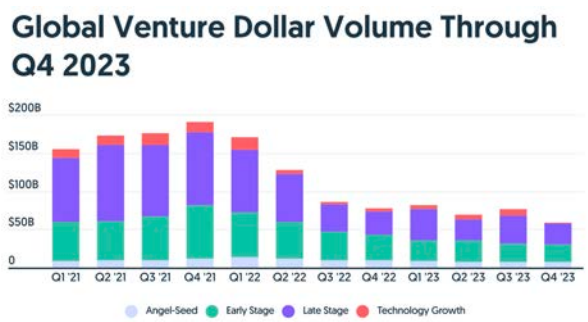
#	Period	Particulars	Value (USD B)	Industry
1	September 2023	Cisco acquisition of Splunk	28.0	Technology
2	January 2024	HPE - Juniper Networks Acquisition	14.0	Technology
3	October 2023	ExxonMobil acquisition of Pioneer	59.5	Energy
4	December 2023	Pfizer acquisition of Seagen	43.0	Biotechnology

India-UAE Trade relations

Vibrant Gujarat Summit was a ground breaking movement for India-UAE business relationship. MoUs worth over $ 41 Billion (I.e ₹5 lakh crore) were signed between Indian and UAE entities across various sectors, including renewable energy, green hydrogen, infrastructure development, food processing, and healthcare. Many of the areas indicated in the MoUs are also Exfinity's focus areas. We already see healthy interest from Middle East for our portfolio companies and this kind of MoU gives further impetus to the growth of Exfinity's portfolio.

Investment Sentiment

In this section we are highlighting several trends and updates across the investors landscape coupled with update in government policies:





CY 2023 ended with 5 years low in global VC/ PE investments further December 2023 quarter was the lowest among the previous 8 quarters. We continue to see **volatility in the PE/ VC** ecosystem.

Not just investment, **Global IPO** market was also disappointing this year (CY2023). IPO proceeds in US$b were the lowest in last 5 years. Above chart provides the trend.

On the positive side, with increased digitalisation, **Cybersecurity** as a sector have gained momentum both from the investment and M&A point of view. With the risk of cyber threats increasing globally we are observing a lot of interest of Global as well as domestic investors into this space. One of our portfolio company from the Fund II 'CloudSEK' have started getting interest from the global markets and they have expanded in Middle East and USA.

Exfinity's PoV

This year was dull year globally but we still observed that Indian startup ecosystem is likely to witness multiple growth opportunities. Few of our portfolio companies like Ai Palette have raised up-rounds in the dull market due to their strong product moat and superior units economics. This represents that even in the dull market, companies doing great are able to raise funds and grow.

Further, based on our conversation with Global LPs and Global R&D centres we gather that Fortune 500 companies have strategy and plans to work closely with India origin start-ups and come up with cost effective solutions.





Chinnu Senthilkumar
Managing Partner

Nitin Lalwani
AVP - Investor Relations

Fund Financial Highlights

Portfolio Snapshot

Sr.	Company	Investment Committed	Ownership	Co-investors	Disbursed till date	FMV	Multiple
1	Ati Motors	18.62	10.00%	Blume	18.62	30.26	1.63x
2	AI Palette	19.82	10.00%	pi Ventures	19.82	20.84	1.05x
3	Credilio	17.50	5.89%	Cornerstone VP	17.50	29.24	1.67x
4	Awiros	22.50	10.00%	Inflexor	22.50	22.50	1.00x
5	Qritive	11.84	5.00%	MassMutual	11.84	12.33	1.04x
6	Unscript	4.02	N.A	Stellaris VP	4.02	4.02	1.00x
7	Neural Garage	5.62	9.93%	RAAY Global	5.62	5.62	1.00x
8	Chara	15.90	11.23%	BIG Capital, Kalaari	15.90	15.90	1.00x
9	Rezolve.ai	12.58	5.00%	SIG	12.58	12.49	1.00x
10	Skit.ai	16.2	3.85%	Westbridge, Kalari capital	16.2	16.2	1.00x
11	Autoverse	12.00	14.09%	Ventureeast, Blume	12.00	12.00	1.00x
12	Raga.ai	4.11	4.31%	pi Ventures	4.11	4.11	1.00x
13	Zyla	16.00	10.04%	Kae capital	16.00	16.00	1.00x
	Total	**176.7**			**176.68**	**202.01**	**1.14x**

Note:
All figures in INR crore unless otherwise mentioned.
We have considered a INR/ 1 USD fx rate of INR 82 for our overseas investments. The FMV is done by the internal assessments about the companies based on their last rounds and third party valuation report taken as on 31st March 2023.

Particulars (as on December 31, 2023)	**Amount (INRcr.)**
Total Capital Commitment	500.20
Draw down received	218.54
Fund Tenure	9+1+1 Years
Total Invested since Inception	176.68
Active Investments	176.68
Treasury Balance (A)	10.62
FMV of Active Investments (B)	202.01
Total Value of Assets (A+B)	212.63
MOIC	**1.15**
TVPI	**0.43**

Autoverse

2023
On demand delivery of Automobile parts to multi brand garages

S. No.	Particulars	Amount ($M)
1	Closing ARR (Annualised Revenue Rate)	$0.85 Mn
2	Active Customers (If applicable)	Multiple workshops in Bangalore
3	Net Revenue Retention (If applicable)	NA
4	Key Customer Acquired	NA
5	IP filed/ granted (if applicable)	NA
6	Other Metrics	NA

Reflection of the Quarter

Autoverse has been progressively scaling up the revenue from the Local Delivery Centre in South Bangalore and has also begun operations from the second delivery centre in Hebbal region. The company has been steadily improving the key metrics like Average Order Value, OES:OEM sales percentage and the overall margins.

Way forward

The company has devised "Autoscore", a financial metric for measuring the financial behaviour & collections trends of garages. Maintaining strict internal finance policies which are based on the customer's Autoscore can keep the working capital requirements of Autoverse in tight control and will incentivise garages to maintain financial discipline. In future, Autoscore data can become the intelligence layer on top of which external financing solutions can be offered by NBFCs to the garages.

Areas of Improvement

Autoverse needs to improve their wallet share from their customer garages. They also need to capture a major portion of the demand from the multi brand garages in the respective catchment area.

Co-Investors

Raga AI

RagaAI Inc.
QA Platform for Enterprise AI models

Year of Inception: 2021
RagaAI assesses the performance, quality and fairness of AI models to preempt and prevent model failures in AI applications, both pre and post deployment.

Closing ARR	US$ 107k
Active Customers	3
Marquee Customers	Honeywell, Siemens (POC), Lightmetrics
Average ACV	$38K

Reflection of the Quarter

Raga came out of stealth and announced its AI testing platform as well as the seed funding round. It was covered by more than 250 publications including Forbes, Bloomberg. The news got a lot of impressions from both investors and customers. Raga got 10+ customer leads from the announcement. Most significantly, Raga has closed their first large enterprise contract with Honeywell for pre-deployment testing of their computer vision models. There is an opportunity to upsell the compliance solution to Honeywell as well. Additionally, the company is advanced stages of discussions to start a POC with two Fortune 500 companies.

The RagaAI testing platform has been extended to be multi-modal with the addition of LLM, NLP and structured data. There has been a lot of inbound interest for the LLM & NLP data models. They have launched a sandbox for customers to test out Raga's platform with open source models and data.

Way forward

There is a strong pipeline for the JFM quarter and we are expecting new ARR of $300k in this quarter. We also expect some inbound leads from their public sandbox, where they are constantly adding new models and datasets for users to try out.

KEY CUSTOMERS & POCs

Honeywell SIEMENS LIGHT METRICS SatSure Decision Intelligence from Space

CO - INVESTORS

pi Ventures FOUR RIVERS PRAVEGA VENTURES

ati

Ati Motors Pvt. Ltd.
Full stack platform for industrial robots

Year of Inception: 2017
All-electric autonomous industrial vehicles for trolley and bin movements in warehouses

S. No.	Particulars	Amount ($M)
1	Annualised Revenue	$1.06M
2	Total Deployed Robots	80
3	Net Revenue Retention (If applicable)	NA
4	Key Customer Acquired	Apollo, Merck, Legrand
5	IP filed/ granted (if applicable)	NA
6	Other Metrics (if any)	NA

Reflection of the Quarter

Ati has had a good quarter, with the acquisition of key customers such as Apollo and Merck. There has also been expansion into marquee existing customer accounts such TVS, Daimler and CEAT. They are on the path of strengthening their sales team, and had 7 people joining in this quarter with more expected to join shortly. With this, we expect to see an improvement in the company's pipeline and revenue growth.

Way Forward

The company is working on building a solid growth story for their Series B round of funding, including building a strong product moat and leveraging the sales and marketing channels that they are putting in place in order to turbocharge growth.

Areas of Improvement

A key mark of their successful GTM in a key market that is the US will be a solid pipeline and acquisition of marquee customer accounts, however this is yet to happen.

OTHER/CO - INVESTORS

true Ventures BLUME MFV PARTNERS PIONEER FUND Let'sVenture

CLIENTS & POCs

Flipkart BOSCH HYUNDAI TVS

Ai Palette

Ai Palette Pvt. Ltd.
AI tool for CPG product innovation

Year of Inception: 2018
Artificial Intelligence platform for trends prediction and FMCG product innovation

S. No.	Particulars	Amount ($M)
1	Contracted ARR	$1.7 million
2	Active Customers (If applicable)	23
3	Net Revenue Retention (If applicable)	120%
4	Key Customer Acquired	ABInBev, Tate and Lyle
5	IP filed/ granted (if applicable)	NA
6	Other Metrics (if any)	NA

Reflection of the Quarter

AI Palette has had a good quarter, having made good progress on stitching their round together. They have also put in place an operating plan for the upcoming year, and are making key hires in the product and tech domains as well in order to augment their leadership team and turbo charge growth. Due to the focus on round closure and slowdown due to the end of the annual year, the business growth has not been significant in the quarter, however we expect this to change given the capital infusion expected in first quarter of 2024.

Way Forward

The company has been able to make key interventions in product and business strategy, and with the new investors on board we expect these combined efforts and the renewed focus on growth to yield good results in the upcoming year.

Areas of Improvement

The team has been receptive of feedback from the board, be it in terms of team or growth strategy. While there are challenges with regards to bandwidth and capital, we do expect the renewed focus and vigour the team has adopted will yield results. In the upcoming quarter's report, we will shed more light on the same, as well as measured steps being taken by the company as per the Annual Operating Plan for 2024.
.

OTHER/CO - INVESTORS

pi Ventures Anthill

CLIENTS & POCs

PRINGLES DIAGEO

Year of Inception: 2020

Credilio simplifies the buying experience of digital personal finance products by providing an app for DSAs to choose the right products for their customers

Revenue for the Quarter	INR 21.11 crore
Gross Margin	9%
Credit Cards Issued in the Qtr	64,009
Personal & Home Loans Disbursed	INR 184 crore
CredilioX subscribers	950
Co-branded Secured Credit cards	INR 42 crore

Reflection of the Quarter

Credilio issued close to 25 thousand credit cards on its platform in December, becoming the largest distributor of non co-branded credit cards in India. While DSAs continue to be the biggest channel for Credilio, their API partnerships with B2C and B2B2C platforms has crossed 1,000 card issuances. They have added partners like Bookmyshow and Insurance Dekho this quarter. Bookmyshow generated more than 50,000 customer leads for Credilio. Similar partnerships are being discussed with Airtel, Times Group. CredilioX, a paid version of the platform has more than doubled in subscribers.

Credilio completed the pilot of its co-branded secured credit card with SBM bank. They sold 200 SBM Credilio credit cards and transaction numbers look healthy with card holders spending close to INR 9,000 per month with an avg. transaction of over 1,500 rupees. The company also closed commercials with VISA for its co-branded card with similar discussions with Rupay to close soon.

Way forward

The margin pressure in the distribution business continues. They are looking to leverage their customer database and diversify into new products. The company has dedicated a large part of its tech team to building secured card and rewards app for consumers to manage their SBM Credilio credit card, book FDs, access credit on UPI, buy reward packs, earn rewards on spends, etc. This is expected to be ready by Q1FY25. Credilio will then start scaling its co-branded cards. Similar partnership discussions are happening with PSU banks like BOI, PNB, BOB.

Areas of Improvement

While the company has done well to diversify its distribution channels as well as its own card, we will have to track the execution and progress as these initiatives are still in the early phase.

CO - INVESTORS

CORNERSTONE venture partners

KEY CUSTOMERS & POCs

AXIS BANK HDFC BANK ADITYA BIRLA FINANCE IDFC FIRST Bank

2015
Platform and marketplace for Video/AI enterprise applications

S. No.	Particulars	Amount ($M)
1	Closing ARR/ Revenue*	NA
2	Active Customers (If applicable)	Bangalore Safe City, Delhi Safe City, Raytheon, J&K Safe City
3	Net Revenue Retention (If applicable)	NA
4	Key Customer Acquired	NA
5	IP filed/ granted (if applicable)	NA
6	Other Metrics (if any)	NA

Reflection of the Quarter

As part of the overall strategy to increase the 3rd applications and developer activity on the platform, Awiros conducted the Appathon (App development hackathon) in Bangalore in collaboration with Intel and saw participation from 3000+ teams from 100+ colleges who submitted proposals for development of Video/AI solutions. 100+ solutions were selected for development and top 10 were presented at the finale and select solutions with enterprise use cases are being inducted into the Appstore .

Awiros team also presented the platform and solutions at Smart City Expo in Barcelona (only startup from India). 120+ mayors from smart cities across the world and 25000+ participants attended the event. Awiros product was well received and company gathered a good number of business leads for city development projects across the world.

Way forward

The company has made significant progress on the hiring front, inducting Varun Bharti, Deepak Kumar & Subhajit Bhattacharjee into senior leadership roles in business development & delivery. We expect to see faster and smoother product deployments in future.

*Awiros is expecting to collect the pending payment of Bangalore Safe City Project and partial payment for Delhi Safe City project in the upcoming quarter.

Areas of Improvement

Awiros needs to expend more effort on international expansion. They have to expand the use cases into the facilities of Fortune 500 clients where there is a scope for large scale deployment of the platform.

Co-Investors

Inflexor

Key Customers and POCs

Raytheon Technologies NEC Honeywell

Qritive Pte. Ltd.
Digital Pathology tool for Cancer Diagnosis

Year of inception: 2017
AI based tool to expedite cancer diagnosis and improve accuracy

Reflection of the Quarter

The company is trying to stabilise post Aneesh(Ex founder)'s exit. The company has also laid off a few people to extend its runway to about 1 year.

On the business side, the company has started seeing some green shoots. It has signed key multi-year contracts mentioned last quarter with the diagnostic chains Metropolis labs ,Core diagnostics and with the hospital Rajiv Gandhi cancer institute. At this point, the contract amounts are relatively small but have the potential to become 100k$+ accounts in the future.

On the product side, the company has received a response from HSA(Singapore authority) for their prostate module approval application as a Class C IVD(It was applied to last quarter). The company is developing a biomarker based product-Her2 for breast cancer whose first draft is expected to be released by Feb-24. It is also co-developing a Bone Marrow Aspirates module with Tan Tock Send Hospital. The clinical validation with a major hospital in UAE(mentioned last quarter) is underway and is expected to take one more quarter.

Way forward

It has currently paused its fundraising based on feedback from investors to showcase better business traction.

Areas of Improvement

The company will need to retain its key talent and also show better progress on the business side.

Co-Investors (Logo)

MassMutual SEEDS Capital SGINNOVATE

Key Customers and POCs (Logo)

Rajiv Gandhi Cancer Institute and Research Centre MAYO CLINIC

News-Articles



unSCRIPT.ai

Unscript AI Pte. Ltd.
Personalised videos at scale

Year of inception: 2021
AI tool to generate personalised marketing videos

Reflection of the Quarter

Since shifting focus to the US, Unscript has not seen significant customer traction, prompting discussions on whether the use case of the product will be scalable and yield product market fit. The board is closely tracking the progress of the company, and has urged them to rethink the product positioning and GTM strategy. The founders are working on this, and we will provide updates in further reports as we receive them.

OTHER INVESTORS

Stellaris VENTURE PARTNERS

Founders of: mamaearth™ caffeine

NeuralGarage Pte. Ltd.
Audio visual sync platform for long-form content

Year of inception: 2021

Enterprise software to ensure lip-syncing of high-resolution video content

S. No.	Particulars	Amount (INR Cr)
1	Last quarter revenue	0.4
2	Active Customers (If applicable)	Amazon India, Pixis, Hippo video,Cocacola, Britannia, Piramal
3	Net Revenue Retention (If applicable)	NA
4	Key Customer Acquired	Wipro, Marico, GSK
5	IP filed/ granted (if applicable)	NA
6	Other Metrics (if any)	Na

Reflection of the Quarter

NeuralGarage has successfully hit a revenue milestone of $100k for FY24 YTD within 5 months of launching the product. The Piramal finance partnership to create customised videos for each customer and the Britannia contract to create lip-synced footage of a noted nutritionist for World Diabetes day have been completed. The above contracts showcase the market demand for the product offered by them. The discussions with a large movie distributor to get access to 4k data and commercially dub their distributed movies is in the final stages and are expected to close in Q4 FY24.

On the product side, the company is working on releasing their SaaS platform on priority. They have incorporated the voice cloning functionality into their SaaS platform to help content creators. The company has also upgraded the software to a frame-based learning model to provide more accurate lip-Syncs. They have also completed a commercial visual dub on "Vaccine War" movie trailers in collaboration with the director showcasing the capability of the product.
NeuralGarage has been selected in the AWS ML Elevate cohort which is a 6-week accelerator program by Amazon web services.

Way forward

With the revenue starting to come in, the company has adequate runway well over 20 months.The company has started speaking to funds to raise the next round and is seeing good interest

Areas of Improvement
The company needs to convert its customer transactions to long term contracts. It also needs to close the movie studio contract to enable them to start working on movies commercially.

Co-Investors (Logo)

Key Customers and POCs

In the News (Links)
The Vaccine War -Telugu trailer :



2019
Design and manufacturing of SRM based motors for applications in EV, HVAC etc.

S. No.	Particulars	Amount ($M)
1	Closing ARR/ Revenue	NA
2	Active Customers (If applicable)	Mahindra, Tata ELXSI
3	Net Revenue Retention (If applicable)	NA
4	Key Customer Acquired	River EV, Ingersoll Rand
5	IP filed/ granted (if applicable)	4 Patents filed
6	Other Metrics (if any)	NA

Reflection of the Quarter

Chara has entered into a JV framework model with a $3Bn Indian conglomerate who supplies components to OEMs like Mercedes Benz, BMW etc. To start with, the conglomerate issued a PO for $550k to develop 6 prototype motors (125kW ~ 167HP) for 4-W /SUV applications. Upon the success, they want to form a JV for manufacturing and start HVM(High Volume Manufacturing).

Also the company has received orders from a Ingersoll Rand ($33 Bn Industrial components manufacturer) and a few smaller OEM players for development of prototypes of motors. Chara's product has also passed qualification criteria satisfactorily with one of the large Indian Auto conglomerate.

Chara is completing the set-up of its own manufacturing facility where motors (a few thousands per year can be produced in-house) and this facility will also double as the R&D centre.

Way forward

Now that the 4-W segment has been covered, the company needs to diversify. They have initiated talks with another Indian Auto conglomerate for a partnership in the 3-W segment.

Chara needs to expedite the hiring of the CBO role and they have signed up with a specialised recruiting firm for the same.

Areas of Improvement

Chara needs to strengthen its business development function and shorten the sales cycle for its products. They also needs to streamline their hiring as they have had to deal with involuntary attrition for a few employees.

Co-Investors

Key Customers and POCs

skit

Cyllid Technologies Pvt Ltd.
AI-based Voice automation for contact centers

Year of Inception: 2016
Augmented voice intelligence for customer engagement teams with multiple language and dialect support

S. No.	Particulars	Amount ($M)
1	Cumulative ARR	$3.5 million
2	Active Customers (If applicable)	63
3	Net Revenue Retention (If applicable)	99.64%
4	Key Customer Acquired	NA
5	IP filed/ granted (if applicable)	NA
6	Other Metrics (if any)	NA

Reflection of the Quarter

Skit has had a good quarter, beating the revenue target set for September. From a growth standpoint, the signs have been encouraging with the company growing their customer base in the small and medium debt collection agencies in the US, and expanding within key client accounts such as Axis Bank, IDFC Bank and ICICI Bank in India. They are also running a pilot in the US with one of the top 3 debt collectors focused on the automobile loan segment, which will be their foray into this vertical as they are currently only present in credit card debt collection. This pilot is also the soft launch of their LLM bot, which is handling 25% of the auto collection traffic and as the performance is on par with the existing bot, they are scaling up to 100%. They also expect the performance to exceed the existing bot.

Way Forward
The company is looking to expand into the large debt collections agencies in the US, which will be key to them expanding their account sizes and boosting revenue growth. The India business has been performing well, it is almost fully self sustainable and expected to break even in 2024.

Areas of Improvement
A key factor to continuing and multiplying the effects of their growth trajectory will be expansion into enterprise level customers in the US, which is expected to happen in the upcoming quarters.

OTHER/CO - INVESTORS

WESTBRIDGE | CAPITAL
CISCO
Indian Angel Network
kalaari capital

CUSTOMERS & POCs

IDFC FIRST Bank
veros credit
ICICI PRUDENTIAL LIFE INSURANCE
AXIS BANK

REZOLVE.ai

Actionable Science Inc.
Automating Employee Help desks using AI

Year of Inception: 2017
Rezolve is an AI-powered chat interface for employees of large enterprises to provide automated resolutions for IT & HR issues / support tickets

Closing ARR	US$ 2.47M
Active Customers	95
Net Revenue Retention	100%
Marquee Customers	JLL, AXA, NYHRA, Phillips Edison
Average ACV	$26K

Reflection of the Quarter

Rezolve's overall growth remains muted this quarter with only a small uptick in ARR. While they have added 8 new customers this quarter, they are all SMEs. The company has not been able to close enterprise customers which is its target ICP. This has been mainly due to a lack of an outbound sales motion. The company has hired 2 SDRs this quarter in the US to target enterprises and plan on adding 1-2 SDRs in India as well specifically for SME customers.

On the product front, Rezolve has added an AI co-pilot in their product to further improve responses and automation.

Way forward

In order to equip the company for the poor growth, Rezolve has planned significant reduction in burn from Jan'24 on technology vendors, people and marketing costs. Currently, the company is projected new ARR upwards of $400k in the coming quarter and has a pipeline of over $1M. We will be closely track the sales pipeline movement going forward.

Areas of Improvement

Overall, the company needs to improve its outbound efforts and convert more ICP customers, while also reducing sales cycle times. Additionally, there is a lot of reliance on marketing events to generate leads. The company is planning on reducing the spend here as the ROI from these events has not been good so far.

CO - INVESTORS

SIG SUSQUEHANNA

KEY CUSTOMERS & POCs

JLL AXA MINNESOTA TIMBERWOLVES MOODY'S

Zyla Health Private Limited

Year of inception: 2017

Healthcare platform to help insurance/corporate firms reduce insurance claims

S. No.	Particulars	Amount (INR Cr)
1	Last quarter revenue	0.4
2	Active Customers (If applicable)	Amazon India, Pixis, Hippo video,Cocacola, Britannia, Piramal
3	Net Revenue Retention (If applicable)	NA
4	Key Customer Acquired	Wipro, Marico, GSK
5	IP filed/ granted (if applicable)	NA
6	Other Metrics (if any)	Na

Founders:



About the Company:

Zyla is a Health-Tech platform that provides personalised healthcare to users. Insurance companies can utilize it to reduce claim rates by improving health of their customers, Corporate customers can use it to improve employee health and provide better healthcare benefits and Pharmaceutical customers use it to improve their medical brands and increase adherence. The company classifies its results into three broad verticals-insurance, enterprises and pharmaceutical firms.

Currently, the firm is live with Aditya Birla Health insurance, Aditya Birla Wellness, Jindal steel, Kyndryl, The math company, and numerous other large clients.

Current status and Quarterly outlook:

The company has a YTD 9 months revenue-5.69Cr

Enterprise segment: In the latest quarter, the company hit a revenue of 1Cr in this segment which is 2.1x the previous quarter revenue. Atkins and CEAT joined as the newest customers.

Insurance segment: The company is already live with 5 large insurers in India. Two more insurers are going live next quarter.

Pharmaceutical segment: Zydus and Novartis have been added as clients this quarter. Novartis is an annually INR 2 Cr revenue account in the future.

It is our first portfolio company to have won the "Great Place to Work" certification. We are bullish on the prospects of the company especially on the insurance and enterprise segments and expect a revenue growth of 3x in FY25 over FY24.

CO - INVESTORS: Kae Capital, CANBANK VC

CUSTOMERS:

Insurance: Aditya Birla Capital, Max Life Insurance, HDFC ERGO General Insurance

Corporate: Atkins, CEAT

Pharma: Zydus, Novartis

NEWS - ARTICLES:


Health-tech startup Zyla raises $4 mn in Series A led by Exfinity Ventures

1 min read

30 Nov 2023, 07:41 PM IST

Arti Singh



Annexure - I: Unaudited Financial Statement (As on December 31, 2023)

Annexure - II: Regulation 22 report under the SEBI (alternative investment funds) regulations, 2012
(As on December 31, 2023)

END OF REPORT

FILTER CAPITAL

Filter Capital India Fund I

Investor Update Report

Quarter ended March 2024

Strictly Private and Confidential

FILTER CAPITAL

Filter Capital India Fund I
31, Floor-3, 240/242, Ajay Deep,
Perin Nariman Street, Fort,
Mumbai, India - 400001

May 20, 2024

Re: Filter Capital India Fund I

March 2024 Quarterly Report

Dear Investor,

We are pleased to share the quarterly update report of Filter Capital India Fund I (the "Fund"), for the quarter ended March 31, 2024, which includes:

- Update on Filter Capital;
- Fund-level performance metrics for the quarter ended March 31, 2024; and
- Updates on business performance of each of the Fund's portfolio companies.

Update on Filter Capital

Fund Size: The Fund completed its final close on January 31, 2024. The cumulative commitments raised by the Fund upon final close amount to INR 8,038 million ($97 million).

Investments: As of March 31, 2024, the Fund currently owns a portfolio of four investments, totalling INR 1,844 million ($22 million). In May 2024, the Fund received regulatory approval to transfer up to INR 180 million ($2.2 million) investment in Capillary Technologies International Pte. Ltd. ("Capillary Singapore") from the total INR 417 million ($5 million) investment that is currently held in the Feeder Fund. The Fund expects to complete this transfer by the end of June 2024. Pursuant to such transfer, the Fund's cumulative investments in its portfolio companies will be INR 2,024 million ($24 million). Further, the Fund has filed a fresh application with India's securities regulator for approval to transfer the balance INR 237 million ($2.8 million) investment in Capillary Singapore held by the Feeder Fund.

Drawdown: With the receipt of approval to transfer a portion of Capillary Singapore from the Feeder Fund to the Fund now in hand, the Fund plans to issue the next capital call in June 2024. A capital call will be sent to all new investors onboarded in December 2023 and as a part of the final close towards equalisation of current investments held by the Fund and towards investment in Capillary Singapore.

Valuation: The Fund adheres to the International Private Equity and Venture Capital Valuation Principles for valuing its portfolio. An independent valuation of the portfolio is conducted every six months on September 30 and March 31. The Fund has employed BDO India as the independent valuer. As of March 31, 2024, the portfolio's valuation stands at a MoIC of 1.23x in INR terms, based on this quarter's independent valuation. The primary driver of the change in MoIC is the increased valuation of our investment in Chalo Mobility Pte Limited ("Chalo"), which is now valued at a MoIC of 2.05x using the Price of Recent Investment ("PORI") Method under the Market Approach. In January 2024, Chalo raised capital from new investors for fresh infusion into the company as well as to provide an exit to early investors. The secondary transaction, which has been used as a benchmark for the Fund's carrying value of Chalo under the PORI method, was priced at a discount to the company's recent Series D round, and at 2.05x the Fund's cost. The PORI Method has been supported by the independent valuer using the Comparable Company(ies) Multiple ("CCM") Method under the Market Approach. The independent valuer's request will be made available to investors on request.

Sincerely,

For and on behalf of Filter Capital India Advisors LLP

Investment Manager to Filter Capital India Fund I

Fund Level Performance Metrics

Amounts are in Indian Rupees

Filter Capital India Fund I	As on March 31, 2024
Capital commitments	
LP commitment	7,65,85,87,625
GP commitment	37,92,41,500
Total commitment	**8,03,78,29,125**
Capital called & received	**2,02,32,92,117**
Undrawn capital commitment	**6,01,45,37,008**
Capital invested	
Capillary India	42,00,00,812
Chalo	41,22,37,060
Loadshare Networks Private Ltd ("Loadshare")	41,17,43,740
Sekhmet Technologies Private Limited ("THB")	60,00,01,000
Total capital invested	**1,843,982,612**
Fund Performance Metrics	
Gross Multiple on Invested Capital	1.23x
TVPI (Total value/Paid in Capital)	1.14x
RVPI (Residual value/Paid in Capital)	1.14x
DVPI (Distributed value/Paid in Capital)	0.00x

Portfolio Companies

Sr. No.	Portfolio Company	Sector	Business Description	Investment Amount	Ownership Interest	Carrying value as of March 31, 2024	Multiple on Invested Capital
1	Capillary India	SaaS	Loyalty SaaS platform for enterprises in Asia & US	42,00,00,812	1.71%	42,00,00,812	1.00x
2	Chalo	Consumer	Bus ticketing and tracking app targeting bus riders and operators in India	41,22,37,060	3.20%	84,45,87,445	2.05x
3	Loadshare	B2B	Last-mile e-commerce logistics services in Tier 1 & Tier 2 Indian cities	41,17,43,740	3.12%	41,17,43,740	1.00x
4	THB	SaaS	Asia focused healthcare SaaS company	60,00,01,000	8.98%	60,00,01,000	1.00x
	Total			**1,84,39,82,612**		**2,27,63,32,997**	**1.23x**

Warehoused Investments held by the Feeder Fund to be acquired by the Fund

Amounts are in USD

Sr. No.	Portfolio Company	Sector	Business Description	Investment Amount	Ownership Interest	Carrying value as of March 31, 2024	Multiple on Invested Capital
1	Capillary Singapore	SaaS	Loyalty SaaS platform for enterprises in Asia & US	5,000,000	1.67%	5,000,000	1.0x
	Total			**5,000,000**		**5,000,000**	**1.0x**

capillary	**Capillary Technologies ("Capillary")** www.capillarytech.com
Valuation: INR 836 million ($10 million) [$5 million from Feeder Fund]	**Date:** March 31, 2024
Cost: INR 836 million ($10 million) [$5 million from Feeder Fund]	**Board Role**: Observer
Ownership Interest: 3.38%	**Investment Dates**: Sep '18, Sep '21(Feeder), Jun-Mar '24 (AIF)

Company Overview

Capillary provides a loyalty and customer engagement software platform to large retailers and consumer-facing enterprises across the globe to deliver loyalty solutions, targeted offers, and empower omni-channel strategies. The Company was founded in 2008 by Aneesh Reddy, an IIT graduate whose team has prior experience at Adobe, P&G, and Cognizant and others. Capillary works with over 250 brands including Tata, PUMA, Shell, Domino's, Al-Futtaim, Petron, Kanmo Group, Marks & Spencer across 30+ countries, serving over 1 billion consumers. The Feeder Fund invested $5 million in Capillary in tranches between 2018 and 2021. The AIF has invested INR 420 million ($5 million) between June 2023 and March 2024 as part of the company's Series D round. The AIF has also received regulatory approval for the transfer of INR 183 million ($2.2 million) from the Feeder Fund.

Investment Thesis

The investment in Capillary is predicated on the following theses: (i) there is increasing demand for loyalty solutions globally due to growth in organized retail and e-commerce; (ii) Capillary provides a comprehensive cloud-based loyalty stack, providing measurable ROI to its blue-chip roster of enterprise clients, resulting in strong engagement and retention; (iv) the company's expansion into the US and Europe will drive its next stage of growth; and (v) resilient entrepreneur who is known to Filter Capital founders since 2012.

Recent Developments

Business Update: In the quarter ended March 2024, Capillary recognized its first revenue ($1.5 million) from the multi-year deal signed with the $23 billion revenue US-based healthcare insurer. Capillary also continued its strong farming motion by signing 3 deals worth $500K with existing customers. This quarter marked the exit of Sameer Garde, CEO due to personal circumstances, post which Aneesh Reddy has stepped back into the CEO role. Overall, financial year 2023-24 saw the acquisition of Brierly and Rewards+ businesses and their integration into Capillary, revamp of GTM teams globally, exit from unprofitable businesses in Asia such as China and a Series D fundraise of $150 million in a mix of primary and secondary funding.

Financial update: For the quarter ended March, 2024, revenues increased by 103% over the prior year period to INR 1,664 million ($20 million) due to the financial consolidation of two acquired companies. The company continued to improve profitability after breaking even last quarter post the two acquisitions, with EBITDA of INR 220 million ($2.6 million). For the financial year ended March, 2024, revenues increased by 85% to INR 5930 million ($71 million), with US organic business growing by 75%, Asia business remaining flat with the balance growth attributable to the two acquisitions. EBITDA also improved by 300 bps to INR 210 million ($2.5 million) over last year.

Financial Summary

	Fiscal Year Ended		Quarter Ended	
INR million	**Mar - 2023**	**Mar - 2024**	**Mar - 2023**	**Mar – 2024**
Revenue	3,200	5,930	818	1,664
YoY Growth		85%		103%
EBITDA	24	210	61	220
EBITDA %	1%	4%	7%	13%
Net Cash/(Debt)	(786)	2,154	(786)	2,154

** USD / INR exchange rate of Rs 83.37 as of March 31, 2024*

Evaluation

With integration of the acquisitions complete, Capillary has embarked on a new growth trajectory with an opportunity to extend its leadership beyond Asia and become a leading loyalty software platform globally. The US-based health insurance deal marks Capillary's coming-of-age in international markets, this being Capillary's first material US organic logo win. While the company will continue to identify promising acquisition targets abroad, it needs to build on its organic sales motion to drive long term success in overseas markets. We look forward to supporting the company as it enters its next stage of profitable growth.

CHALO	**Chalo Mobility Pte. Ltd ("Chalo")** www.chalo.com
Valuation: INR 845 million ($10 million)	**Date:** March 31, 2024
Cost: INR 412 million ($5 million as on acquisition date)	**Board Role**: None
Ownership Interest: 3.20%	**Investment Date:** Aug 2021 (Feeder Fund)

Company Overview

Chalo is a technology platform digitizing city bus networks, offering in-app bus tracking and digital payment solutions to bus riders and business management software for bus operators. The company has presence in more than eight states in India and Philippines with over 7,000 monetized buses on the platform. Chalo has three principal lines of business: (i) Chalo Tech, whose customers are public or private bus operators, domestic and international, who utilize Chalo's technology stack to monitor their fleets, issue tickets, and accept digital payments, and through the Chalo mobile app, whose riders track buses and purchase tickets and monthly passes; (ii) Chalo Premium Buses, which offers air-conditioned bus services in select metro cities; and (iii) Vogo, which offers consumers on-demand last mile two-wheeler connectivity.

Chalo was founded in 2016 by Mohit Dubey, the founder of CarWale, an Indian online auto platform. The Feeder Fund invested in Chalo in August 2021 as part of its $40 million Series C round led by private equity investor Lightrock. Subsequently, in May 2023, Chalo successfully concluded an external funding round, raising $45 million in equity led by Avataar Ventures and in January 2024, raised an additional $16 million.

Investment Thesis

The investment in Chalo is predicated on the following theses: (i) huge addressable market in India with over 450,000 city buses; (ii) clear value proposition to bus riders and private and municipal bus operators; (iii) Compelling network effects and high switching costs as more bus riders and bus operators utilize the platform; (iv) early market leadership with limited competition; and (v) successful second time entrepreneur known to Filter Capital founders since 2014.

Recent Developments

Key Contract Wins: Chalo secured two new large contracts this year from Telangana and Kerala of more than 14,000 buses along with smaller contracts from other state governments. Pursuant to the implementation of these contracts, Chalo will manage a portfolio of 22,000 monetized buses.

International: Chalo has expanded its operations in the Philippines, primarily Manila, in just the first year to approximately 1,000 buses. The company has also partnered with two OEMs and is in conversation with three more to 'pre-install' Chalo's technology in new vehicles. Further, Chalo continues to be in discussions with several other geographies to replicate the Philippines success and grow its international footprint.

Financial Update: Chalo's revenues during the quarter ended March 31, 2024 declined by 16% compared to the prior year period to INR 332 million ($4 million), while revenues for the fiscal year ended March 31, 2024 increased by 5% over the prior year period to INR 1,401 million ($17 million), The decline in the current quarter and slow growth during the financial year is primarily attributable to the intentional reduction in their last-mile two-wheeler business, Vogo. Excluding Vogo, Chalo generated annual revenues of INR 1,367 million ($16 million), a growth of 27% compared to the prior year period.

Financial Summary

	Fiscal Year Ended		Quarter Ended	
INR million	**Mar - 2023**	**Mar - 2024**	**Mar - 2023**	**Mar - 2024**
Revenue	1,340	1,401	397	332
YoY Growth	275%	5%		(16%)
EBITDA	(1,049)	(1,244)	(251)	(323)
EBITDA %	(78%)	(89%)	(63%)	(97%)
Net Cash/(Debt)	210	960	210	960

** USD / INR exchange rate of Rs 83.37 as of Mar 31, 2024*

Evaluation

The successful large-scale implementation of Chalo Tech in Mumbai has driven confidence in other major public and private bus operators in Indian and overseas, as can be seen from the company's large contract wins over the past year. Their key priority is to focus on timely execution and implementation of in-hand contracts to drive revenue and profit growth. Chalo founders are seasoned entrepreneurs tackling a large market opportunity; and we continue to believe that their robust product-market fit coupled with their market leadership paves a clear path to scale for long-term value creation.

LOADSHARE NETWORKS	**Loadshare Networks Pvt Ltd. ("Loadshare")** www.loadshare.net
Valuation: INR 412 million ($5 million)	**Date:** March 31, 2024
Cost: INR 412 million ($5 million as on acquisition date)	**Board Role**: Observer
Ownership Interest: 3.12%	**Investment Date:** Feb 2022 (Feeder Fund)

Company Overview

Loadshare is a logistics services provider offering last-mile and regional delivery and warehousing services to leading online commerce platforms. The company delivers over 10 million monthly shipments with over 250 logistics partners and 12,000 bikers across 28 states in India. The company manages last mile and regional hub operations and delivery for a variety of use cases such as e-commerce, quick commerce, food delivery, grocery, pharmacy and bike taxis. Loadshare was founded by Raghuram Talluri (Raghu), an alumnus of IIT Delhi and IIM Lucknow, with prior experience in Myntra, McKinsey and Accenture. The Feeder Fund invested in Loadshare in February 2022 as part of a $40 million Series C round led by Tiger Global. The investment was transferred to Filter Capital India Fund 1 in February 2023.

Investment Thesis

The investment in Loadshare is predicated on the following theses : 1) Growing demand for last mile and regional logistics driven by online commerce and push for faster and more reliable delivery; 2) Loadshare's strong technology platform and leadership in underpenetrated regions and tier 2+ locations; 3) High degree of stickiness with clients given deep integration, mission criticality and superior cost structure and operating capabilities; 4) Ability to achieve attractive unit economics with scale, built on an asset-light model and largely variable cost structure; and 5) Seasoned management team led by Raghu with high execution focus and relatively frugal approach to scaling.

Recent Developments

Business Update: Loadshare continued to add new cities and new hubs in its e-commerce and food delivery businesses this quarter, while also increasing its focus on newer verticals including quick-commerce and bike taxis (where they are providing their electric fleet to Uber). The company recently onboarded Sachin Kotangale, a seasoned supply chain professional as Chief Operating Officer, to strengthen its leadership team. Before joining the company, Sachin spent over a decade in senior supply chain/operations roles with firms such as Udaan, Curefit, Swiggy and Flipkart.

Financial Update: Loadshare registered revenues of INR 3,375 million ($40 million) for the financial year 2023-24 and INR 823 million ($10 million) for the quarter ended March 2024. Revenues for the year ended March 2024 declined 12% over the prior financial year (grew 2% yearly for the last quarter), primarily led by intentional ramp-down of their low-margin business to business (B2B) transport and delivery offerings. Excluding these, financial year and quarter ended March 2024 revenue grew 4% and 12% respectively over their prior comparable periods. In the financial year 2023-24, the company was focused on profitable growth and building cost side efficiencies, resulting in a gross margin improvement from 6.4% to 11.2% and a significant cash burn reduction by 65% to INR 335 million ($4 million).

Financial Summary

	Fiscal Year Ended		Quarter Ended	
INR million	**Mar – 2023**	**Mar – 2024**	**Mar – 2023**	**Mar – 2024**
Revenue*	3,840	3,375	803	823
YoY Growth		-12%		2%
EBITDA	(956)	(335)	(146)	(66)
EBITDA %	-25%	-10%	-18%	-8%
Net Cash	1,069	871	1,069	871

** Restated to include SaaS revenues* ***USD / INR exchange rate of Rs 83.37 as of March 31, 2024*

Evaluation

The Indian online commerce industry has started to show early signs of growth, in particular driven by last-mile quick commerce delivery. This further expands the market opportunity for Loadshare. The company is capitalizing on this by rolling out electric fleets and building deep technology integrations with its customers. The focus remains on demonstrating steady growth and improving profitability from here on.

THB	**Sekhmet Technologies Private Limited ("THB")** https://www.thb.co.in/
Valuation: INR 600 million ($7.3 million)	**Date:** March 31, 2024
Cost: INR 600 million ($7.3 million as on acquisition date)	**Board Role**: Director
Ownership Interest: 8.98%	**Investment Date**: March 2023

Company Overview

THB is Asia's leading enterprise healthcare software-as-a-service (SaaS) company. THB's software enables healthcare providers and pharmaceutical companies to drive digital, data and technology adoption through its data management platform and suite of software solutions across over 20 use cases, including patient engagement, doctor engagement, clinical customer relationship management, analytics automation, customer care automation, and real-world evidence. THB earns revenue from software product subscription, implementation of data management systems, and real-world evidence studies. The founding team of THB, which launched the company in 2015, has prior experience in consulting, healthcare, analytics, and software. The Fund led a $20 million Series C round of THB with an INR 600 million ($7.3 million) investment in March 2023.

Investment Thesis

The investment in THB is predicated on the following theses: (i) Healthcare in Asia is expected to see robust growth over the next decade; (ii) Healthcare providers and pharma companies in Asia, otherwise laggards in technology adoption, are undertaking investments in big data, analytics, digital engagement and outreach; (iii) THB has a deep clinical focus and understanding of the local nuances of the Indian and regional healthcare sector; (iv) Marquee clientele with strong retention and upsell, winning large enterprise contracts against established global vendors; (v) High-integrity capable young founder supported by a strong team with an aspiration to build Asia's largest healthcare enterprise software company.

Recent Developments

Business Update: THB continued deal closure momentum this quarter with signing of a large contract with King's College Hospital, a major teaching hospital and trauma center in London, for its patient engagement product. THB also signed a large deal with Zydus, India's fourth largest pharma company, for its sales force effectiveness offering to empower medical reps. For the full year, key developments included setting up of an office in Dubai, establishment of its Singapore subsidiary, bolstering leadership across key functions such as sales and analytics, streamlining operations such as institutionalizing use of time sheets and putting in place new ERP and HRMS systems.

Financial Update: During the quarter ended March 2024, revenues increased by 49% over the prior year period. For the financial year ended March 31, 2024, revenues increased by 41% over the prior year. The company saw growth in product subscription revenues (now 64% of revenues as compared to 55% last year), hospital segment revenues (now 61% of revenues as compared to 46% last year) and international revenues (now 47% of revenues now as compared to 36% last year). EBITDA burn for the year was higher than last year due to investments in sales and marketing leadership that are expected to drive growth in the coming year.

Financial Summary

	Fiscal Year Ended		Quarter Ended	
INR million	**Mar - 2023**	**Mar – 2024**	**Mar-23**	**Mar-24**
Revenue	435	610	115	172
YoY Growth		41%		49%
EBITDA	(286)	(602)	(150)	(169)
EBITDA %	-66%	-99%	-130%	-98%
Net Cash/(Debt)	1,330	660	1,330	660

** USD / INR exchange rate of Rs 83.37 as of March 31, 2024*

Evaluation

The investment in THB plays to Filter Capital's thesis of identifying promising software companies developing mission-critical solutions for enterprises in Asia with a goal to ultimately expand to developed markets. The macro trends supporting digital adoption in healthcare are compelling and early adoption amongst blue-chip enterprises in Asia and EMEA is impressive. Over the next twelve months, we look forward to THB continuing to demonstrate growth momentum while improving margins, as it looks to cement its leadership position in Asia enterprise healthcare SaaS.

Notice:

The information set forth in this report is confidential. It includes proprietary, commercial, and financial information of the Filter Capital India Fund I (the "Fund") and the Fund's portfolio companies.

The confidential information is provided with and understanding that each recipient will maintain strict confidentiality of the information and will not disclose or reproduce any portion of information contained in this report without the prior written consent of the Fund.

Inquires to Fund should be directed to Filter Capital India Advisors LLP, the Investment Manager of the Fund.

ANICUT

Anicut Equity Fund

Quarterly Update
(Q3 FY24)



Overview

Dear Investor,

At the outset, Team Anicut wishes you a Happy 2024! We are glad to inform that the fund has closed its seventh investment in Illumine Industries, a design and engineering services company focused on the sustainability sector. This is a proprietary investment where Anicut has known the founders for many years and now led a Series A investment after working with them closely in structuring their organization.

We are witnessing an interesting trend: while consumers (at lower and middle incomes) are slowing down on discretionary spends, investors are bidding up to get into strong consumption driven companies. Investors that paid up for fintech and edtech sectors between 2021 and 2023, are now paying up for consumers brands! Investors are taking the bet that consumer spending will increase over the next few quarters backed by a strong macro environment.

Our portfolio founders have shown strong resilience and continue to be laser-focused on marching towards profitability, of course at the cost of some topline growth. While this is an arduous journey, we are seeing positive signs in our portfolio and continue to be closely engaged with founders. Our portfolio companies are compounding between 30-50% y-o-y while reducing burn to sustainable levels.

We have a strong pipeline – both proprietary and external. We remain cautious of entry valuations and will aim to invest in 3-4 new companies this year. We are also nearing final close of our fund (in May 2024) and look forward to your continued support.

Thank you!

Fund Summary

500 Cr
Target Corpus

110 Cr
First close (as of June 1, 2022)

May ‘24
Expected Final Close

342 Cr
Capital Committed

137 Cr
Amount Drawndown

133 Cr
Amount Invested

7
# of Portfolio Companies

2+1*
# of Portfolios marked-up & raised follow-on

* Two primary up-rounds and One secondary transaction significantly higher than Anicut entry

Portfolio Summary

Portfolio	Total invested so far (INR Cr)	Anicut shareholding (%)	Co-investors	MOIC (X)
Blue Tokai	20.0	3.2%	A91 Partners	1.60
Neeman's	17.3	8.1%	Sixth Sense	1.37
The Ayurveda Experience	29.3	2.4%	Fireside, Sharrp	1.33
XY | XX	19.0	3.6%	Amazon, Sauce	1.00
earth rhythm	18.0	8.0%	Nykaa	1.00
Wheelocity	12.3	2.5%	Lightspeed	1.00
Illumine i	17.3	19.1%	-	1.00

Notes -

- Total invested so far includes primary + secondary in both initial and follow-on rounds (where applicable)
- Two up-rounds in Neemans and The Ayurveda Experience have occurred; Anicut has doubled down in both companies
- In BlueTokai, a secondary is underway at a significant mark-up from Anicut entry. MOIC represents secondary valuation.
- MOIC is calculated on initial Anicut investment only as the portfolio is not seasoned

ANICUT

Portfolio Update

Portfolio in the news

Café Culture in India continues to grow

The Ayurveda Experience crosses Rs 250 Cr revenue in FY23, on way to achieve profitability

XYXX foresees 50 pc YoY growth for the next 10 years

Anicut Capital invests Rs 17Cr in sustainable design and engineering company Illumine-i

Business update

- TAE is closing INR 220Cr Series C round led by Jungle VC. Primary money has come in while secondary is closing.
- TAE doubled its monthly revenues in Nov largely on account of Black Friday sale. Over the last quarter, net revenues grew 22%.
- There has been a slight increase in COGS which has resulted in GM dipping below 90% threshold.
- Marketing continues to be a significant expense especially during holiday season when ad-rates see a significant jump – this has resulted in dip in CM2 in the current quarter
- Europe, which started a few years back, now accounts for 38% of monthly net revenues. It was 30% of net revenues in September. On a runrate basis, Europe has become > $10M annualized business.
- Team is taking initiatives to increase customer LTV through product innovation and improved efficacy claims.

Financial update

INR Cr*	OND'22	JFM'23	AMJ'23	JAS'23	OND'23
Gross Revenue	83.9	78.1	89.6	91.7	110.7
Net Revenue	78.2	71.5	81.3	83.5	102.4
Net revenue QoQ Δ %	*22%*	*-9%*	*14%*	*3%*	*23%*
GP%	*89%*	*90%*	*91%*	*91%*	*89%*
CM1%	*67%*	*67%*	*67%*	*76%*	*69%*
CM2%	*11%*	*14%*	*16%*	*21%*	*14%*
EBITDA%	*-5%*	*-4%*	*0%*	*-2%*	*-2%*

Cash balance as of Dec 31, 2023: INR 171Cr

*Company realises revenues in USD. The numbers herein are converted using average INR/USD exchange rates prevailing during the month.

Business update

- Overall Café count as of Dec 2023 was 92 with an additional 15 in fitout stage. Co's plan is to get to 100 Café's by Feb 2024 and 115 Cafés by June 2024
  - Café business grew by 8.3% over the last quarter due to lower footfalls in Oct and Nov month
  - Mature Café's are trending towards healthy 24L+ revenue & healthy EBITDA margins with same store sales growth of 15% plus
  - Company maintained healthy GM for Café business at 62%
- Non-Café business grew by 15.5% over the last quarter with healthy gross margins and growth across the three verticals – B2B, Leasing and D2C
- Company has strong incoming interest from large investors for next round financing, which is slated for second half of 2024

Financial update

INR Cr	OND'22	JFM'23	AMJ'23	JAS'23	OND'23
Net Revenue	34.1	38.1	46.2	51.9	55.9
Net revenue QoQ Δ %	*13%*	*12%*	*21%*	*12%*	*8%*
GP%	*59%*	*68%*	*65%*	*64%*	*61%*
CM%	*25%*	*21%*	*11%*	*19%*	*17%*
EBITDA%	*-3%*	*0%*	*-4%*	*-8%*	*-12%*

Cash balance as of Dec 31, 2023: INR 60Cr

Business update

- On comparison of actual performance of YTD24 against projections, the Company continues to perform well in marketplaces / online. However, GT channels are underperforming owing to muted consumer spends.
- Company has decided to not enter newer categories in order to optimize inventory levels and marketing spends until existing GT stores are stabilized. Team is running a variety of low-cost experiments in this regard.
- Company has managed to retain inventory levels with the DIO ranging around ~90 days basis annualized sales. DSO and DPO have dipped marginally lower compared to earlier quarter to ~62 days and to ~55 days, respectively.
- Over the next 2-3 quarters, company's focus will be on digital channels which are showing momentum.

Financial update

INR Cr	OND'22	JFM'23	AMJ'23	JAS'23	OND'23
Gross Revenue	46.8	43.8	53.4	58.3	57.8
Net Revenue	26.2	24.6	31.1	33.9	32.2
Net revenue QoQ Δ %	*-14%*	*-6%*	*26%*	*9%*	*-5%*
GP%	*43%*	*43%*	*48%*	*48%*	*47%*
CM1%	*31%*	*31%*	*37%*	*35%*	*35%*
CM2%	*7%*	*6%*	*15%*	*12%*	*9%*
EBITDA%	*-37%*	*-47%*	*-17%*	*-15%*	*-21%*

Cash balance as of Dec 31, 2023: INR 74 Cr

Business update

- Net revenues increased ~36% over the last quarter (which was slow across the board); on a monthly company closed INR 7.8Cr in Dec 2023 as against INR 5.4Cr in Nov 2023
- Neemans continues to innovate on new product launches with 4-5 new SKU launches every month with positive marketing ROAS. Company has worked on a design calendar with different SKUs targeted at different channels.
- Gross margins are closer to best-in-class in the footwear category and company continues to be CM2 positive
- Company has 8 offline EBOs across varying formats. These EBOs are CM2 positive and company is looking to expand its offline footprint.
- Burn is on the higher side, and we are working closely with founders to reduce it to sustainable levels

Financial update

INR Cr	OND'22	JFM'23	AMJ'23	JAS'23	OND'23
Gross Revenue#	31.1	30.3	35.4	24.2	32.5
Net Revenue#	19.4	19.2	22.1	15.2	21.0
Net revenue QoQ Δ %	*24%*	*-1%*	*15%*	*-31%*	*38%*
GP%*	*45%*	*50%*	*51%*	*53%*	*53%*
CM1%	*25%*	*31%*	*32%*	*33%*	*34%*
CM2%	*-5%*	*-3%*	*8%*	*6%*	*6%*
EBITDA %	*-44%*	*-39%*	*-22%*	*-36%*	*-23%*

Cash balance as of Dec 31, 2023: INR 62.7 Cr

*GP is calculated on Net Revenue (net of taxes, returns and discounts)

#Gross Revenue and Net Revenue includes revenue from sale of fabric

earth rhythm
Efficacy. Inclusivity. Sustainability.

Business update

- Company has been focused on fixing unit economics across channels and has cut down marketing spend significantly. This has resulted in sharp reduction at CM2 level (from -55% to -7%).
- Company has done a reprising exercise of its product portfolio to make it more competitive in the market. This has resulted in lower sales in the current quarter.
- Founders conducted a detailed customer survey of ~3000 customers and are incorporating the feedback in both the website and in product & packaging.
- Burn for the month of Dec 2023 has reduced to ~INR 1Cr and company's focus is to reduce it further by March 2024

Financial update

INR Cr	OND'22	JFM'23	AMJ'23	JAS'23	OND'23
Gross Revenue	19.9	14.2	15.8	18.3	14.8
Net Revenue	8.2	5.8	6.8	8.3	6.6
Net revenue QoQ Δ %	*90%*	*-30%*	*17%*	*22%*	*-20%*
GP%*	*55%*	*53%*	*62%*	*62%*	*56%*
CM1%	*41%*	*31%*	*45%*	*41%*	*37%*
CM2%	*-19%*	*-49%*	*-22%*	*-55%*	*-7%*
EBITDA %	*-59%*	*-103%*	*-69%*	*-93%*	*-51%*

Cash balance as of Dec 31, 2023: INR 17.4Cr

*GP is calculated on Net Revenue (net of taxes, returns and discounts)

Business update

- Having shifted the base to Trichy for better customer focus, the Company is showing early signs of PMF in their new avatar, having done over 30+ iterations in 9 months.
- With focus on T-4+ villages in TamilNadu, Wheelocity would deliver fresh farm produce at the doorsteps in these villages. As of date, the Company operates in ~400 villages across TN.
- In the current business model, Wheelocity solves for: (a) Availability (b) Convenience, (c) Reliability, (d) Small Lot and (e) Pick & Choose, at these villages in their daily fresh produce purchase experience.
- At present, the Company is currently selling 10+ tons of fresh produce per day at an average price Rs.45 per kg with gross margins of ~40%.
- Company has enough cash in bank to run these experiments profitably and at scale. We believe the company will take another two quarters before it perfects PMF and thereafter scale. In the interim, company is in the process of closing an internal round to fuel growth across TN.

Financial update

INR Cr	OND'22	JFM'23	AMJ'23	JAS'23	OND'23
Net Revenue	28.5	18.1	8.6	1.9	1.4
Net revenue QoQ Δ %	*-27%*	*-36%*	*-52%*	*-78%*	*-26%*
GP%	*23%*	*44%*	*54%*	*5%*	*19%*
EBITDA%	*-16%*	*16%*	*-11%*	*-208%*	*-263%*

Cash balance as of Dec 31, 2023: INR 36.6Cr

ILLUMINE i

Company Overview

- Illumine Industries Private Limited (Illumine-I / Company) is a digital design and engineering services firm that focuses on sustainability sector (solar, wind, EV, green buildings, etc.) in global markets, primarily USA and Canada.
- Company has 245 engineers on its rolls across locations in India (Chennai) and US (Texas).

Investment Rationale

- Growing focus on sustainability: With increasingly larger part of Govt budgets (IRA, 2022) focussed on clean energy and sustainability, Illumine is well-positioned to be a leader in a fast-growing niche.
- India-cost arbitrage play proven: Offshoring model for skilled engineering services have played out in multiple sectors earlier including software, semiconductor and other ITeS.
- Founder pedigree: With the experience of working for Solarcity (Tesla) and Sunrun, the Founders have built this from a 5-member team to about 250 people across multiple locations.

Transaction Structure

- Anicut led the round with a ~INR 17.5Crs investment through a combination of primary infusion and secondary acquisition and will own 19.1% of captable.

Financial update

INR Cr	FY21	FY22	FY23	YTD Dec'23
Revenue	17.1	33.3	43.4	32.8
Revenue YoY Δ %	*100%*	*95%*	*30%*	*1%*
GM%	*58%*	*40%*	*41%*	*31%*
EBITDA%	*28%*	*28%*	*13%*	*4%*
PBT%	*27%*	*12%*	*14%*	*1%*

Cash balance as of Dec 31, 2023: INR 2.2Crs
(does not include INR 4.1Crs of primary infusion made by Anicut)

ANICUT

Thank You

GAJA CAPITAL

GAJA CAPITAL INDIA FUND 2020 LLP:

QUARTERLY REPORT MARCH 31ST 2024

May 16th 2024

This Quarterly Report for Gaja Capital India Fund 2020 LLP ("Fund") is for the quarter ended March 31st, 2024

This report covers the following:

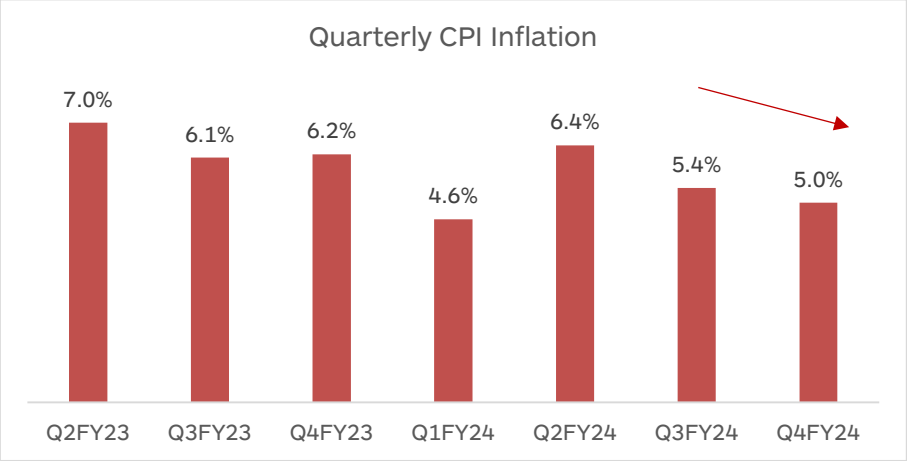
1. Market Commentary
2. Fund Overview
3. Portfolio Overview
4. Investment Activity
5. Portfolio Company Reviews
6. 1st Quarter Update Call

1. Market Commentary

The Indian economy remained resilient with 7.6% growth rate of GDP in the financial year ended March 2024 (FY24) over the 7% growth rate during FY23. The International Monetary Fund (IMF) has projected robust economic growth for the financial year ending March 2025 ('FY25') for India at 6.5%, on the back of strong domestic demand and a rising working-age population.[1] General Elections are being held in India with nearly a billion registered voters to choose the next government at the Centre. Results will be announced in the first week of June 2024.

The IMF has projected global growth to be at 3.2% for FY24 and FY25. However, widening of the ongoing military conflict in the Middle East has compounded the challenges to the global economy that was recovering from the pandemic, the Russia-Ukraine war and high inflation. In addition, geopolitical tensions affecting key shipping lanes have disrupted maritime transport which accounts for over 80% of global movement of goods.

In India, consumer price inflation eased to 4.9% in March 2024 from 5.1% in February 2024. Overall inflation declined to 5.0% for the quarter from 5.4% in the previous quarter. The RBI kept the repo rate (the rate at which the Central Bank lends to other banks) unchanged at 6.50% on February 8, 2024 compared to December 8, 2023. The Monetary Policy Committee of the RBI decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target of 4% going forward, while supporting growth.



[1] World Economic Outlook, April 2024

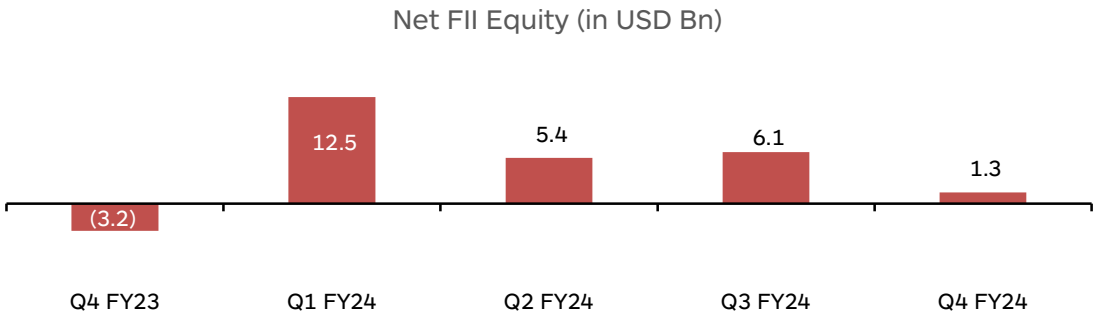
Propelled by India's resilient macroeconomic fundamentals (marked by robust GDP growth), relative stability in global markets, and fresh foreign fund inflows, the Indian stock market rallied in the month of March 2024, resulting in both the NIFTY 50 and BSE Sensex climbing to their all-time highs of 22,493 and 74,119 respectively.

Indices	As on March 28th 2024	QTD (January–March 2024)	Financial year (April-March 2024)
BSE Sensex	73,651	2.0%	24.9%
NSE Nifty	22,327	2.7%	28.6%

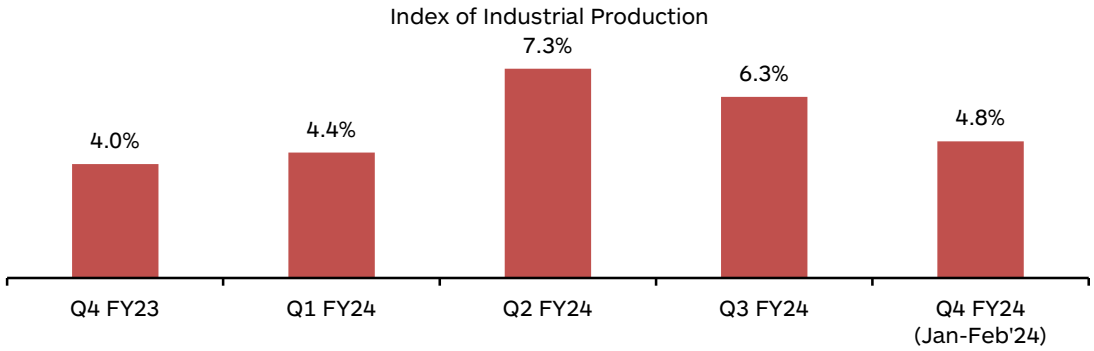
The Indian rupee continues to remain the least volatile among global currencies, declining marginally to 83.37 against the US Dollar (depreciating by 0.31% in Q4FY24). The average Rupee Dollar exchange rate during the quarter was INR 83.03. India's foreign exchange reserves surged to a more than two-year high of $648 billion as of April 5, 2024, driven by robust inflows and strategic interventions by the RBI.

	As on March 31st 2024	As on March 31st 2023	As on December 31st 2023
INR-US$ FX Rate	83.34	82.12	83.17
Appreciation/ (Depreciation) as on March 31st 2024	-	(1.49%)	(0.02%)

Foreign portfolio investors withdrew $3.1 Billion and infused $4.4 Billion during this quarter. AUM of Foreign Institutional Investors (FII) reached a record high of $770 Billion, well above the previous peak of $ 667 Billion in October 2021. Net Foreign Direct Investment (FDI) inflows fell sharply to USD 0.3 Bn in February 2024 from USD 5.7 Bn in January 2024.



The Index of Industrial Production (IIP) grew by 5.7% in February 2024 as compared to February 2023 and 5.9% growth for the period April 2023 -February 2024 as compared to the same period of the previous year.



Despite persistent global challenges, overall exports (merchandise + services) are expected to surpass last year's highest record. The Ministry of Commerce and Industry has estimated exports to reach $776.68 Billion in FY24 with the month of March recording the highest monthly exports for the year.

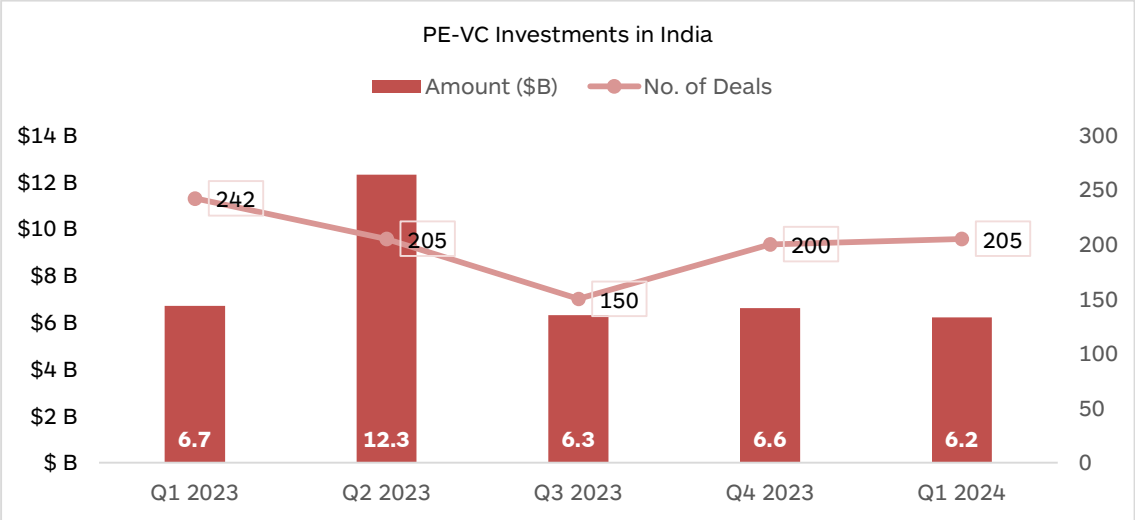
Posting 59.1 in March 2024, the seasonally adjusted HSBC India Manufacturing Purchasing Managers' Index (PMI) reached a 16 year high on the back of strong demand. Rising to 61.2 in March, the seasonally adjusted HSBC India Services Business Activity Index pointed to one of the strongest growth rates seen in over 13-and-a-half years. The upturn was largely attributed to healthy demand conditions, efficiency gains and positive sales developments[2].

The heightened economic activity levels were also reflected in the tax collections by government of India. India's fiscal deficit during the first 11 months of FY24 stood at 86.5% of the revised annual estimates and the decline in fiscal deficit, despite a jump in government spending, was due to higher tax receipts and increase in non-tax revenues. The provisional figures released by the Finance Ministry indicate that direct tax collections from April 1, 2023 to March 17, 2024 increased by 17.7% on a YoY basis marginally surpassing the revised estimates for the year, due to a surge in personal income taxes. The growth rate for corporate income tax (CIT) was 10.6% and personal income tax (PIT) stood at 25.3% in terms of net revenue collections. The leading indirect tax in India i.e. the Goods and Services Tax (GST) collections (Centre plus states), a key indicator of economic activity, recorded a robust growth of 11% during FY24 over the same period last year. The month of March 2024 recorded the second highest ever monthly collections amounting to $ 21.4 billion[3].

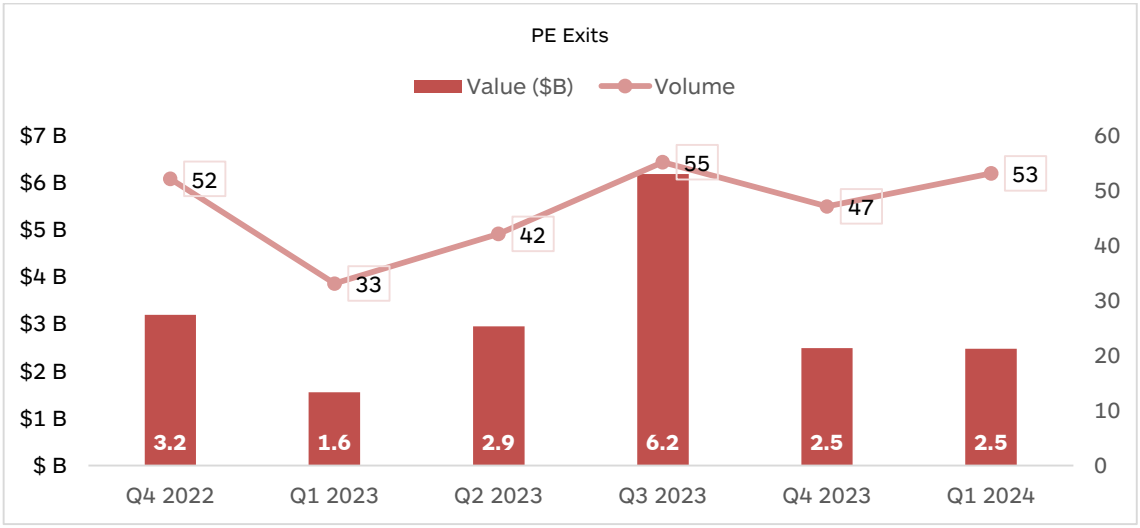
Private equity and venture capital funds invested $6.2 Billion (across 205 deals) in India-based companies during the quarter ended March 2024[4]. This represents a 7% decline compared to the same period in 2023 (which saw $6.7 Billion being invested across 242 deals). The investment amount also dipped 6%

[2] The HSBC India Manufacturing and Services PMI, March 2024
[3] Press Information Bureau
[4] Venture Intelligence, India Private Equity report January-March 2024

compared to the immediate previous quarter (which saw $6.6 Billion being invested across 200 deals). On an annual basis, FY24 reported a 15% decline in terms of deal value as compared to the previous year.



Q1 2024 reported PE/ VC exits worth $2.5 Billion, 60% higher than the value recorded in Q1 2023 and flat as compared to Q4 2023. In terms of deal volumes, there was a 61% growth year-on-year with 53 exits in Q1 2024 as compared to 33 exits in Q1 2023 and a 13% growth compared to 47 exits in Q4 2023[5]. On an annual basis, FY24 reported a 40% growth in terms of deal value as compared to the previous year and 10% growth in terms of deal volumes. This was primarily attributable to increasing open market transactions driven by the strength in Indian public markets.



[5]VCC Edge Quarterly Deal Update March 2024

2. Fund Overview[6] (as on 31st March 2024)

Fund Name	Gaja Capital India Fund 2020 LLP
Fund Structure	Indian limited liability partnership registered under the Limited Liability Partnership Act, 2008 and registered as a Category II Alternative Investment Fund with the Securities and Exchange Board of India ("SEBI")
Total Commitments	US$ 229 mn, INR 17,493 mn
Final Close	June 2023
Investment Focus	Growth capital for high growth companies in the Indian digital-tech middle market
Sector Focus	Education; Financial Services; Consumer; Software; Healthcare
Instruments	Equity
No of Investments to Date	3
Amount Called / Drawn to Date	US$ 68.61 mn, INR 5,537.23 mn
Amount Invested to Date	US$ 55.22 mn, INR 4,456.95 mn
Gross MOIC (INR)	2.43x
Gross IRR (INR)	75.73%
Gross MOIC (US$)	2.32x
Gross IRR (US$)	68.88%
Net TVPI (INR)	1.95x
Net TVPI (US$)	1.89x

[6] Gaja Capital India Fund 2020 is part of a unified fund structure whereby Gaja Capital India Fund 2020 acts as a feeder vehicle and the capital contributions received by it are invested almost entirely (subject to deductions for expenses including management fee) into Gaja Capital India Fund 2020 LLP being the Master Fund domiciled in India. The structure similarly also consists of another feeder vehicle Gaja Capital Fund 2021 Limited which is a public company limited by shares incorporated in Mauritius.

Accordingly, all capital contributions whether received at the Mauritius or India level are aggregated at the level of the Master Fund, which deploys the ultimate capital and makes direct investments into portfolio companies. Accordingly, the financial data in this report (including those corresponding to 'Total Commitments', 'Amount Called / Drawn to Date', and 'Amount Invested to Date') represent aggregate amounts at the level of the Master Fund.

With effect from 5th July, 2022, Gaja Advisors Private Limited has been renamed as Gaja Alternative Asset Management Private Limited, India.

Table 1: Fund Usage Summary

Following is the Fund's cash usage summary till date:

INR mn	Mar 2024	Dec 2023	Mar 2023
Drawn Capital	5,537	4,337	3,547
Total Gross Invested Capital to Date	4,457	2,956	2,956
Advisory Fees Expenses	892	834	392
Set Up Expenses	123	123	61
Other Expenses	37	36	23
Net Current Assets	28	388[7]	116

Table 2: Fund NAV

INR mn	March 2024	Dec 2023	March 2023
Drawn Capital	5,537	4,337	3,547
Fair Value of Investments	10,772	8,849	9,137
Net Current Assets	28	409	116
Net Assets Attributable to the Fund's Share Holders	10,800	9,258	9,253
Net TVPI per 1,000 in INR[8]	**1,951**	**2,134**	**2,608**

While the gross value of the underlying assets of the fund has not decreased, the decline in TVPI is due to dilution with increase in capital called.

[7] The surplus capital currently available to the Fund was called from the final close investors. This capital shall be utilised for the imminent Deal #3 of the Fund.
[8] Excludes any provisions for taxes as the gains are not realized.

3. Portfolio Overview

Table 3: Portfolio details company wise as on March 31st 2024

	Portfolio Company	Date of Initial Investment	Invested as of Date (INR mn)	Current Holding	Fair Market Value (INR mn)	Gross IRR (INR)	Gross MOIC (INR)
1	Leadsquared	July 2021	1,376	10.7%	6,744	87.51%	4.98
2	Signzy	September 2022	1,580	17.8%	2,528	40.21%	1.60
3	Amber	February 2024	1,500	27.5%	1,500	At cost	

Table 4: Portfolio company valuations over time

Portfolio Company	March 2024 Company Valuation		December 2023 Company Valuation		March 2023 Company Valuation	
	(INR Mn)	(US$ mn)	(INR Mn)	(US$ mn)	(INR Mn)	(US$ mn)
Leadsquared	62,773	*753.2*	62,773	*754.8*	70,384	*850.7*
Signzy	14,227	*170.7*	11,844	*142.4*	8,643	*104.5*
Amber	5,455	*65.5*	-	-	-	-

Valuation Increase vs Dec-23	
Valuation Constant vs Dec-23	
Valuation Decrease vs Dec-23	

4. Investment Activity

The Fund completed its third investment aggregating INR 1,500 Mn in February 2024 in Amber Internet Solutions Private Limited (Amber), a leading student accommodation marketplace. Amber was founded in 2017 by Saurabh Goel and Madhur Gujar, graduates of IIT Kharagpur. Amber is a leading long-term accommodation platform that provides students from more than 50 countries with a seamless booking experience in 250 cities around the world. With over 1 million beds listed on its platform, Amber has established itself as a partner of choice for both students and property managers with presence in seven countries: UK, US, Australia, Ireland, Canada, Germany, and Spain. In a short while, Amber has emerged as the largest player outside of China in the long-term student housing marketplace space.

Deal flow around the fund's investment thesis continues to be strong. The investment team has wide coverage and a deep pipeline of opportunities.

5. Portfolio Company Reviews

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leadsquared

Deal Name	***MarketXpander Services Private Limited ("Leadsquared")***
Date of Investment	July 2021
Location	Bangalore
Industry	Sales Tech SaaS
Board Representation	Gopal Jain, Imran Jafar
% Ownership	10.74%
Total Amount Invested	INR 1,376 mn
Current Status	Unrealized
Current Valuation / Gross MOIC	INR 6,744 Mn | 4.98x INR

Business Overview: Founded in 2013, Leadsquared is a category leader in high-velocity sales execution software. The company provides end-to-end, SaaS solutions to transform high-velocity sales execution, and drive sales efficiency at scale. Leadsquared is one of the best sales tech platforms in the market delivering parameters critical for a B2C company, namely the ability to score, sort, and help convert high volume and velocity of leads generated by its marketing channels.

The company was founded by Nilesh Patel and Prashant Singh, career CRM professionals and serial entrepreneurs, who have been working together for the past two decades and have successfully built and exited their previous venture to a strategic investor in the past. Leadsquared has 2,058 clients and market leadership in the Indian B2C ed-tech sector along with a strong presence in the financial services, technology marketplace, healthcare, and real estate segments. The company has a strong customer base in 19 countries with notable clients like Poonawalla Fincorp, HSBC, Aditya Birla Group, Bajaj Auto in India and Lincoln Tech, New England University and FormHealth in US. The company is headquartered in Bengaluru, India with ~1100 employees across 7 offices.



Operating & Financial Performance: For the financial year ending ended March 2024, Leadsquared reported operating revenues of INR 2,729 Mn vs INR 2,528 Mn for the same period last year, growing 8% year on year ("Y-o-Y"). Lower revenue growth in financial year ending ended March 2024 has been due to macro headwinds affecting key customers. Clients have pivoted from growth at all costs to sustainable growth metrics with a focus on profitability resulting in lower spends. This is a tactical slowdown as clients will emerge stronger post this and continue to scale within the large addressable market in India. We are seeing signs of growth coming back as annualised revenue run-rate ("ARR") grew at 24% as of March 2024 as compared to March 2023. The new customer acquisition continues to be strong as the company has added 259 customers since March 2023. The company had 2,058 customers at the end of March 2024 vs 1,899 customers at the end of March 2023 growing 8% Y-o-Y. The company reported product gross margins ("Product GMs") of 66.9% for the financial year ending ended March 2024 vs 63.7% for the same period last year. Protracted negotiations with vendors have led to improvement in pricing, mainly hosting costs, helping the company improve Product GMs. For financial year ending March 2024, the company reported operating EBITDA ("Op. EBITDA") of INR -1,973 Mn with margins of -72.3% vs INR -2,094 Mn and margins of -82.9% for the same period last year. The high EBITDA burn is on account

of continuing investments being made ahead of the curve in expanding their product portfolio in addition to expanding their sales and product teams in the US, APAC and India regions. The company has spent on developing new products such as Service cloud and "Goals", a performance management tool as well as launched an app version of the core product called "Marvin". The company is well capitalized with INR 5,769 Mn in cash.

Product revenues accounted for 92% of revenues and grew 8% Y-o-Y for financial year ending ended March 2024. Education remained the largest vertical (38% of operating revenues), followed by Banking, Financial Services (25%), Healthcare and Wellness (9%) and Technology and Marketplace (8%). Company is seeing strong growth in verticals such as Financial Services and Healthcare with 70% and 65% Y-o-Y growth respectively as of March 2024. The company aims to increase focus on these verticals and continue to scale them. The company has focused to reduce their customer dependence since the time of investment with revenue from top 10 customers at 18% of revenues for financial year ending March 2024 vs 50% for financial year ending March 2021.

India: Revenues grew 3% Y-o-Y from INR 2,108 Mn in financial year ending ended March 2023 to INR 2,165 Mn in financial year ending ended March 2024, and accounted for 79% of the overall revenues for the financial year ending ended March 2024. Low revenue growth was due to lower spends by existing clients across digital-tech segments and ed-tech segment in particular while company continued to add new customers and grew number of clients by 6% Y-o-Y. The company ended with 1,681 customers at the end of March 2024 vs 1,590 customers at end of March 2023. The company has strengthened their India sales team, adding a Head for financial services segment, a Head for education vertical and a Head for emerging verticals. They have also strengthened their product team with the hiring of Head of engineering and Head of cloud operations.

Notable clients added in financial year ending ended March 2024 include LIC Housing Finance, HSBC, India Cements, Unity Small Finance Bank and Kajaria Ceramics.

US: Revenues grew from INR 310 Mn in financial year ending ended March 2023 to INR 413 Mn in financial year ending ended March 2024, 33% Y-o-Y growth and accounted for 15% of the overall revenue. Growth in the US was driven by 17% Y-o-Y increase in the number of clients from 166 clients at the end of March 2023 to 195 clients at end of March 2024 as well as increase in average revenue per account. The company is currently seeing strong traction in education and healthcare verticals. Notable clients added include Bay Area Medical Academy, Evergreen College and Cinqcare. Leadsquared has strengthened their team in the US with hires in both sales and product teams. Given their success in education and healthcare verticals, the company has added a Head of product for education and a Head of product and sales for healthcare and will continue to selectively add to their team in these verticals in line with the company focus on scaling US revenues. Nilesh, Co-Founder and CEO, has also shifted his base to the US in the last quarter to further accelerate the business.

The company has seen improvement in their Software-as-a-service ("SaaS") metrics despite the prevailing softness in market conditions. The net revenue retention rate ("NRR") for the company as of March 2024 stood at 102% vs 77% as of March 2023. The 12-month LTV/CAC (Life-Time Value to Customer Acquisition Cost) ratio stood at 2.2x as of March 2024. Punitive churn (including exit and contraction churn) is at 23.9% (annualised) in March 2024 vs 34.6% in March 2023.

(INR Mn)	FY2024	FY2023	Y-o-Y
ARR	2,890	2,326	24%
India	2,165	2,108	3%
US	413	310	33%
Others	151	109	38%
Overall Revenue	**2,729**	**2,528**	**8%**
Product Revenue	2,504	2,322	8%
GM (Product) %	66.9%	63.7%	
Op. EBITDA	**-1,973**	**-2,094**	**-6%**
Op EBITDA%	-72.3%	-82.9%	

***New Initiatives*:** Leadsquared is undertaking multiple new initiatives to drive the next phase of growth for the company. This entails expansion and upgradation of the product portfolio, strengthening of the sales engine, and the creation of a partner playbook to direct its expansion across geographies, especially the US. Gaja Capital is working closely with the management and offering strategic advice in these initiatives as the company launches new solutions to capture market adjacencies such as Service cloud in addition to channel sales and reporting tools.

Product enhancement: The company continues to invest to improve current product offerings with feature enhancements as well as launch products in adjacent services.

- Product Enhancements: Leadsquared released "Marvin" – a new sales application for inside and channel sales which is expected to improve customer experience. Other enhancements include the performance management ("Goals"), messaging platform ("Converse") and reporting tool ("Sierra"). The company has already onboarded more than 100 customers for Goals and 340 customers for Sierra. The company aims to scale these products in the next financial year and increase their revenue contribution.
- New Products: The company is currently developing a Service and Lending cloud platform. The Service cloud's beta platform has already been shared with select customers and the commercial launch is expected by September 2024. New products will increase total addressable market for the company and enable cross-sell/up-sell opportunities with existing customers.

***Capacity building**:* The company has strengthened their senior management in the financial year ending March 2024. In India, they have hired a financial services head, emerging vertical head, and an education vertical head. They have also strengthened their product team by adding the head of engineering and head of cloud operations. In the US, the company has hired the Head of Sales and Product for both Education and Healthcare vertical. Gaja Capital is collaborating with the company in the hiring process of leadership roles and augmentation of the team.

Valuation: The fund has marked down Leadsquared's valuation as on 31st March 2024 to INR 62,773 million from INR 70,384 million as on 31st March 2023 reflecting lower valuation comparables.

SIGNZY

Deal Name	***Signzy Technologies Private Limited ("Signzy")***
Date of Investment	September 2022
Location	Bangalore
Industry	FinTech SaaS
Board Representation	Imran Jafar
% Ownership	17.8%
Total Amount Invested	INR 1,580 Mn
Current Status	Unrealized
Current Valuation / Gross MOIC	INR 2,528 Mn | 1.60x INR

Business Overview: Founded in 2016, Signzy is a category leader in no-code workflow automation solutions for customer and merchant onboarding for BFSI clients in India and overseas. The company provides an integrated solution to clients to digitize their customer authentication and onboarding processes, by offering a nimble front-end, a risk engine, and a decision-making dashboard for monitoring. The company was founded by Ankit Ratan, Arpit Ratan and Ankur Pandey who came together to build a leading RegTech platform with previous experiences in the financial services sector and regulations governing the sector. Signzy has 603 clients and market leadership in the Indian financial services sector for KYC and customer onboarding use-cases, with an increasing presence in the fintech, gaming and crypto segments. The company is headquartered in Bengaluru, India with 410 employees.

SBI ICICI Bank AXIS BANK citi

InsuranceDekho mastercard HDFC ERGO Take it easy! Pine Labs

Operating & Financial Performance: For the financial year ended March 2024, Signzy reported revenues of INR 1,060 Mn as against INR 613 Mn for the same period last year, growing 72.7% year on year ("Y-o-Y"). Increased customer count, from 406 as of March 2023 to 603 as of March 2024, was the primary driver of growth YoY. Notable additions to the customer base through the year include Yes Bank, Cred, Ola, Canara Bank, Tata 1mg, Magnati, Experian, White Oak, Kotak General Insurance, Invesco, and Acko Insurance, amongst others.

The company works with marquee clients in the Indian banking and financial services industry (BFSI), with significant revenues from focus segments such as banking, insurance, and payments. Key large clients for the company include HDFC Bank, Axis Bank, ICICI Bank, SBI Bank, as well as large fintech players such as Acko, BharatPe, InsuranceDekho, Pine Labs, among others.

The company reported gross margins of 77.5% for the financial year ended March 2024, up 630bps compared to 71.2% for the same period last year. In the financial year ended March 2024, the company reported operating EBITDA ("Op. EBITDA") losses of INR 262 Mn and margins of -24.8% vs INR -140 Mn and margins of -22.8% for the same period last year on account of investments made - seeding the initial GTM motion in the US along with product contextualization, building new product capabilities, and scaling the headcount of the tech, product and sales teams. During the current financial year, the company aims to increase its penetration in the Indian market and make a strong push for the US market. These initiatives are expected to drive growth in the upcoming quarters.

Particulars (INR Mn)	FY2024	FY2023	Y-o-Y
Revenue	1060	613	72.7%
GM %	77.5%	71.2%	+630bps
Op. EBITDA	(262)	(140)	
Op EBITDA%	-24.8%	-22.8%	-200 bps

***International Expansion*:** The company has demonstrated progress in its US market expansion, across segments of credit unions and community banks, and fintech companies. The company has invested in building out an event-led GTM motion in the US and hired a team to address the large opportunity with credit unions and community banks. The company is in discussions on product fitment and commercials with multiple players in this segment. The fintech sales motion is driven by an inside sales team from India, with leads being generated through SEO and LinkedIn. The company has successfully signed ten players in the fintech and credit union segments, with three being currently live and the rest in the testing and implementation phase. There is also a strong pipeline of customers in place for the next financial year, with multiple contracts in advanced stages. US expansion is a key focus area for the company which would provide it access to a USD 1.6Bn market. API products for ID OCR, Identity verification, bank transaction and verification, AML and digital forensics, pre-fill APIs and OTP verification APIs have been finalised, with APIs for the UK, Canada and UAE market being rolled out in phases. The company will continue to focus on their core market of financial institutions, lending, insurance, and merchant onboarding.

***New Initiatives*:** The company also expanded its focus on the insurance sector in India, adding logos such as Acko, Kotak General Insurance and Royal Sundaram General Insurance, in response to changes made by the regulator IRDAI (Insurance Regulatory and Development Authority of India) making KYC mandatory at the time of onboarding an insurance customer. This change is expected to add USD 10 million to their addressable market. The company has increased its focus on adding large deals with marquee clients to their top of the funnel and focusing on converting the same and is making notable hires in the sales team for such deals. The company is also pitching for large-size, public sector bank deals and has built out a GTM for the same. The company will continue to invest in the US market, participating in events and proof of concepts to find initial product-market fit in the credit union and community banks market. The company has also acquired the firm Difenz to increase its offerings in the Fraud, Risk, and Compliance domain as part of a single platform.

Product enhancement: Signzy is adding multiple use cases to its product suite to cater to the ever-evolving regulations in the Indian financial services sector. The company has launched a digital signature solution with features for Aadhaar, e-Sign and e-Challan, with a total market potential of USD 20Mn. They have identified insurance authentication as a potential use case, with the regulator making KYC mandatory at the time of issuing an insurance policy or applying for an Account Aggregator (AA) license to consolidate vendors for a financial services company and assist in underwriting for loans and other asset side products. The company also intends to focus on Payment Aggregator / Payment Gateway providers as they have regulatory requirements to complete KYC prior to merchant onboarding. The company has added new features to its GO (Generic Onboarding) product to enable omnichannel onboarding and biometric authentication for relationship managers. The new features added to GO include Lead Flow Hub (to collect leads from multiple channels and assign them to sales team members) and GO Analytics Module (to provide data-driven insights for back-office optimisation and improve customer experience).

The company has simplified and streamlined the payment process through the automation of collections by setting up an electronic mandate for e-NACH and building out an ITR and Form 26AS API for lending use-cases for banks and NBFCs. In line with the focus on automating payments and collections, the company has launched UPI AutoPay for recurring collections of smaller transactions. For the international market, the company has launched APIs for employer verification in the US to add value during merchant onboarding journeys. A suite of KYC, KYB and Bank Account Verification APIs have been launched for the Canadian market. The company has also launched APIs for the UAE and APAC market, such as KYB, ID verification, and OCR on the Emirates ID of an individual, and has pioneered the use of facial recognition in the Aadhar e-signing process, which is a first in the industry.

Merger and Acquisitions: With the acquisition of Difenz, the company has started its transition from a point solution provider to a fintech infrastructure platform for BFSI customers. Difenz will provide Signzy with capabilities in the Fraud, Risk, and Compliance domain, along with the existing capabilities in the KYC and onboarding operating as a platform covering the lending and digital banking fintech infrastructure.

Capacity building*:* Post the successful Series B raise, Signzy has been actively strengthening its senior management. The company has hired a Marketing Director for the US and has strengthened its enterprise sales team with a key addition and has also hired the VP of Human Resources. The company has also finalised the hiring of Vice-President of Finance and the Head of Global Delivery. Overall headcount grew 90% from 216 to 410 during the year and the company also moved into a new office space in Bangalore to accommodate its growing sales, product, and support teams.

Valuation: As of 31st March 2024, Signzy's valuation has been marked up to INR 14,227 Mn from INR 8,643 Mn in March 2023. The revenues of the Company have grown 72.7% compared to the previous financial year. This has been driven by strong growth in the number of logos and revenue over the period, while also demonstrating strong product market fit with initial sales to fintech clients in the US for APIs.

Deal Name	***Amber Internet Solutions Private Limited ("Amber")***
Date of Investment	February 2024
Location	Pune
Industry	EEE
Board Representation	Imran Jafar
% Ownership	27.51%
Total Amount Invested	INR 1,500 Mn
Current Status	Unrealized
Current Valuation / Gross MOIC	INR 1,500 Mn | At Cost

Business Overview: Founded in 2017, Amber is a leading global accommodation marketplace for students to book long-term stays. The platform provides students with end-to-end booking experience from discovery, booking and payments. Amber was founded by Saurabh Goel and Madhur Gujar who were batchmates at IIT Kharagpur and came together to digitize the student rental economy. The platform provides students from over 50 countries with a seamless booking experience in more than 250 cities around the world, mainly in countries like UK, Australia, Ireland, US, Canada, Germany and Spain. The company has over 1 million beds on its platform and works with institutional property managers i.e. Purpose-Built Student Accommodations ("PBSAs"). Amber charges a commission to the PBSAs on successful move-ins of students.

The company simplifies the housing process for students globally by providing verified listings, seamless and integrated booking experience with virtual property tours and expert assistance. Amber has become the partner of choice for students and property managers in its markets. More than 1 million students visit Amber's platform monthly on its website and mobile apps. The company is headquartered in Pune, India and employs a team of 567 with 560+ people based out of India. The company has an excellent rating of 4.7 on Trustpilot with over 5000 reviews.

The company started its operations with the UK market and the UK market contributed to 85% of total revenues for the financial year ending March 2024. Currently, the company's UK business is in the scale-up stage of its growth journey. Amber is now replicating the same go-to-market playbook in other destination countries. Australia is now the second biggest destination market and contributes to 8% of revenues for the company. US and Canada are newer markets and are currently in the start-up phase for the Company.

Amber's business is seasonal and is linked to the academic cycle of universities. For financial year ending March 2024, ~76% of revenues were recognised in September 2023, which corresponds to the fall intake for the UK universities and colleges. The students book accommodation in advance but the company recognises revenue only once the student moves into the property ("student move-in"). The company starts incurring costs on lead generation, sales teams, and customer success team up to 6 months in advance of the start of the university session. Post move-in of the student, the company reconciles the booking with the property group and raises an invoice to the property group. The company makes a monthly provisioning of cancellations basis the historical trends of actual move-ins vs the gross bookings.

Operating & Financial Performance: For the financial year ended March 2024, Amber reported unaudited revenues of INR 1,018 Mn as against INR 765 Mn for the same period last year, growing 33% year on year ("Y-o-Y"). The growth was primarily driven by deeper penetration in the Company's largest markets of UK

and Australia and seeding of new markets of US and Canada. The company works with marquee clients in the PBSA (Purpose Built Student Accomodation) industry, including IQ Student, Unite Group PLC (FTSE 100 company), Greystar, Student Roost, American Campus Communities, Scape etc.

The company had gross margins of 74% for the financial year ended March 2024, vs 78% for the same period last year. In the financial year ended March 2024, the company reported EBITDA losses of INR 248 Mn and margins of -24% vs profit of INR 64 Mn and margins of 8% for the same period last year. Adjusted for one-time expenses relating to the fundraise, the company reported EBITDA losses of INR 168 Mn for the period and margins of -16% vs a profit of INR 67 Mn and margins of 9% for the same period last year. The degrowth in operating profit was on the account of hiring across functions and levels to build capacity for the future growth as well as upfront investments being made in new geographies of US and Canada. As a result, employee cost increased by ~90% from INR 279 Mn in FY2022-23 to INR 531 Mn in FY 2023-24.

Particulars (INR Mn)	FY2024	FY2023	Y-o-Y
Revenue	1,018	765	33%
GM %	74%	78%	-
EBITDA	-248	63.9	-
EBITDA %	-24%	8%	
Adj EBITDA (before one-time funding costs)	(167.5)	66.8	-
Adj. EBITDA %	-16%	9%	-

***US and Canada*:** The company has increased its focus on the North American market as it is the largest market for the company. In financial year ending March 2024, the company reported a revenue of INR 44 Mn, a 427% increase YoY. The company is ahead of its internal target to onboard supply (property groups) and has onboarded 650+ PBSAs in the North American regions, taking its penetration to ~30% of the target supply. The company is also working with Build-To-Rent (BTR) property groups and is seeing strong early traction with the property groups. Amber has onboarded 770 BTR properties on its platform.

***Demand Initiatives*:** The company has a large organic demand funnel driven by its #1 ranking in SEO and content marketing. More than a million students visit company's website/app every month. The company has a large presence on social media platforms: YouTube (15M+ views) and 300k+ followers on LinkedIn, Facebook and Instagram. The company has also recently launched its channel on TikTok. The company is now partnering with multiple demand channels: universities, education consultants and small agents to generate recurring student demand. The company has also entered China and launched a website in Mandarin to cater to the Chinese students, who represent a large student participation in most western universities. The conversion for the Chinese students is at par with other geographies. Amber is also partnering with small agents in China to lock-in bulk demand. In the UK, Amber conducted a successful pilot to broker deals between universities and property groups and the company is planning to grow this channel. Amber has partnered with multiple education consultants in India and outside to offer its accommodation services to their students.

Product: Amber is deepening its product offerings for all stake holders: students, property groups and universities. The company launched its student app in August 2023, and it has crossed 100k+ downloads on Google Play Store with a 4.6 rating. The company is seeing higher conversion and engagement metrics on the app compared to the website. Amber has setup a dedicated team to drive AI initiatives for the company. It has onboarded a conversational intelligence tool to automate quality assurance (QA) checks for the sales team. The company is rationalising its headcount in both customer support and QA teams with this initiative. Its "amber+" offering streamlines the pre and post move-in journey, helping students with loans, discounts on flight bookings and guarantor services. In addition to its student-centric offerings, the company has developed an MVP of AI-based dynamic pricing engine and dashboard tools to help property managers streamline operations and maximise revenue.

Team*:* Amber is looking to actively strengthen its senior management. The company is in advanced discussions for hiring of Head of China, Head of University Partnerships (UK) and strengthening its finance and compliance team.

Valuation: Amber is currently valued at the cost at which the Fund invested in the company in February 2024.

6. 1st Quarter Update Call

The Fund's Investment Advisor will also be hosting a zoom call to provide you with an update on the Fund's activity and to give you a chance to ask them questions directly. The call details are provided below:

Gaja Capital 1st Quarter 2024 Investor Update Call:

Tuesday, May 21st 2024

8:00am New York time, 1:00pm London time, 5:30pm Mumbai time, 8:00pm Hong Kong time

The zoom meeting link will be shared over email.

Please feel free to contact us should you have any comments or queries; please call Abhinav Jain on +91-22-2421 2280 or send an e-mail to abhinav.jain@gajacapital.com.

Yours faithfully

For and on behalf of

Gaja Capital India Fund 2020 LLP

This is an electronic report and as such does not require a signature.

ICICI Venture

IAF5

India Advantage Fund S5 I

An India Focused Private Equity Fund

QUARTERLY INVESTOR REPORT

QUARTER ENDED DECEMBER 31, 2023

CONFIDENTIAL, RESTRICTED AND PRIVILEGED

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Important Points to Note:

This report has been prepared exclusively for investors in India Advantage Fund S5 I ("the Fund") pursuant to the terms of the Fund Documents (including but not limited to the Private Placement Memorandum and the Contribution Agreement) and may not be used for any other purpose. This report is confidential and subject to the non-disclosure provisions contained in the Fund Documents. This report may not be reproduced or provided to others without the prior written permission of ICICI Venture Funds Management Company Limited ("ICICI Venture" or "Manager"). By accepting delivery of this report, each of the recipients of this report agrees to the foregoing.

This report does not constitute an offer to sell or a solicitation of an offer to buy interests in the Fund, or in any other security, to any person in any jurisdiction. Past performance does not guarantee future results.

See the schedule of investments in the following pages of this report, and the footnotes thereto, for a complete list of all investments in portfolio companies made by the Fund, and for additional information with respect to invested capital and the estimated valuation of such investments. Invested capital may be adjusted from time to time to reflect certain capitalized costs relating to ongoing investment activities. Unless otherwise indicated, all IRRs are presented on a "gross" basis before management fees, distribution to class F unit-holders, taxes, transaction costs in connection with the disposal of unrealized investments and other expenses to be borne by the Fund, which, if given effect to, would reduce returns and, in the aggregate, are expected to be substantial. IRR determinations are made as of end date of the reporting period of this report, on the basis of the actual timing of investment inflows and outflows, or, in the case of unrealized IRRs, calculated based on the investment's fair value as of the date indicated, with such cash flows aggregated on a quarterly basis. IRRs measure the returns on the Fund's investments as a whole without regard to whether all of the returns would, if distributed, be payable to the Fund's investors.

Although the investment activities of each of the referenced investment entities herein are presented in aggregate form, such investment activities are conducted on an un-commingled basis on behalf of their respective investors. Information presented herein with respect to invested capital valuation and proceeds, if any, received are as of quarter end unless otherwise indicated. Unless otherwise indicated, all portfolio company financial information is presented on an unaudited basis.

Certain statements made throughout this report that are not historical facts may contain forward-looking statements regarding the Fund's and, in some cases, a Portfolio Company's future plans, objectives and expected performance. Any such forward-looking statements are based on assumptions that the Fund and/or the portfolio companies (as the case may be) believe are reasonable but are subject to a wide range of risks and uncertainties and, therefore, there can be no assurance that actual results will not differ from those expressed or implied by such forward-looking statements. It is further noted that, while information included in this report is believed to be accurate in all material respects, portfolio company information presented herein may not have been necessarily prepared in accordance with disclosure rules designed for public reporting as promulgated by any regulatory authority. As such, information, whether historical or forward looking, may vary in its presentation from other publicly reported information, to the extent applicable, by the subject portfolio company and may, in certain instances, constitute material non-public information.

February 28, 2024

Dear Investor,

We are pleased to provide you with the Investor Report for India Advantage Fund S5 I ("IAF S5 I" or the "Fund") for the quarter ended December 31, 2023. This report includes a brief summary of the market environment and the Fund's recent investment activity.

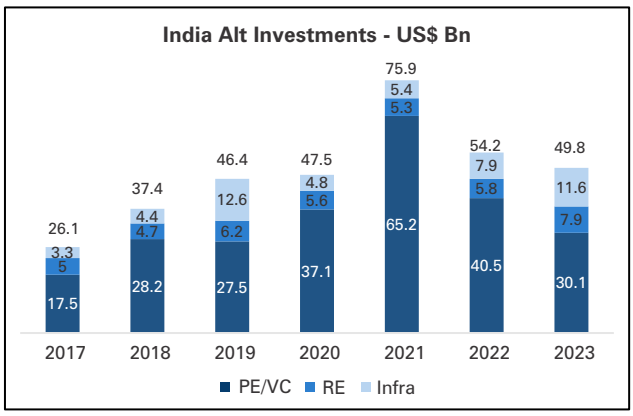
Macro-Economic Environment

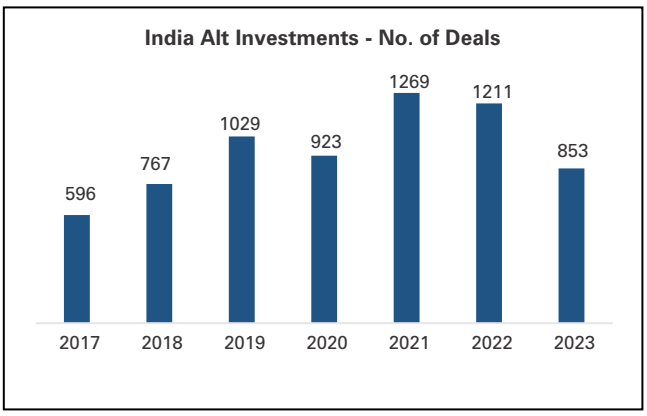
As per latest estimates released on November 30, 2023, by the Central Statistical Organization (CSO), Ministry of Statistics and Programme Implementation, Government of India, Real GDP or Gross Domestic Product (GDP) at constant (2011-12) prices in Q2 FY2023-24 is estimated to attain a level of INR 41.74 lakh crore as compared to INR 38.78 lakh crore in Q2 FY2022-23. The growth in GDP during Q2 FY2023-24 is estimated at 7.6% as compared to 6.2% in Q2 FY2022-23. GDP at current prices in Q2 FY2023-24 is estimated to attain a level of INR 71.66 lakh crore as compared to INR 65.67 lakh crore in Q2 FY2022-23 showing a growth of 9.1% as compared to 17.2% growth in Q2 FY2022-23.

In terms of GDP at market prices, the rates of Private Final Consumption Expenditure (PFCE) at current and constant (2011-2012) prices during Q2 FY2023-24 are estimated at 61.0% and 57.0%, respectively, as against the corresponding rates of 61.5% and 59.3% respectively for Q2 FY2022-23. Whereas in the case of Government Final Consumption Expenditure. (GFCE), the rates of GFCE at current and constant (2011-2012) prices during Q2 FY2023-24 are estimated at 9.8% and 8.9% respectively, as against the corresponding rate of 9.0% and 8.6% each in Q2 FY2022-23. In the case of Gross Fixed Capital. Formation (GFCF) in terms of GDP, the rates of GFCF at current and constant (2011-2012) prices during Q2 FY2023-24 are estimated at 30.0% and 35.3% respectively, as against the corresponding rates of 29.1% and 34.2%, respectively in Q2 FY2022-23.

Private Equity Investments trends in India

Cumulative private equity investments of USD 5.2 billion were concluded in the Indian market during the quarter ended December 31, 2023, in comparison with USD 6.0 billion reported in the previous quarter. A total of 189 deals were reported for this period with an average deal size of ~USD 31 million. IT& ITES, Energy and Healthcare & Lifesciences witnessed maximum activity in terms of deal values while IT&ITES, Healthcare and Manufacturing saw maximum deal volumes.





Source: EY IVCA Report

Current Portfolio Company Updates

Cello World Private Limited: In October 2022, IAF S5 I invested ~INR 2,400 million in Cello World. In addition, India Advantage Fund S4 I (a fund managed by ICICI Venture) invested ~INR 930 million and Dynamic India Fund S4 US I (a fund advised by ICICI Venture) invested ~INR 270 million in Cello World. Cello is a prominent player in the consumerware market in India with presence in the consumer houseware, writing instruments and stationery, and moulded furniture and allied products and consumer glassware categories. For consumer houseware segment, they are present in more than 126k+ retail outlets through 3,300+ distributors across India. Its presence across different products categories, with more than 15,500+ SKUs, offers strong customer stickiness and provides opportunity to scale-up new products leveraging its existing distribution network. Company is run in a profitable manner by the Promoters who have over 80+ years of cumulative industry experience in manufacturing and creating distribution networks. The Company has successfully completed its IPO and was listed on NSE and BSE on November 6, 2023.

Indifi Technologies Pvt. Ltd: Indifi operates a technology platform which acts as a bridge between MSME entities wishing to avail credit facilities and a wide range of lenders including banks and NBFCs, who provide loans to such MSMEs. Indifi is registered with the Ministry of Micro, Small and Medium Enterprises vide Udyam Regn No. UDYAM-HR-05-0066168. As per the Udyam registration certificate, Indifi has been classified under NIC 63119 – Other data processing, hosting, and related services. It has built a technology platform that works with eco-system partners (such as Amazon, Swiggy, Gpay, etc.) and other partners at one-end to originate loan proposals from MSME across India, and a wide range of banks and NBFCs at the other end, who provide the loans to such MSMEs. One of the lenders associated with Indifi is Indifi Capital, a 100% Indifi owned lending NBFC registered with RBI, but an arm's length distance is maintained between Indifi Capital and Indifi, the data processing and due diligence entity. Indifi was founded in 2015 by Mr. Alok Mittal and Mr. Siddharth Mahanot. It is also backed by marquee investors like BII, Omidyar Network, Accel India, Elevar, OP Finnfund and CX Partners.

Deal in Pipeline

The Fund's pipeline continues to build and the Manager is currently working on proposed investment of upto INR 2,100 million in one of the largest non-food FMCG contract manufacturing players in India. The company has 5 manufacturing plants with a total workforce of about 2,000 (including contract labour). Company is currently focused on personal care, home care and oral care segments. Company's clientele includes top MNC, domestic and D2C brands like HUL, P&G, L'Oreal, Godrej, Vini, ITC, Mamaearth, etc. FY2023 revenue of ~INR 10,638 million with an EBITDA of ~INR 883 million. The Fund has entered into definitive agreements with the Company and capital disbursal is pending on account of on-going regulatory approvals for the transaction.

Fund raising and other updates

The Fund is in the final stages of fund raising having concluded a Seventh closing on January 05, 2024, at about INR 28,487 million in aggregate commitments to the Fund. As per provisions in the fund documents, the Final Closing of the Fund can be concluded anytime within an 18 month period from the First Closing date of July 7, 2022 i.e. sometime on or before January 7, 2024. This period can be extended for a maximum of 6 months with the approval of the Advisory Committee of IAF Series 5. As certain investors are considering participation but required more time beyond January 7, 2024, to conclude their respective approval processes followed by legal documentation, the Advisory Committee has given its approval for an extension in the final closing upto March 31, 2024, which would therefore become the extended Final Closing date. However, there will be no change in the Term of the funds. The Investment Period remains unchanged. There will be no implication for other fund terms.

We greatly appreciate your support and look forward to keeping you updated on developments in IAF S5 I going forward, through our quarterly Investor Reports.

For any further information or queries, please write to us at investors@iciciventure.com.

Best regards,

ICICI Venture

IAF S5 I Status as of December 31, 2023

Particulars	(INR in million)
Date of first Closing	July 07, 2022
Aggregate capital commitments as of Sixth Closing	25,981
Total drawable capital as of Sixth Closing	20,174
Total drawdown	6,708
Drawdown as % of drawable capital	33.25%
Amount disbursed	4,100
Fair value of outstanding investments	8,854
Realizations from investments	–
Multiple on portfolio investments[1]	2.16
Cumulative distributions to investors	–
Retained value of Fund	10,830
Gross Multiple on Capital of the Fund[2]	1.61
Class A1 NAV as of December 31, 2023[3]	162.25
Class A2 NAV as of December 31, 2023[3]	160.94
Class A3 NAV as of December 31, 2023[3]	162.25
Class B3 NAV as of December 31, 2023[3]	162.78
Class C NAV as of December 31, 2023[3]	159.62
Class D NAV as of December 31, 2023[3]	170.17
Class E NAV as of December 31, 2023[3]	170.17

[1] Multiple on portfolio investments = Fair value of outstanding investments + Realisations/ Amount disbursed

[2] Multiple on capital = (Retained value of Fund + Cumulative Distributions)/ Total drawdown

[3] NAV (Unaudited) is per unit basis with face value of INR 100 per unit

Investment Summary

Overview as at December 31, 2023

(INR in million)

Particulars	
Capital drawndown	6,707.9
Unrealised Investment Reserve	4,754.3
Income ^	28.9
Management Fee & Expenses	-660.8
Gross Value of Fund	**10,830.4**
Less: Amounts distributed (capital redemption)*	–
Less: Amounts distributed (on share application money)#	–
Less: Amounts distributed (Income)	–
Less: Income Tax	-0.4
Retained Value of Fund	**10,830.0**
Represented by:	
Outstanding investments including Application Money	8,854.4
Cash & Cash Equivalents	1,981.6
Other Net Current Assets / (Liabiliities)**	-6.0
Total	**10,830.0**

Schedule of investments in Portfolio Companies as of December 31, 2023[1,2]

(INR in million)

Company Name	Initial Investment Date	Sector	Investment Type	Current Equity stake of the Fund	Total Outstanding Invested Capital	Return of Capital	Realized Gains	Other Income	Total	Impairment and other Adjustment
Cello World	October 2022	Consumer Goods	CCPS	–	2,400	–	–	–	2,400	–
Indifi Technologies Private Limited	June 2023	Fintech	CCPS	–	1,700	–	–	–	1,700	–
Total					**4,100**	**–**	**–**	**–**	**4,100**	

Notes to Schedule of Investments

1. Reference is made to this quarterly report to investors for additional information with respect to each portfolio company, and to the corresponding statement of changes in unit holder capital provided herein, and to the individual unit holder capital account summaries provided separately through their respective statement of holdings.

Current descriptions of Portfolio Companies

Cello World Private Limited ("Cello")

Website: https://celloworld.com/

Investment Overview

Date of Initial Investment	October 2022	**Total investment**	INR 2,400 million
Region (City & State)	Mumbai, Maharashtra	**Current equity stake**	4.10%*
Industry	Consumer goods	**Investment Instruments**	Equity Shares
Headquarters	Mumbai	**MSME**	No
No. of Employees **Male:** **Female:**	 3,422 2,080	**Year of Incorporation**	2018

Company Overview

Cello is a prominent player in the consumerware market in India with presence in the consumer houseware, writing instruments and stationery, and moulded furniture and allied products and consumer glassware categories. It operates in categories like hydration, Opalware, lunchboxes, glassware, thermoware, stationery and writing instruments, moulded furniture etc. While the Company was incorporated only in 2018, their erstwhile promoter Late Ghisulal Dhanraj Rathod, father of two of their Promoters, Pradeep Ghisulal Rathod and Pankaj Ghisulal Rathod, was associated with the "Cello" brand since 1962. The Company owns and operates 13 manufacturing facilities across five locations. They are currently establishing a glassware manufacturing facility in Rajasthan.

Business Update:

- The Company has successfully completed its IPO and got listed on NSE and BSE on November, 2023. IPO size was INR 19 billion and market capitalization of the company on listing date was INR 168 billion (Closing price – INR 792 per share). Excluding anchor quota, company's IPO was oversubscribed by 41.7x (QIB – 122.2x, NIB – 25.7x, Retail – 3.2x, Employees – 2.7x).
- In H1FY2024, the Company achieved revenue of INR 9,607 million with EBITDA and PAT margins of 25.4% and 17.6% respectively
- Setting up a glassware manufacturing plant in Rajasthan.

Financial Performance:

(INR in million)	FY2021-22	FY2022-23	H1FY2023-24
Net Revenue	13,592	17,967	9,607
EBITDA	3,495	4,373	2,443
EBITDA margin (%)	*25.7%*	*24.3%*	*25.4%*
PAT	2,195	2,851	1,694
PAT margin (%)	*16.2%*	*15.9%*	*17.6%*
PAT (excl Minority interest)	2,040	2,661	1,574
Net worth	2,728	5,364	11,849

Note: Numbers above are restated consolidated financials as per the regulatory filings with SEBI

Status

The Fund has disbursed a total amount of INR 2,400 million towards this portfolio investment.

Indifi Technologies Private Limited ("Indifi")

Website: https://www.indifi.com/

Investment Overview

Date of Initial Investment	June 2023	**Total investment**	INR 1,700 million
Region (City & State)	Gurugram, Haryana	**Current equity stake**	13.17%
Industry	Information Services	**Investment Instruments**	Series E CCPS
Headquarters	Gurugram	**MSME**	Yes
No. of Employees **Male:** **Female:**	 656 298	**Year of Incorporation**	2015

*On fully diluted basis

Company Overview

Indifi operates a technology platform which acts as a bridge between MSME entities wishing to avail credit facilities and a wide range of lenders including banks and NBFCs, who provide loans to such MSMEs. Indifi is registered with the Ministry of Micro, Small and Medium Enterprises vide Udyam Regn No. UDYAM-HR-05-0066168. As per the Udyam registration certificate, Indifi has been classified under NIC 63119 – Other data processing, hosting, and related services. It has built a technology platform that works with eco-system partners (such as Amazon, Swiggy, Gpay, etc.) and other partners at one-end to originate loan proposals from MSME across India, and a wide range of banks and NBFCs at the other end, who provide the loans to such MSMEs. Some of the key partners on the lending side include banks such as ICICI Bank, HDFC Bank, Kotak Mahindra Bank and NBFCs such as Aditya Birla, Piramal, IIFL, Northern Arc, Vivriti and Indifi Capital, a 100% Indifi owned lending NBFC. Indifi was founded in 2015 by Mr. Alok Mittal and Mr. Siddharth Mahanot. Other investors in Indifi include BII, Omidyar Network, Accel India, Elevar, OP Finnfund and CX Partners.

Business Update:

- Company has raised INR 2,905 million equity capital in June 2023 including 1,700 million from IAF S5 I in its Series E round
- Company has appointed Mr. Sangram Singh as CEO in Dec'23. Sangram has vast experience in banking and fintech space. In his 24+ years of journey, he has held senior leadership positions at Axis Bank, Freecharge, and Citibank
- Company is in talks with a few new partners on sourcing side and scaling up existing partners like Gpay, Paytm, Pine Labs, etc
- Company continues to build strong liability franchise and is in the process of onboarding Tier-1 banks and NBFCs for both on- book and off-book lending.
- India Ratings has upgraded Indifi Capital's credit rating from BBB (Stable) to BBB (Positive). CRISIL has reaffirmed its rating BBB (Stable).

Financial Performance:

(INR in million)	FY2022-23	9M FY2023-24*
Disbursement	16,023	15,798
AUM	15,415	20,880
Net worth	2,543	5,417
Net Interest Margin (including other income)	1,639	1,453
PBT	102	26

*Based on management MIS

Status

The Fund has disbursed a total amount of INR 1,700 million towards this portfolio investment.

India Advantage Fund S5 I (Fund)

Balance Sheet as at December 31, 2023

Particulars	Schedule	As at December 31, 2023 INR	As at March 31, 2023 INR
ASSETS			
Investments	A	8,85,43,50,612	2,40,00,01,219
Cash and cash equivalents	B	1,98,15,97,499	44,18,668
Other Current Assets	C	33,82,547	8,24,42,388
Total		**10,83,93,30,657**	**2,48,68,62,275**
Less: Current Liabilities & Provisions	D	93,36,392	9,52,22,131
NET ASSETS		**10,82,99,94,266**	**2,39,16,40,144**
Represented By			
Capital Contributors' Fund:			
Settlors' Contribution		10,000	10,000
Capital	E	6,70,79,04,100	2,66,05,23,100
Accumulated Deficit	F	(63,22,69,384)	(26,88,92,956)
Unrealised Investment Reserve		4,75,43,49,550	–
TOTAL		**10,82,99,94,266**	**2,39,16,40,144**
Notes to and forming part of the Financial Statements	G		

The Schedules referred to herein form an integral part of the Financial Statements

As per our report attached

India Advantage Fund S5 I (Fund)

Revenue Account For The Period Ended December 31, 2023

Particulars	Schedule	For the Period December 31, 2023 INR	For the Period March 31, 2023 INR
Income			
Interest from Contributors		5,24,458	–
Profit on sale of Mutual Funds		30,04,897	17,04,593
Unrealised gain on Units of Mutual Funds		2,37,42,548	1,14,304
Interest on Income Tax refund		930	–
Interest on Bank Deposit		–	3,09,704
Total		**2,72,72,833**	**21,28,601**
Less: Payable to Contributors (Refer Note 5(b) of Schedule "G")		(5,24,458)	–
Net Total Income		**2,67,48,375**	**21,28,601**
Expenditure			
Pre Incorporation Expenses		(14,66,815)	1,57,23,740
Management fees		36,41,42,649	21,76,82,892
Trusteeship fees		3,08,779	8,26,000
Fund Administration Expenses		9,95,625	16,22,500
Audit Fees		4,43,306	5,90,000
Legal & Professional Charges		1,40,09,685	1,85,84,156
Travelling & Hotel Expenses		45,40,476	45,70,895
Insurance		29,79,703	49,09,687
Custodian Fees		(4,079)	27,140
Subscription Expenses		34,46,774	5,21,330
Finance charges		–	53,54,712
Printing & Stationery		78,259	32,904
Bank charges		73,441	5,416
Miscellaneous Expenses		5,77,000	1,75,265
Total		**39,01,24,804**	**27,06,26,637**
Deficit transferred to Revenue Appropriation Account		**(36,33,76,428)**	**(26,84,98,036)**

Notes to and forming part of the Financial Statements G

The Schedules referred to herein form an integral part of the Revenue Account.

As per our report attached

India Advantage Fund S5 I (Fund)

Revenue Appropriation Account For The Period Ended December 31, 2023

Particulars	Schedule	For the Period December 31, 2023 INR	For the Period March 31, 2023 INR
Opening Balance		(26,88,92,956)	–
Balance transferred from Revenue Account		(36,33,76,428)	(26,84,98,036)
Tax on Distributions of Income		–	(3,94,920)
Balance Carried to Balance Sheet		**(63,22,69,384)**	**(26,88,92,956)**

Notes to and forming part of the Financial Statements G

The Schedules referred to herein form an integral part of the Revenue Appropriation Account

As per our report attached

India Advantage Fund S5 I (Fund)

Schedules to the Balance Sheet as at December 31, 2023

Particulars		As at December 31, 2023 INR	As at March 31, 2023 INR
SCHEDULE 'A'			
INVESTMENTS AT VALUATION			
Equity shares		6,85,30,93,989	2,40,00,01,219
Preference Shares		2,00,12,56,623	–
Total		**8,85,43,50,612**	**2,40,00,01,219**
Quoted at valuation		6,85,30,93,989	2,40,00,01,219
Unquoted at valuation		2,00,12,56,623	–
INVESTMENTS AT VALUATION	**(I)**	**8,85,43,50,612**	**2,40,00,01,219**
INVESTMENTS AT COST			
Equity shares		2,40,00,01,219	2,40,00,01,219
Preference Shares		1,69,99,99,843	–
Total		**4,10,00,01,062**	**2,40,00,01,219**
Quoted at Cost		2,40,00,01,219	2,40,00,01,219
Unquoted at cost		1,69,99,99,843	–
INVESTMENTS AT COST	**(ii)**	**4,10,00,01,062**	**2,40,00,01,219**
UNREALISED INVESTMENT RESERVE	**((iii = (i)-(ii))**	**4,75,43,49,550**	**–**
SCHEDULE 'B'			
CASH & CASH EQUIVALENTS			
Cash at Bank in Current Account		4,63,268	2,46,972
Investments in Units of Mutual Funds		1,98,11,34,231	41,71,696
Total		**1,98,15,97,499**	**44,18,668**
SCHEDULE 'C'			
OTHER CURRENT ASSETS			
Unamortized Management Fees		-	7,87,88,211
Prepaid Expenses		19,15,732	36,23,206
Other Receivables		14,66,815	30,971
Total		**33,82,547**	**8,24,42,388**
SCHEDULE 'D'			
CURRENT LIABILITIES			
Interest Income from Contributors Payable		5,24,458	–
Advance contribution Received		36,89,832	–
Management fees Payable		–	8,28,91,608
Other liabilities		51,22,101	1,23,30,523
Total		**93,36,391**	**9,52,22,131**

India Advantage Fund S5 I (Fund)

Schedules to the Balance Sheet as at December 31, 2023

Particulars	As at December 31, 2023 INR	As at March 31, 2023 INR
SCHEDULE 'E'		
UNIT CAPITAL		
Paid up capital		
Class A1 units		
79,80,000 units of INR 100 each	79,80,00,000	–
Add: Additions during the period - 1,54,36,313 units of INR 100 each	1,54,36,31,300	79,80,00,000
Closing - 2,34,16,313 units of INR 100 each	**2,34,16,31,300**	**79,80,00,000**
Class A2 units		
33,25,000 units of INR 100 each	33,25,00,000	–
Add: Additions during the period - 13,30,000 units of INR 100 each	13,30,00,000	33,25,00,000
Closing - 46,55,000 units of INR 100 each	**46,55,00,000**	**33,25,00,000**
Class A3 units		
17,76,171 units of INR 100 each	17,76,17,100	–
Add: Additions during the period - 26,95,622 units of INR 100 each	26,95,62,200	17,76,17,100
Closing - 44,71,793 units of INR 100 each	**44,71,79,300**	**17,76,17,100**
Class B3 units		
93,26,469 units of INR 100 each	93,26,46,900	–
Add: Additions during the period - 43,39,077 units of INR 100 each (Previous year - 93,26,469 units of INR 100 each)	43,39,07,700	93,26,46,900
Closing - 1,36,65,546 units of INR 100 each	**1,36,65,54,600**	**93,26,46,900**
Class C units		
40,78,841 units of INR 100 each	40,78,84,100	–
Add: Additions during the period - 1,65,17,232 units of INR 100 each (Previous year - 40,78,841 units of INR 100 each)	1,65,17,23,200	40,78,84,100
Closing - 2,05,96,073 units of INR 100 each	**2,05,96,07,300**	**40,78,84,100**
Class D units		
Additions during the period - 91,440 units of INR 100 each	91,44,000	–
Closing - 91,440 units of INR 100 each	**91,44,000**	**–**
Class E units		
1,18,750 units of INR 100 each	1,18,75,000	–
Add: Additions during the period - 47,500 units of INR 100 each (Previous year - 1,18,750 units of INR 100 each)	47,50,000	1,18,75,000
Closing - 1,66,250 units of INR 100 each	**1,66,25,000**	**1,18,75,000**
Class F units		
Additions during the period - 16,626 units of INR 100 each	16,62,600	–
Closing - 16,626 units of INR 100 each	**16,62,600**	**–**
TOTAL UNIT CAPITAL	**6,70,79,04,100**	**2,66,05,23,100**
SCHEDULE 'F'		
ACCUMULATED DEFICIT		
Revenue Appropriation Account	(63,22,69,384)	(26,88,92,956)
Total	**(63,22,69,384)**	**(26,88,92,956)**

India Advantage Fund S5 I (Fund)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD December 31, 2023

Schedule - G

1. Organisation and Activity

India Advantage Fund S5 I is a close ended Fund irrevocably settled, established as a Trust on April 16, 2021 under the Indian Trust Act, 1882. The Indenture has been registered under the Registration Act, 1908. It is registered with SEBI as a Category II Alternative Investment Fund ("Category II AIF") under the SEBI (Alternative Investment Funds) Regulations, 2012 (AIF Regulations) bearing registration number IN/AIF2/21-22/0939 dated October 20, 2021.

The Fund has been set up with the primary investment objective of carrying on the activity of a Category II AIF and for this purpose raise resources to make investments primarily in companies in India, either directly or indirectly.

The Fund has a tenure of 8 years from the date of final closing. Additionally, as per the AIF regulations, the Term may be further extended by up to two years by the Trustee, in consultation with the Investment Manager, and with the consent of Contributors holding Units representing at least two-thirds of the Contributors by value or such other threshold as may be prescribed to the Fund.

The Fund's Investment Manager ("IM") is ICICI Venture Funds Management Company Limited. The Fund's Trustee is IDBI Trusteeship Services Limited ("Trustee").

The Private Placement Memorandum ("PPM") and the Contribution Agreements describe the terms of each Class of unitholders in the Fund. The Net Asset Value of each Class of unit has been separately provided in a separate report.

2. Significant Accounting Policies

(a) Basis of Presentation

The Financial Statements have been prepared under the historical cost convention and accrual method of accounting, except where otherwise stated. The significant accounting policies followed in the preparation of the Financial Statements are given in note 2(b) to 2(i) below. The financial statements comply with accounting principles generally accepted in India, read with the accounting policy for valuation of investments of the Fund carried out by the Investment Manager, more fully described in Note 2(e).

(b) Cash & Cash Equivalents

Cash & Cash equivalents consists of cash at bank in current account and Investments in units of liquid & Overnight debt schemes of Mutual Funds which are carried at the Net Asset Value (NAV) as at the Balance Sheet date.

(c) Portfolio Transactions

Subscriptions to/purchase of investments are accounted at the cost of acquisition inclusive of brokerage, commission, and stamp duty. Bonus shares and right entitlements are recorded when such benefits are known.

(d) Income Recognition

Dividend on equity / preference shares is recognized on ex-dividend dates in respect of quoted companies and on the respective dates of the shareholders' resolution in the case of unquoted companies.

Dividend income from units of Mutual Funds is recognized when the right to receive the same is established based on declaration by the Mutual Funds.

Interest income is recognised on accrual basis unless significant uncertainty as to collectability exists, in which case it is recognised on collection basis.

Realised gains and losses on investments and units in Mutual Fund and unrealized gains or losses on restatement of units in Mutual Fund are dealt with in the Revenue Account. The cost of investments sold is determined on weighted average basis and the cost of units in Mutual Fund sold is determined on first-in, first-out basis for the purpose of calculating gains or losses on sale.

(e) Portfolio Valuation

Investments are stated at their estimated fair value. The fair value of investments is determined as follows:

Quoted investments are valued at the closing market price on the valuation date and in the absence of the latest available quote, within a period of two months prior to the valuation date. An appropriate discount is applied where the Investment Manager considers it necessary to reflect restrictions on disposal. Quoted investments not traded during the two months prior to the valuation date are treated as unquoted.

Unquoted investments are valued at their estimated fair values by applying the following valuation methodology:

(a) Recent investments are normally valued at cost for one year from the date of acquisition, except when the Investment Manager considers cost as inappropriate having regard to the operating performance of the company and other company specific factors.

(b) Investments in respect of which third party transactions at arm's length have taken place or terms for which have been agreed to in the last twelve months from reporting period are valued on the basis of such transactions less discount, where applicable, to reflect their illiquidity.

(c) In the absence of such third-party transactions, any/or in combination of following methodologies are used:

- By capitalizing the earnings or like performance parameters of the portfolio company with appropriate multiples. For this purpose, current earnings or future earnings with appropriate discounts are used.
- By deriving the value of the portfolio company using discounted cash flow method.
- At the net asset value of the shares of portfolio companies by determining the fair value of the underlying assets and liabilities of the portfolio companies using appropriate methodologies.

Convertible securities are valued based on following method:

- Compulsorily convertible securities are valued on an "as if converted basis";
- Optionally convertible securities are valued at cost less impairment;

Non-convertible portion of the partially convertible securities are valued at cost less impairment.

These valuations are based on projections including future cash flows and future earnings as provided by the portfolio companies to which modifications as considered appropriate, are made. The assumptions used in such valuations are susceptible to changes based on changes in market conditions and economic indicators that form the basis of valuation. The effects of such changes on the carrying value of the investments are recorded in the period in which such changes occur.

The Fund assesses at each Balance sheet date whether there is objective evidence that an investment is impaired. Objective evidence would include a significant or prolonged decline in the value of the investment below its cost and other relevant factors such as the operating performance of the company, etc. Where there is a decline, other than temporary in the cost of investments, the resultant reduction in the cost is charged to Revenue account during the period in which such decline is identified. The same is reversed on realization of investments.

Pursuant to SEBI circular no. SEBI/HO/AFD/PoD/CIR/2023/97 dated 21 June, 2023, the fund has identified securities basis the valuation performed by an independent valuer, where there is a deviation in valuations greater than prescribed limits, between two consecutive quarters. Below stated are the details:

Name of Investment Portfolio	Valuation (INR In Million)		% Change in Valuation	Reason for Change in Valuation
	31-Dec-23	30-Sep-23		
Cello World	6,853.1	2,400.0	186%	Till last quarter, investment was valued at cost. During this quarter, the Company got listed through an initial public offering (IPO) process on the Indian capital markets. Consequently, the investment is valued based on closing share price as of December 31, 2023.

(f) Income Taxes

The Fund is registered with SEBI as a Category II Alternative Investment Funds ("AIF") and is eligible for pass through exemption under section 10 (23FBA) of the Income Tax Act, 1961. Accordingly, income of the Fund other than income chargeable under the head 'Profits and gains of business or profession' is exempt from tax. Accordingly, no provision is made for income tax and deferred tax in the financial statements of the Fund.

Therefore, any income accruing or arising to a unit holder of the Fund shall be chargeable to income tax in the hands of investors of the Fund, in the same and like manner as per the provision of Sec 115UB of the Income Tax Act. Further, provisions of Section 194LBB of the Income Tax Act requires the Fund to withhold tax at 10% in case of payments to residents and at applicable rates in force where the investor is a nonresident at the time of payment or credit of income to the account of the investor.

(g) Unrealised Investment Reserve

Unrealised gains and temporary losses on investments are recognised as components of Capital Contributors' Funds and are accounted as Unrealised Investment Reserve.

(h) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resource will be required to settle the obligation, in respect of which a reliable estimate can be made.

(i) Use of estimates

The preparation of financial statements requires the IM and the Trustee to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The valuation of investments is based on assumptions and projections including future cash flows and future earnings which are subjective.

3. Capital

a) **Class A1 Units** of face value of INR 100 each issued to the Domestic Institutional Investors whose respective Capital Commitments are equal to or greater than INR 2,500 million.

b) **Class A2 Units** of face value of INR 100 each issued to the Domestic Institutional Investors whose respective Capital Commitments are equal to or greater than INR 700 million but less than INR 2,500 million.

c) **Class A3 Units** of face value of INR 100 each issued to the Self Reliant India ("SRI") Fund.

d) **Class B1 Units** of face value of INR 100 each to be Issued to the Domestic Institutional Investors whose respective Capital Commitments are equal to or greater than INR 2,500 million.

e) **Class B3 Units** of face value of INR 100 each to be issued to offshore fund whose respective Capital Commitments are equal to or greater than INR 700 million.

f) **Class C Units** of face value of INR 100 each to be issued to India Advantage Fund S5 II Once Capital Commitments are equal to or greater than INR 700 million.

g) **Class D units** of face value of Rs. 100 each to be issued to employees and directors of the Investment Manager, whether investing directly or through trusts, whose respective Capital Commitments are equal to or greater than INR 2.50 million in accordance with the AIF Regulations.

h) **Class E Units** of face value of INR 100 each to be issued to the Sponsor with Sponsor commitment of INR 50 million.

4. Commitments

As on December 31, 2023, out of the total capital commitments, the Fund has unfunded commitments of INR 13,466.2 million

5. Other Notes

a) Settlors' contribution is the initial amount contributed by the settlor towards formation of the Fund. This amount will be repaid to the Settlor upon winding up of the Fund.

b) The Fund has received additional amount from contributors participating in subsequent closing over and above their capital contribution. Such amounts will be distributed to previously admitted Contributors, after deducting applicable taxes, as per the provisions of Income Tax Act, 1961.

6. AUDITOR'S REMUNERATION

Particulars	For the period December 31, 2023	For the period March 31, 2023
Audit fees*	4,43,306	5,90,000
Out of pocket expenses*	–	–
Total	**4,43,306**	**5,90,000**

* includes GST

7. The Net Asset Value of different class of unit holders for the Fund as of December 31, 2023 is as below:-

(INR per unit)

Particulars	As at December 31, 2023	As at March 31, 2023
Class A1	162.25	89.17
Class A2	160.94	91.69
Class A3	162.25	90.45
Class B3	162.78	92.76
Class C	159.62	82.81
Class D	170.17	–
Class E	170.17	98.08

8. Previous year figures have been regrouped/ reclassified wherever necessary to confirm to current year's presentation.

For Further Information,
please contact the Investment Manager at investors@iciciventure.com



Menterra Social Impact Fund II

Update to Limited Partners

Quarter Ended March 31, 2024

Contents

- Executive Summary 3
- Fund Performance 6
- Menterra Social Impact Fund II – Performance Highlights 9
- Conclusion and Administrative Matters 19

Executive Summary

Executive Summary (1/5)

Dear Partners,

The financial year ended on 31 March 2024 and all our investee companies are working to finalize their annual accounts, complete audit of their books and submit their tax returns by July-August. We are happy to share the enclosed update on the performance of Menterra Social Impact Fund II for Q4 of Financial Year 2023-24. We welcome your comments and feedback on the shared materials.

The economic outlook for India still remains buoyant. The Second Advance Estimate of National Income estimates India's economic growth at 7.6% for FY 23-24 while the government feels that final growth may be closer to 8%. This growth is despite adverse global environment and slowdown in other emerging markets and erratic monsoon during the year.

State of the Economy

In addition to several macro-economic tailwinds that continue to favour the growth of the Indian economy at almost the same pace as in the current financial year, one additional boost will come from the spending on elections to the Indian parliament which has commenced in March with results expected in early June 2024. Indications are pointing to an improved performance by opposition parties with continuity of the existing dispensation, however, there is always the possibility of different outcomes when final results are declared.

Available high frequency indicators show a strong and ongoing growth momentum. Headline manufacturing PMI increased to a five-month high of 60.2 in March 2024. Services PMI at 60.6, indicated a softer but sharp rate of expansion during the month.

Tax Collections and Demand Indicators

Gross GST collections remained high at INR 1.68 lakh crore in February 2024, although slightly lower than INR 1.72 lakh crore in January 2024. According to the data released by Federation of Automobile Dealers Association (FADA), growth in retail sales of vehicles was in the double-digits at 13.1% in February 2024 driven by strong growth in the sale of passenger vehicles and two-wheeler segments. Gross bank credit grew at a strong pace of 16.1% in January 2024 as compared to 15.6% in December 2023. Further, growth in merchandise exports and imports increased to 11.9% and 12.2% respectively in February 2024, their highest levels since June 2022 and September 2022 respectively, reflecting some pickup in global demand on account of fiscal stimuli especially in the US.

FDI

Net FDI turned positive registering inflows amounting to US$5.7 billion in January 2024 as compared to outflows amounting to US$3.9 billion in December 2023.

Executive Summary (2/5)

Inflation
There has been positive news also with respect to recent inflation trends. CPI inflation remained flat at 5.1% in February 2024 due to easing of inflation across items accompanied by some uptick in consumer food inflation. Core CPI inflation continued to trend downwards, moderating for the eighth successive month to 3.3% in February 2024. WPI inflation also moderated marginally to 0.2% in February 2024 from 0.3% in January 2024. Consumer food price index-based inflation increased marginally to 8.7% in February 2024 from 8.3% in January 2024 led by higher inflation in meat and fish, and vegetables. Inflation in meat and fish was at a 13-month high of 5.2% and that in vegetables at a seven-month high of 30.2% in February 2024. The uptick in food inflation was offset by a fall in inflation levels across all other categories.

Poverty Levels
The consumer expenditure survey results for FY23 have been published. Using this data set, poverty headcount ratios have been estimated for FY23. Using the Rangarajan Expert Group poverty line, the overall poverty ratio has fallen from 29.5% in FY12 to 10.8% in FY23. There is wide debate on these numbers as the percentage of population dependent on free food rations and seeking employment under a national employment scheme continue to remain unabated.

Exchange Rate
The Rupee ended the year at 83.38 to the USD.

Exchange Reserves
India's foreign exchange reserves rose by USD 6.4 billion to USD 642.5 billion during the week ended 15 March 2024. Foreign currency assets, the largest component of India's foreign exchange reserves, increased by USD 6 billion to USD 568.4 billion.

Tax and Fiscal Situation
Gross Tax Revenues showed a growth of 14.5% during the first ten months of FY24 as compared to 12.6% during the corresponding period of FY23. A salient feature of the year has been tax buoyancy, allowing the government to keep up its spending and manage the fiscal deficit. GoI's fiscal deficit during April-January FY24 stood at 63.6% of the RE, lower than the corresponding ratio at 67.8% in FY23.

Exports and Imports
India witnessed a contraction in its export volumes in 2023 (FY24) led mainly by subdued merchandise exports owing to a slowdown in global demand. There was also a contraction in imports.

Executive Summary (3/5)

Fund Raise Update

Menterra Social Impact Fund II has secured firm commitments of Rs. 1615 MM at the final close date of Sep 30, 2023. This is a significant growth of nearly 3 times the size of Menterra Social Impact Fund 1, which is fully deployed. The investment manager has completed necessary KYC and regulatory processes to complete documentation with all confirmed Limited Partners and expects to complete this exercise by the end of June 2024.

Investment Updates

The fund commenced investments on first close on 6 April 2022 and has made four investments till date totalling a commitment of Rs. 264 MM (16% of the fund). The investment team is working towards building a strong pipeline for deploying the funds.

a) The Investment Manager has approved and commenced disbursement of the following:

Iron Kettle Private Limited (Rs. 96 MM),
Medhavi Professional Services Private Limited (Rs. 63 MM)
Tera Lumen Solutions Private Limited (Rs. 55 MM)
MedInno Technologies Private Limited (Rs. 50 MM)

b) The Investment Manager has dropped the following investments:

i. A start-up company that has developed a breakthrough innovation for liver regeneration. Capable team that has completed animal trials and is poised to commence human trials. If successful, this product could play a role similar to dialysis in kidney related ailments. This investment was dropped after technical assessment on the quality and target outcomes from the proposed trial being inadequate for scaling the solution post clinical trials.

ii. An agri-waste recovery company manufacturing bio-plastics, with a projected revenue of Rs. 107 MM and an EBIDTA of 9 MM for the current FY 2023-24. The Investment Manager has been engaged with the company for over two years and has seen the company strengthen its product, production and sales engines. This investment was dropped due to inability to resolve differences in valuation expectations.

iii. A Tier II town focused eyecare hospital chain with revenues of Rs.200MM and near breakeven EBIDTA seeking investment of Rs.1500MM to re-engineer its business based on the learnings from successful core markets. This investment was dropped after evaluating financials as the core model was not scalable on a profitable basis.

Executive Summary (4/5)

b) The Investment Manager has dropped the following investments (continued):

iv. Spin out of the spectral imaging technology developed by Adiuvo, a Menterra Investee company, into a new Company to deploy this technology in ultra clean water for the pharma industry and in food solutions. The investor CEO who was to lead the new Co backed out , without whose investment this would be a conflicted investment between Fund I and II.

c) New investments in the pipeline under serious consideration are:

i. Investment into a profitable primary health care chain in Kerala. The Company has a network of 12 centres and is seeking USD 1.5 MM to expand the network to 30+ centres across Kerala and create common facilities e.g. diagnostic centre, common pharmacy purchase system.

ii. Investment into a frugal med tech engineering company that has developed a working prototype of a very low-cost PCR for molecular diagnostics. The entrepreneur is seeking USD 125 K for regulatory approvals and some modifications to the equipment. Exploring synergies with MedInno. Discussions on valuations are on-going.

iii. Investment into a poultry and goat meat B2B business generating revenue of USD 1.5 MM requiring growth capital to participate in the value-added segment providing processed and semi-processed meats for B2B customers. The Company has been tracked by Menterra for over three years and has made good progress. Discussions are on-going to secure clear alignment on the business model and to agree a financial plan / agreeable valuations.

iv. Investment into a Ed-Tech company that works with coaching centres for young students to assess their psychological vulnerability to suicide. This is a real issue in India now. We are currently evaluating the efficacy of their technology in identifying vulnerability. Investment ask is USD 0.6 MM.

v. Investment into a profitable plant extracts business that is providing input materials for pharma customers. The Company is seeking USD 1.6 MM for expanding range of offerings and integrating backwards into traceable agronomy.

Executive Summary (5/5)

c) New investments in the pipeline under serious consideration are (continued):

vi. Investment of USD 1.8 MM in tranches into a ripe mango business generating revenue and near profit-seeking to replicate the Iron Kettle model to integrate backwards and deploy technology to be able to export high quality sorted graded mango from farms under management / supervision to high-value markets like Japan, USA, Europe and UAE. Discussions on valuation are ongoing.

vii. Early discussions with a 'food as medicine' company focused on supplying branded high dietary fibre products for gut health and endocrinology-related disorders. The Company is seeking growth capital of USD 1.5 MM. Discussions on the business model and clinical studies to establish linkages between selected dietary fibres and health conditions are underway.

Exits

There are no exits during the period under report.

Fund Performance

Fund Profile

Vintage April 2022	Avg Holding Period <1yr	Fund Size Rs. 1615 MM	Committed Rs. 264 MM	Drawn Down Rs. 202 MM
Avg Ticket Size Rs. 66 MM	Weighted Avg Shareholding 24.94%	SME 100%	Startups 62%	Odisha TBD
		Invention Driven Companies 5%		

Invested

Sector	Rs. MM	%
Agri	56	57%
Healthcare	5	5%
Education	38	38%
Total	**99**	**100%**

Gross Returns

Gross Returns	Rs. MM	$ MM
Invested	99	$1.19
Market Value	99	$1.19
Gross Multiple	1x	
Gross IRR	NA	

Fund Profile

Market Value

Company	Investment Date	Amount (INR MM)	Market Value			Gross	
			Realized	Unrealized	Total	MOIC (X)	IRR (%)
Medhavi Professional Services Pvt. Limited	26 Dec 2022	38	-	38	38	1x	NA
Iron Kettle Pvt. Ltd	11 May 2023	56	-	56	56	1x	
TeraLumen Solutions Pvt. Ltd	3 June 2023	5	-	5	5	1x	
Total		**99**	**-**	**99**	**99**	**1x**	

Notes:

- Estimated market value has been computed as per the International Private Equity and Venture Capital Guidelines
- Amounts invested include capitalized deal expenses

Menterra Social Impact Fund II – Performance Highlights

Investee Company Performance

Medhavi Professional Services Private Limited

MENTERRA

Investment Thesis (1/2)

- India's evolving career navigation space offers a significant business and impact opportunity. Only 10% of students access paid counseling. India's counselor-to-student ratio of 1:3000 (compared to US 1:492 and Sweden 1:4) highlights a need for 1.4 million additional career counselors as defined by ASCA.
- The opportunity lies in addressing accessibility, affordability, and quality beyond metros for aspirer and lower-middle-class families. Currently, quality counseling targets affluent families in major cities seeking study abroad options. However, the evolving future of work demands specialized guidance inaccessible through traditional counseling.

Deal Summary

Date of Investment	26 Dec 2022
Commitment Rs.MM	63
Disbursed Rs. MM	38
Disbursed %	60%
Entry Valuation Rs. MM	25
Equity Stake	10.66%
Investment Type	Growth
Location	New Delhi
Investment Lead	Mukesh Sharma

Investee Company Performance

Medhavi Professional Services Private Limited

MENTERRA

Investment Thesis (2/2)

- Students seek diverse career paths beyond conventional routes like Engineering or Medicine, hindered by limited and biased information from influencers. Early navigation, ideally in grades 9-10, is crucial for informed decisions on academic streams.
- The company uses several online and virtual tools and aims to integrate advanced tech gradually. This evolution could significantly enhance the landscape, closing the gap in quality, accessibility, and depth of guidance for first-generation learners and the underserved.

Deal Summary

Date of Investment	26 Dec 2022
Commitment Rs.MM	63
Disbursed Rs. MM	38
Disbursed %	60%
Entry Valuation Rs. MM	25
Equity Stake	10.66%
Investment Type	Growth
Location	New Delhi
Investment Lead	Mukesh Sharma

Investee Company Performance

Medhavi Professional Services Private Limited

MENTERRA

Financial Performance

Rs. MM	2023 FY	2024 FY*	Gr %
Revenue	37	78	112%
Direct Costs	13	30	134%
Gross Profit	24	48	100%
GM%	**65%**	**61%**	
Indirect Costs	75	91	21%
EBIDTA	-51	-43	16%
EBIDTA %	**-138%**	**-55%**	
Closing Cash	3	10	217%
Receivables	6	10	65%
Inventory	Nil	Nil	NM
Payables	1	16	1519%
Net worth	11	71	547%
Headcount	61	71	16%

***Unaudited Financials for the period FY 2024-25**

Updates for Q4 2023-24 and Forward View (1/2)

- The Company has outlined a clear path to achieve EBITDA profits by March 2025.
- The Company signed a contract worth INR 24 Crore (USD 2.89 MM) with the Government of Odisha (Sundargarh) for a period of 3 years. This is the largest contract won by iDC CSR so far.
- Secured an INR 11 MM deal (USD 0.12 MM) through Shark Tank India at a valuation of INR 600 MM (USD 7.2 MM). Expected 1.7x mark-up upon finalization. Due Diligence has been completed and the Company is evaluating a term sheet from the Investors.
- Monthly revenues of Career Guidance (CG – B2C vertical) reached INR 18 Lacs (USD 21 K) in March 2024 on account of Shark Tank episode telecast with the sales stabilizing in April 2024. The Company shall now focus on growing the B2C vertical organically during FY25.

Investee Company Performance

Medhavi Professional Services Private Limited

MENTERRA

Impact Change Thesis

- Students who receive career guidance using iDC's personalized curriculum, psychometric assessments and counseling, as well as need-based financial assistance, will enroll in and complete courses that are a good fit for them. This will lead to students entering the workforce in careers that are a good fit for them, and that they are satisfied with.

Impact Update – Core Metrics

- 70,681 low-income students served.
- 64% of the students belong to social classes that are recognized as underprivileged and provided with affirmative action as Scheduled Caste / Scheduled Tribes.
- 60% are girl students.
- 74% secure admissions in colleges (based on responses of surveyed sample).
- Gross enrolment ratio into colleges for iDc guided students ranges from 64-100% & 23-47% for non iDc students, indicating a significant improvement when iDc guides students.

Investee Company Performance

Iron Kettle Private Limited

MENTERRA

Investment Thesis (1/2)

- Venture build out of an agri-business model that inverts the conventional asymmetry that small farmers face in value realization compared to large holding farmers
- Iron Kettle is organizing small tea growers to improve quality, yield and safety of green leaf to produce exceptional quality teas that command a premium in the market and allow IK to remunerate STGs higher than market prices
- The business has invested into technology to trace produce from the farm to the cup
- The model piloted in Assam and is now being extended to Nilgiris and other STG prominent growing areas
- The ultimate objective is to make IK a front-end company that markets traceable, safe, high-quality teas sourced from small tea growers organized as Farmer Producer Companies

Deal Summary

Date of Investment	15 February 2022
Commitment Rs. MM	96
Disbursed Rs. MM	56
Disbursed %	58%
Entry Valuation	Shares issued at par
Equity Stake	36.29%
Investment Type	Early-stage
Location	Bengaluru
Investment Lead	George Thomas

Investee Company Performance

Iron Kettle Private Limited

Investment Thesis (2/2)

- The company works on lean working capital cycle derived from focus on selling production volumes to bulk customers in domestic and export markets
- Small investment will be made to test ecommerce sales to demonstrate consumer value for traceable high-quality teas sourced from small tea growers
- Exit options include sale to plantation cos, branded players, ecommerce brands or SME listing

Deal Summary

Date of Investment	15 February 2022
Commitment Rs. MM	96
Disbursed Rs. MM	56
Disbursed %	58%
Entry Valuation	Shares issued at par
Equity Stake	36.29%
Investment Type	Early-stage
Location	Bengaluru
Investment Lead	George Thomas

Investee Company Performance

Iron Kettle Private Limited

MENTERRA

Financial Performance

Rs. MM	2023 FY	2024 FY*	Gr %
Revenue	9	74	718%
Direct Costs	8	72	795%
Gross Profit	1	2	99%
GM%	**10%**	**3%**	
Indirect Costs	29	51	77%
EBIDTA	-28	-49	76%
EBIDTA %	**-311%**	**-67%**	
Closing Cash	7	49	605%
Receivables	0	3	100%
Inventory	6	6	1%
Payables	3	2	-49%
Net worth	16	72	352%
Headcount	12	20	67%

***Unaudited Financials for the period FY 2023-24**

Updates for Q4 2023-24 and Forward View (1/2)

- Iron Kettle has validated its business model, significantly reducing losses and identifying key areas for course correction in its inaugural year.
- The engagement of a community of STGs (203) in Assam forms the foundation for achieving impact goals, facilitated by Source Trace for traceability and farm management.
- Achieved the targeted tonnage (250 MT) at the core operating center, Bornoi, Iron Kettle demonstrated superior quality levels compared to Bought Leaf Factories, attracting discerning buyers.
- The Rainforest Alliance certification obtained by the Bornoi cluster and factory marks a significant achievement, notably as the first for a leased factory in Assam and potentially among unaffiliated STGs worldwide.

Investee Company Performance

Iron Kettle Private Limited

MENTERRA

Financial Performance

Rs. MM	2023 FY	2024 FY*	Gr %
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Headcount	12	20	67%

***Unaudited Financials for the period FY 2023-24**

Updates for Q4 2023-24 and Forward View (2/2)

- Satellite based pest infestation detection and control has been initiated and 65 (32% of Total STGs) have benefitted from this service provided by Iron Kettle using high quality solutions from Syngenta and other partners.
- The Company has leased a trial plot in Udalguri to systematically test and demonstrate agronomy initiatives (such as biochar for soil health amendment). A micro-lot of hand-rolled tea has been created using leaf from this trial plot, which shall be utilized in high-end gifting ranges (Corporate gifting and/or wedding gifting) and Amazon US.
- The Company is planning for retail market entry in Bangalore beginning with Modern Trade stores. A key person to lead this effort has been identified.
- A rationalization of SKUs across retail and ecommerce is being done. This will also include new product development to enhance flavors benchmarked against best-in-category products to ensure high and competitive product quality.

Investee Company Performance

Iron Kettle Private Limited

MENTERRA

Impact Change Thesis

- Small Tea Growers are trained on the best agronomic practices and supported with access to markets and good quality inputs. This leads to high quality tea leaves and better yield, for which they earn a price premium and ultimately higher incomes.

Impact Update – Core Metrics

- 1.2 million kgs of tea procured from 186 small farmers.
- Most of the farmers are based in Udalguri district in Assam, an Indian state which is low in ranking as per the multi poverty dimensional index of India's Niti Ayog (Apex planning body of the Government of India).
- Preliminary work of producing clean tea is very successful with 100% of production during the year conforming to Indian standards and last few passing European standards as well
- Use of satellite technology for targeted spraying implemented.

Investee Company Performance

Teralumen Solutions Private Limited

Investment Thesis

- TeraLumen is the winner of the Menterra Digital Health Challenge and is India's sole Terahertz-focused solutions company.
- A first-gen woman-scientist with a Terahertz PhD founded it to develop intraoperative margin assessment for real-time cancer margin detection in surgeries, aiming for better precision and potentially fewer repeat surgeries.
- Terahertz tech holds broad applications in healthcare, communications, security, and non-destructive testing.
- Menterra's investment prioritizes clinical trials to demonstrate robust efficacy before further investment in technology development and commercialization.
- With a solo founder focused on technological expertise there is a need to augment the team with business proficiency.

Deal Summary

Date of Investment	3 June 2023
Commitment Rs.MM	55
Disbursed Rs. MM	5
Disbursed %	9%
Entry Valuation	Not a priced round, convertible note linked to a qualifying round
Equity Stake	To be determined at the qualifying round before June 2025
Investment Type	Incubation
Location	Chennai
Investment Lead	Mukesh Sharma

Investee Company Performance

Teralumen Solutions Private Limited

MENTERRA

Financial Performance

Rs. MM	2023 FY	2024 FY*	Gr %
Revenue	1	1	32%
Direct Costs	-	-	NM
Gross Profit	1	1	32%
GM%	**100%**	**100%**	
Indirect Costs	3	5	76%
EBIDTA	-2	-4	-100%
EBIDTA %	**-300%**	**-455%**	
Closing Cash	5	3	-36%
Receivables	0	-	-100%
Inventory	-	-	NM
Payables	0	0	-67%
Net worth	15	21	39%
Headcount	6	7	17%

***Unaudited Financials for the period FY 2023-24**

Updates for Q4 2023-24 and Forward View

- The clinical trial for the cancer margin detection has crossed 130 samples across Head & Neck and Breast cancers. The trial has been paused to review results and shall commence together at 2 centers in the next month (Narayana and RCGI Delhi). This is done to review the results and introduce changes in protocols if required by the clinical team.

- TeraLumen foresees positive outcomes from tenders worth close to INR30 MM (USD 0.3MM) in the next two years by the Defense Research and Development Organization (DRDO), a government agency. The Company has won the first tender worth INR6 MM (USD 72K) and has begun developing the solution.

- Multiple proof of concept projects are underway at TeraLumen including one with a Middle Eastern Non-Destructive Testing (NDT) company on testing of Glass Fiber Reinforced Polymers in the Oil & Gas sector. Satisfactory results from this study have paved the way for a longer-term engagement with the group for which a proposal is being developed.

Investee Company Performance

Teralumen Solutions Private Limited

MENTERRA

Impact Change Thesis

- TeraLumen device has the potential to detect cancerous cells and prescribe accurate margins intra-operatively while being housed inside the operating theatre and in a matter of 10 mins (targeted). This we believe will lead to positive health outcomes such as - detect margins better (specificity and sensitivity), faster thereby reducing tumour relapse, repeat surgeries and cost of cancer treatment

Impact Update – Core Metrics

- Specimens from 100+ patients have been processed as part of the clinical trial to assess efficacy and outcomes.
- The Company is training multiple AI models on sample images simultaneously to determine cancer margins. The interim results based on 60 Samples across three AI methods, yields a sensitivity and specificity of 92% and 94% respectively.

Menterra Social Impact Fund II – Administrative Matters

Admin Matters

New Investor Login Page on Menterra Website

For ease of access, and to provide all reports and fund-related materials in one place, we have developed an Investor Portal (at www.menterra.com). This page will have all periodic investor-related communications starting from Q2 FY24 (including Investor and Impact reports). We hope you will find this simple, easy-to-use web interface useful.

Each investor will be provided access to this webpage and materials therein after following a simple registration process. Our team will coordinate and assist you to gain access. You will receive a detailed email on this shortly.

Menterra Social Impact Fund II

Update to Limited Partners

Quarter Ended March 31, 2024

In case of any queries or clarifications required please write to
george@menterra.com

Omnivore Agritech & Climate Sustainability Fund 3

Investor Report (Q4 FY2023-24)

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UPDATE FROM FUND MANAGER

Dear Investors:

We hope this email finds you well.

We are pleased to present the Fourth quarterly newsletter for Omnivore Agritech & Climate Sustainability Fund 3 ("Fund"). This newsletter reflects the Fund's activities during the period from 1st January 2024 to 31st March 2024.

Omnivore Fund 3 made two new investments during the 4th Quarter of FY2023-24:

- **Optimo:** Optimo is building a co-lending platform for banks and NBFCs to provide unsecured, small ticket loans to underserved rural MSMEs.

- **Ayekart:** Ayekart is an embedded agri-fintech platform providing short term supply chain financing to agrifood SMEs (including FPOs, processors, distributors, and retailers) alongside a B2B marketplace offering to facilitate trade between them.

We completed four more portfolio investments this month, specifically Cornext, Niqo Robotics, Stellapps, and Ecozen.

- **Cornext**: Cornext is building a circular fodder ecosystem which makes silage accessible to smallholder dairy farmers via a network of micro-entrepreneurs using the company's proprietary machinery, consumables, and market linkages.

- **Niqo Robotics**: Niqo Robotics has developed a proprietary AI agricultural camera which can be retrofitted on traditional farm equipment, enabling precision spot spraying for crop protection and nutrition.

- **Stellapps**: Stellapps is full stack dairy platform providing wholesale B2B milk supply with end-to-end digital traceability.

- **Ecozen:** Ecozen is a climate-smart deeptech company innovating at an intersection of solar and IoT technologies, with solutions including solar-powered irrigation pumps and off-grid, on-farm cold storage.

We will share more details on Cornext, Niqo Robotics, Stellapps, and Ecozen in the next newsletter.

Further, we would like to inform you that the Fund's hard cap has been increased to USD 215 million. The final closing time of the Fund has been extended by few more weeks, until June 30, 2024, to facilitate the onboarding of new institutional investors. This increase in the hard cap and extension has been approved by the LPAC of the Fund.

In the first section of this newsletter, you will find details on the financial condition of the Fund. In the second section, we have included details on the near-term deal pipeline which may be going to the Investment Committee for consideration over the next few months. In the third section, we have provided an update on various ESG and policy matters. Finally, in the fourth section, we have included various Fund disclosures, as per SEBI regulations.

Thank you, as always, for your support.

Best Regards,

Mark Kahn and Jinesh Shah
Omnivore Capital Management Advisors Private Limited

PORTFOLIO UPDATE

Opticap Holding India Private Limited ("Optimo")

Optimo is building a co-lending platform for banks and NBFCs to provide unsecured, small ticket loans to underserved rural MSMEs.

Optimo was founded in 2023. Optimo is the brainchild of Prashant Pitti, one of India's most renowned entrepreneurs, notable for co-founding EaseMyTrip. EaseMyTrip stands out as India's only bootstrapped tech startup to go public in the last decade. Before EaseMyTrip, he worked with prominent financial institutions in the United States, such as Capital One and HSBC. The company will use the capital raised to finance its in-house NBFC, forge co-lending partnerships, build a top-notch team from the financial services industry, and improve technology capabilities in distribution, underwriting, and collection.

Omnivore made the investment in Optimo in March 2024. This Pre-Series A round was for USD 10 million, out of which Omnivore has invested USD 2.65 million for a 10.13% stake.

Overview	
Headquarters	New Delhi, India
Domicile	India
Sector	Farmer Platforms & Fintech
Product / service	Co-lending platform for banks and NBFCs to provide unsecured loans with small ticket sizes to underserved rural MSMEs
Number of employees at investment / Current number of employees (including part-time)	8

Investment summary	
Date of initial investment	March 5th, 2024
Investment stage (seed, growth etc)	Pre-Series A
Co-investors (indicate if fund was first institutional investor)	Blume
Investment committed (INR Million)	220.00
Invested Amount (INR Million)	220.00
-Equity & CCPS	220.00
-Debt	-
% stake held	10.13%
Current valuation (INR Million)	220.00
Basis of Valuation	Price of Recent Investment
Realized proceeds	-

Shareholding Details					
S.No.	Shareholders	Equity shares	CCPS	Total	%
1	Promoters	97,243	20,305	117,548	64.50%
2	ESOP	17,647	-	17,647	9.68%
3	Blume	-	25,843	25,843	14.18%
4	Omnivore Fund 3	10	18,449	18,459	10.13%
5	Other Investors	2,757	-	2,757	1.51%
	Total	**117,657**	**64,597**	**182,254**	**100.00%**

Ayekart Fintech Private Limited ("Ayekart")

Ayekart is an embedded agri-fintech platform providing short term supply chain financing to agrifood SMEs (including FPOs, processors, distributors, and retailers) alongside a B2B marketplace offering to facilitate trade between them.

Founded in 2020 by Debarshi Dutta, Ashutosh Singh, and Milind Borgikar, Ayekart brings together diverse expertise. Debarshi Dutta brings experience from roles at MasterCard, BPC Banking Technologies, and Fino Payments Bank. Ashutosh Singh has managed educational operations for multinationals like Pearson, while Milind Borgikar is a seasoned software engineer with stints at Tata Consultancy Services, IBM, and Vodafone. The funds will be used to expand the operations nationwide and cater to a larger customer base of FPOs (Farmer Producer Organizations), food manufacturers, distributors, and retailers.

Omnivore invested in Ayekart in March 2024 in a Pre-Series A round totaling USD 6.5 million. Omnivore's investment of USD 3.01 million secured them an 11.60% stake in the company. The investment was made in two tranches, with the first tranche deployed in March '24 and the second in April'24.

Overview	
Headquarters	Mumbai, Maharashtra, India
Domicile	India
Sector	B2B Marketplace and Fintech
Product / service	Ayekart is an embedded agri fintech platform providing short term supply chain financing to the SMEs involved in agri and food value chain such as FPOs, processors, distributors, and retailers along with a B2B marketplace offering to facilitate trade between them.
Number of employees at investment / Current number of employees (including part-time)	77

Investment summary	
Date of initial investment	March 1st, 2024
Investment stage (seed, growth etc)	Pre-Series A
Co-investors (indicate if fund was first institutional investor)	Siana Capital
Investment committed (INR Million)	250.00
Invested Amount (INR Million)	125.00*
-Equity & CCPS	125.00*
-Debt	-
% stake held	6.50%*
Current valuation (INR Million)	125.00*
Basis of Valuation	Price of Recent Investment
Realized proceeds	-

*The investment was made in two tranches, with the first tranche deployed in March'24 and the second in April'24. Omnivore's stake in Ayekart after the second tranche is 11.60%.

Shareholding Details					
S.No.	Shareholders	Equity shares	CCPS	Total	%
1	Promoters	39,696		39,696	44.95%
2	ESOP	9,846		9,846	11.15%
3	Siana Capital	100	4,487	4,587	5.19%
4	Omnivore Fund 3	100	5,634	5,734	6.50%
5	Other Investors	17,540	10,907	28,447	32.20%
	Total	**67,282**	**21,028**	**88,310**	**100.00%**

Fibmold Packaging Private Limited ("Fibmold")

Fibmold is a sustainable packaging company enabling enterprises and brands to transition out of single-use rigid plastics by manufacturing eco-friendly, molded fiber packaging products from agricultural residues.

Fibmold was founded in October 2022 by Param Gandhi and Vaibhav Garg, who have over two decades' experience in the packaging and manufacturing industry. The funding raised will be used to further develop Fibmold's product line, expand its manufacturing capabilities, and scale its operations to meet the growing demand for sustainable packaging solutions.

Omnivore made the investment in Fibmold in November 2023. This Pre-Series A round was for USD 5.6 million, out of which Omnivore has invested USD 3.9 million for a 13.69% stake.

Developments during the quarter

- Fibmold's molded fibre packaging factory in Nashik has reached completion and is expected to be fully commissioned by May. The factory has a capacity of handling 1 million tonnes of molded fibre packaging output;

- The company has setup 2 franchise manufacturing units to cater to California Burrito and Jubilant Foodworks, contribution to a revenue of USD 80k per month;

- Fibmold is in discussions with global brands such as Nestle and Starbucks and is expected to start pilots with these brands;

Overview	
Headquarters	Mumbai, Maharashtra, India
Domicile	India
Sector	B2B Agri marketplaces
Product / service	Platform for manufacturing molded fiber alternatives to plastic-based packaging.
Number of employees at investment / Current number of employees (including part-time)	4/12

Investment summary	
Date of initial investment	November 06, 2023
Investment stage (seed, growth etc)	Pre-Series A
Co-investors (indicate if fund was first institutional investor)	Accel
Investment committed (INR Million)	324.13
Invested Amount (INR Million)	324.13
-Equity & CCPS	324.13
-Debt	-
% stake held	13.69%
Current valuation (INR Million)	324.13
Basis of Valuation	Price of Recent Investment
Realized proceeds	-

Shareholding Details					
S.No.	**Shareholders**	**Equity shares**	**CCPS**	**Total**	**%**
1	Promoters	1,280,000	-	1,280,000	47.44%
2	ESOP & MSOP	247,480	-	247,480	9.17%
3	Omnivore Fund 3	100	369,394	369,494	13.69%
4	Accel	-	624,531	624,531	23.15%
5	Other Investors	157,000	19,600	176,600	6.55%
	Total	**1,684,580**	**1,013,525**	**2,698,105**	**100.00%**

Financial overview	INR Million
Particulars	**Q4 (2023-24)**
Revenue	8.72
Expenses	26.82
EBITDA	(18.10)
PBT	(18.10)
PAT	(18.10)
Outstanding debt	-
Cash and Cash equivalent	262.20

Finhaat Technologies Private Limited ("Finhaat")

Finhaat is a rural insurance distribution platform enabling access to tailored insurance products to rural customers embedded via last mile businesses and organizations that act as day-to-day touch points with rural customer.

Finhaat was founded in 2021 by Sandeep Katiyar, Navneet Shrivastava, and Vinod Singh. Sandeep Katiyar is a former executive of Arya Collateral and ICICI Bank. Navneet Shrivastava has more than two decades of experience of working at Birla Sun Life, Future Generali and Aditya Birla Health. Vinod Singh previously handled various verticals at HSBC Bank. They were all batchmates in IRMA before starting their careers in the financial services sector. All three bring deep expertise in rural financial services and rural insurance distribution. The funding raised will be used to enhance its tech API capabilities (across policy issuance, claims processing, and claims settlement), expand institutional client base, co-create insurance products tailored for rural customers, and launch savings and investment products.

Omnivore made the investment in Finhaat in December 2023. This Pre-Series A round was for USD 3.02 million, out of which Omnivore has invested USD 2.71 million for a 13.63% stake.

Developments during the quarter

- Finhaat has closed FY24 with a total gross underwritten premiums of INR 1,850 million issuing 3 million policies at 7.5% net retention and 1.6% PBT;
- Life and health insurance contribute to ~90% of the total premiums;
- Finhaat has also launched a wellness platform for policyholders in rural areas to access on-demand healthcare services such as tele-consultation and diagnostics;
- In FY25, Finhaat plans to scale 2x, to reach INR 3,750 million of gross underwritten premiums. The company plans to achieve this through expansion into non-life and non-health categories of insurance (auto, parametric, cattle, crop) and through geographical expansion (within India and outside India into Nepal and Indonesia).

Overview	
Headquarters	Raigarh, Maharashtra, India
Domicile	India
Sector	Farmer Platforms
Product / service	Rural insurance distribution platform via B2B channel through a suite of APIs
Number of employees at investment / Current number of employees (including part-time)	57/100

Investment summary	
Date of initial investment	December 11, 2023
Investment stage (seed, growth etc)	Pre-Series A

Co-investors (indicate if fund was first institutional investor)	-
Investment committed (INR Million)	225.00
Invested Amount (INR Million)	225.00
-Equity & CCPS	225.00
-Debt	-
% stake held	13.63%
Current valuation (INR Million)	225.00
Basis of Valuation	Price of Recent Investment
Realized proceeds	-

Shareholding Details					
S.No.	**Shareholders**	**Equity shares**	**CCPS**	**Total**	**%**
1	Promoters	3,010,200	-	3,010,200	63.63%
2	ESOP	2,00,559	-	2,00,559	4.24%
3	Omnivore Fund 3	100	644,552	644,652	13.63%
4	Other Investors	-	874,904	874,904	18.50%
	Total	**3,210,859**	**1,519,456**	**47,30,315**	**100.00%**

Financial overview	INR Million
Particulars	**Q4 (2023-24)**
Revenue	93
Expenses	80
EBITDA	13
PBT	16
PAT	13
Outstanding debt	-
Cash and Cash equivalent	334

Alt Material Innovations Private Limited ("altM")

altM is an alternate materials company leveraging manufacturing innovation to provide biomaterials at scale and help industries reduce their carbon footprints across their supply chains.

altM was founded in 2022 by Apoorv Garg and Yugal Raj Jain, who met while working at Tesla in the US. Before altM, Apoorv served in supply chain and engineering leadership roles at Prometheus Fuels, Tesla, and Maruti Suzuki. He is an alumnus of the University of California, Berkeley (M.Eng.) and Delhi College of Engineering (B.Tech.). Yugal earlier worked at Tesla in engineering leadership roles, managing several factory and product launches. He is an alumnus of the Massachusetts Institute of Technology (M.Eng.) and Netaji Subhas Institute of Technology (B.E.). The team also includes Harshad Velankar with over 20 years of academic and industrial experience across India, the US, and South Africa. He previously led bioprocess research at HPCL, with prior stints at Praj Industries and Reliance Life Sciences.

Omnivore made the investment in altM in August 2023. This seed round was for USD 3.5 million, out of which Omnivore has invested USD 3 million for a 19.41% stake.

Developments during the quarter

Business update:

- Started working with Saint Gobain Research Institute on bio-adhesives;
- Participated in Chemtech Mumbai event, showcased our products to suppliers and customers, and built a customer pipeline for future molecules;
- Started conversation with ACT grants on a possible grant for a research study with WFBR Netherlands;
- Continued scouting for manufacturing facilities for demo plant setup, finalization by Jun'24.

Product or technology update:

- HPC development accelerated to expand altM's cellulosic-rheology modifier family, in addition to HEC and MCC;
- Continued lignin bio-adhesive development, early prototypes completed for customer reviews and feedback;
- Bio-silica development completed;
- Demo plant engineering design and development initiated, to be completed by mid May'24.

Hiring update:

- Onboarded 1 new researcher to cover for the departed member; no lapse in manpower coverage;
- Started interview process for 4 other positions, to be filled by May'24, including organic chemist, technical program manager;

Overview	
Headquarters	Bangalore, Karnataka, India
Domicile	India
Sector	Agrifood Life Sciences
Product / service	altM is an alternate materials company leveraging manufacturing innovation to provide biomaterials at scale and help industries reduce their carbon footprints across their supply chains.
Number of employees at investment / Current number of employees (including part-time)	5/7

Investment summary	
Date of initial investment	August 31, 2023
Investment stage (seed, growth etc)	Seed
Co-investors (indicate if fund was first institutional investor)	-
Investment committed (INR Million)	232.94
Invested Amount (INR Million)	232.94
-Equity & CCPS	232.94
-Debt	-
% stake held	19.41%
Current valuation (INR Million)	232.94
Basis of Valuation	Price of Recent Investment
Realized proceeds	-

Shareholding Details					
S.No.	Shareholders	Equity shares	CCPS	Total	%
1	Promoters	10,000		10,000	61.47%
2	ESOP	2,372		2,372	14.58%
3	Omnivore Fund 3	10	3,148	3,158	19.41%
4	Other Investors	33	705	738	4.54%
	Total	**12,415**	**3,853**	**16,268**	**100.00%**

Financial overview	INR Million
Particulars	**Q4 (2023-24)**
Revenue	-
Expenses	(7)
EBITDA	(7)
PBT	(7)
PAT	(7)
Outstanding debt	-
Cash and Cash equivalent	268

FINANCIAL REPORTING

General Overview

Name of the Fund	Omnivore Agritech & Climate Sustainability Fund 3
First closing date	February 15th, 2023
Term of the Fund	10 years from February 15th, 2023, subject to extension of two additional consecutive periods of 1 year each
Commitment period	5 years from First Closing
Fund Manager/ Sponsor	Omnivore Capital Management Advisors Private Limited
Trustee	Orbis Trusteeship Services Private Limited
Legal form	Contributory and a determinate investment Trust
Sector focus	Agriculture, food, climate, and the rural economy
Total commitments	**First Closing:** INR 9,280.60 million **Subsequent Closing (June 30, 2023):** INR 12,157.48 million **Subsequent Closing (July 31, 2023):** INR 13,048.28 million **Subsequent Closing (Dec 15, 2023):** INR 15,846.59 million **Subsequent Closing (Mar 13, 2024):** INR 16,087.78 million

Financial Summary

Financial Summary				
	As at Mar 31, 2024		As at March 31, 2023	
Description	INR (million)	% of Commitment	INR (million)	% of Commitment
Capital Commitments	15,846.59		9,280.64	
Cash Inflows				
Drawdown received from investors	1,792.06	11.31%	-	0.00%
Drawdown received in advance	0.90	0.01%		
Total Inflows	**1,792.96**	**11.31%**	**-**	**0.00%**
Cash Outflows				
Portfolio Investments	1,127.05	7.11%	-	0.00%
Management Fees paid	348.91	2.20%	-	0.00%
Fund Expenses				
GST on Management fees	62.80	0.40%	-	0.00%
Set up costs (Initial expenses)	45.90	0.29%	-	0.00%
Operating Expenses paid	18.97	0.12%	-	0.00%
Total Fund Expenses	127.67	0.81%	-	0.00%
Total Outflows	**1,603.64**	**10.12%**	**-**	**0.00%**
Cash & Cash equivalents	189.33	1.19%	-	0.00%

Key Metrics	
Metrics	As at March 31, 2024
Paid in Capital (% of Commitment)	11.31
DPI : Distribution to Paid in Capital multiple	-
RVPI : Residual Value to Paid in Capital multiple (at Net Fund level)	-
TVPI : Total Value to Paid in Capital multiple	-
MOIC : Multiple on Invested Capital (Gross)	-
Gross IRR (on Investments)	0.00%

Schedule of Investments

Schedule of Investments as of Mar 31, 2024							
Sr No.	Investments	Date of initial investment	Ownership %	Invested Capital	Fair Value	Multiple	Gross IRR
1	AltM	2023/08/31	19.41%	232.94	232.94	1.00	0%
2	Fibmold	2023/11/06	13.69%	324.13	324.13	1.00	0%
3	Finhaat	2023/12/11	13.63%	225.00	225.00	1.00	0%
4	Ayekart	2024/03/01	6.50%	124.99	124.99	1.00	0%
5	Optimo	2024/03/05	10.13%	219.99	219.99	1.00	0%
	Total			**1,127.05**	**1,127.05**	1.00	**0.00%**

Approved Investments

Approved investments				
#	Company	Description	Stage	Status
1	Cornext	Circular fodder ecosystem which makes silage accessible to smallholder dairy farmers via a network of micro-entrepreneurs using the company's proprietary machinery, consumables, and market linkages.	Seed	Completed in April 2024
2	Dayatani	Full-stack farmer platform focused on high-value crops across South and Southeast Asia.	Seed	Partnership review cleared in Nov'23. Financial, Legal, ESG due diligence underway and will be presented to Investment Committee for approval.
3	Sid's Farm	D2C brand for milk and milk products	Series A	Final investment committee approval received in May'24. Transaction documents underway and disbursement shall follow.
4	Scimplify	Contract manufacturing B2B platform for agrochemicals and green chemistry	Series A	Partnership review cleared in March'24. Financial, Legal, ESG due diligence underway and will be presented to Investment Committee for approval.
5	TerrAegis	AI-enabled, full-stack technology platform for cleantech innovations, with debt financing capabilities	Seed	Partnership review cleared in May'24. Financial, Legal, ESG due diligence underway and will be presented to Investment Committee for approval.
Crossover Deals				
6	Bioprime	Innovative biological inputs	Series A	Received LPAC approval in Jan'24. Term sheet received and is currently under due diligence. LPAC approvals.
7	Agrizy	B2B marketplace for SME agrifood processors	Series A	Final investment committee approval received in May'24. Transaction documents underway and disbursement shall follow.

PIPELINE OVERVIEW

Pipeline Overview					
#	Company	Description	Potential round size (USD Mn)	Stage	Status
1	Cornext	Circular fodder ecosystem which makes silage accessible to smallholder dairy farmers via a network of micro-entrepreneurs using the company's proprietary machinery, consumables, and market linkages.	2.3 Mn	Seed	Completed in April 2024
2	Dayatani	Full-stack farmer platform focused on high-value crops across South and Southeast Asia.	3.5 Mn	Seed	Partnership review cleared in Nov'23. Financial, Legal, ESG due diligence underway and will be presented to Investment Committee for approval.
3	Sid's Farm	D2C brand for milk and milk products	9.2 Mn	Series A	Final investment committee approval received in May'24. Transaction documents underway and disbursement shall follow.
4	Scimplify	Contract manufacturing B2B platform for agrochemicals and green chemistry	10 Mn	Series A	Partnership review cleared in March'24. Financial, Legal, ESG due diligence underway and will be presented to Investment Committee for approval.
5	TerrAegis	AI-enabled full-stack technology platform for cleantech innovations, with debt financing capabilities	5 Mn	Seed	Partnership review cleared in May'24. Financial, Legal, ESG due diligence underway and will be presented to Investment Committee for approval.
Crossover deals					
6	Bioprime	Innovative biological inputs	7 Mn	Series A	Received LPAC approval in Jan'24, Partnership review cleared in Mar'24. Term sheet received and is currently under due diligence.
7	Niqo Robotics	Spraying robots for small farms	10M	Series B	Completed in April 2024
8	Agrizy	B2B marketplace for SME agrifood processors	8 Mn	Series A	Final investment committee approval received in May'24. Transaction documents underway and disbursement shall follow.

ESG & GOVERNANCE UPDATES

1. The Fund's updated ESMS has been shared with DFI investors for feedback and consultation.

2. The Business Integrity Policy applicable for the Fund will be updated closer to the Final Closing to cover the DFI investor's requirements.

FUND DISCLOSURES – SEBI REGULATIONS

Parameters	Disclosure
Regulation 10	
Sponsor 's Continuing Interest in the Fund	Total Corpus of the Fund as of December 31, 2023: INR **16,087.78 million** Sponsors Capital commitment as of December 31, 2023: INR **50 million**
Regulation 22	
Financial, risk management, operational, portfolio, and transactional information w.r.t. fund investments to be disclosed periodically	The Fund has adhered to the investment objectives as outlined in the Fund documents. All investments will be made after proper evaluation and approval of the Investment Committee. Insurance coverage has been taken out for the Fund covering professional indemnity and directorships.
Any fees ascribed to Fund Manager / Sponsor and any fees charged to the Fund or any investee company by an associate of Fund Manager / Sponsor	The Fund has paid Management Fee in accordance with the PPM for the period from Jan 01, 2024 to Mar 31, 2024. No fees are charged to the Fund or any investee company by an associate of Fund Manager / Sponsor.
Details of inquiries / legal actions by legal or regulatory bodies in any jurisdiction	There have been no inquiries / legal actions by any legal or regulatory bodies in any jurisdiction against the Fund.
Details of Current or likely Conflicts of Interest	The investment manager, to the best of its knowledge, is not aware of any other likely conflict of interest situations.
Details of material liability arising during the Fund's tenure	None except as disclosed as trade payables in the unaudited financials as of 31st Mar 2024.
Details of any breach of a provision of Private Placement Memorandum, Contribution Agreement, or any other Fund document	To the best knowledge of the Investment Manager, there has been no breach of a provision of Private Placement Memorandum, Contribution Agreement, or any other Fund document.
Details of change in control of Sponsor / Fund Manager / Investee Company.	There has been no change in control of Sponsor / Fund Manager / Investee Company during the quarter.
Report on following information	
a. financial information of investee company	The financial information of the investee company will be disclosed in the quarterly report as and when it is applicable
b. material risks and how they are managed i.e., risk mitigation:	
(i) concentration risk at fund level	The Fund has not made investment in any Investee Company exceeding 25% (twenty five percent) of the investible funds as calculated in the manner provided under the AIF Regulations;

(ii) foreign exchange risk at fund level	The USD-INR exchange rates has witnessed INR appreciation of around 0.62% from the First Closing of the Fund. As of date, there has been no impact of foreign exchange fluctuation on the functioning of the Fund.
(iii) leverage risk at fund and investee company levels	Leverage Risk at Fund Level – The Fund has no borrowing as of Mar 31, 2024 and hence not applicable Leverage Risk at Investee Company Level: The Fund has no portfolio investment as of Mar 31, 2024 and hence not applicable
(iv) realization risk (i.e., change in exit environment) at fund and investee company levels	There is no realization risk either at fund level or investee company level
(v) strategy risk (i.e., change in or divergence from business strategy) at investee company level	None to the best of our knowledge.
(vi) reputation risk at investee company level	None – to the best of our knowledge.
(vii) extra-financial risks, including environmental, social and corporate governance risks, at fund and investee co. level.	None – to the best of our knowledge.
(viii) Details of change in the key investment team	There is no change in the key investment team during the period from Jan 01, 2024 – Mar 31, 2024.
Regulation 23	
Valuation Methodology	Valuation is performed in accordance with the Valuation policy laid down in PPM.

Pavestone

Quarterly

Investor Report

January 2024
to
March 2024

Dear Investor,

Pavestone Technology Fund is pleased to present our investor report for the quarter January 2024 to March 2024.

As we prepare to send this your way, we are in the last leg of the general elections in India and will know the outcome in the next 10 days. While the two wars that started last year continue, a significant number of countries, including the US, will go through elections this year. While India is seen as the country with highest economic growth rate, the rapidly changing geopolitical situation continues to keep the macroeconomic situation uncertain. We continue to monitor for any potential impact on our portfolio firms and at this stage have not seen anything specific for now, except for a 3 month-delay in component supply to one of our portfolio firms.

The global venture funding showed a 11% quarter-on-quarter increase, reaching $58.4 billion. This growth was propelled by several large-scale deals, including Amazon's significant $2.75 billion investment in Anthropic, highlighting the continued interest in generative AI on a global scale. In India, while the funding amount decreased by 15% compared to the previous quarter, dropping to $1.7 billion, there was an increase in the number of deals from 259 to 274. This uptick in deal volume suggests an ***increased interest in early and mid-stage deals in the Indian startup ecosystem***.

Our fundraising journey commenced with SEBI approval for a target corpus of ₹ 600 Cr (₹ 500 Cr + ₹ 100 Cr Green shoe option). On the back of sustained investor interest, we increased the greenshoe option twice with the last increase informed to SEBI in March 2024 to augment the corpus to ₹ 900 Cr (₹ 500 Cr + ₹ 400 Cr Green shoe option). We are happy to share with you that ***our current capital commitment stands at ₹ 797 Cr (₹ 778 Cr signed + ₹ 19 Cr under documentation). We have now stopped accepting investments from non-institutional investors.***

In our last investor report, we mentioned the delay in finalizing investments from two major banks as they await clarification from RBI on the investments into equity AIFs. We anticipate that the clarification will be available within this quarter, enabling an investment within 2 months post that. Upon a decision on these investments by the banks, ***we intend to announce the final close of the Fund no later than August 2024***.

During the last quarter, our portfolio company Newspace (NRT) successfully closed a Pre-Series B funding round, raising a total of ₹ 274 Cr in equity. In addition, they have raised an additional ₹ 155 Cr of secured debt from SBI and SIDBI. This fundraising of ₹ 429 Cr represents ***a significant landmark for the Indian defence startup ecosystem***, being recognized as the largest in this domain till date. In addition to Pavestone's follow-on investment, the investment from other VC funds, Manipal group and Enam securities, further emphasizes the potential and prospects of Newspace as well as the broader sector.

On new investments, in our last report, we indicated an investment committee approval for an investment into an Enterprise spend management platform company. However, during the subsequent due diligence, we detected some additional risks and decided not to go ahead with the investment. We have held investment committee (IC) meetings for 2 additional proposals (a distribution platform firm & a signal processing firm) and will finalize at least one of the two in the next 4 to 6 weeks. In addition, we have a pipeline of 4 proposals some of which will be taken to the IC for approval within the next 4 to 6 weeks. Overall, we have ***a robust and growing pipeline to make about 4 investments within this financial year***.

With these developments in mind, ***we foresee requesting the next drawdown of about 10% to 15% in or before July 2024***.

The ***compensatory contribution (as applicable) and accrued liquid fund income for FY 24 have been disbursed to investors' accounts***, and these transactions will be visible in the Statement of Accounts sent to your registered email addresses. We will share Form 64C (TDS related) with investors before 30th June 2024.

Also, per regulation, BDO, our third-party valuer has initiated the valuation exercise to determine the value of current investments as on 31st March 2024. We expect the ***valuation report to be shared with all investors by July 2024***.

Additionally, in compliance with SEBI regulations, where investors have provided us with Demat account details, we have transferred Fund units to investors' demat accounts. We request you to review your demat account statement and inform us if any discrepancies are noticed. We still have a few investors who have not yet provided their demat account details and are holding their units in escrow as per SEBI regulations. ***If you have not provided demat account details, we urge you to do so promptly to help us transfer Fund units to your demat account***.

Executive Summary – Pavestone Technology Fund					
Date of SEBI Approval		1st July 2021			
Corpus as on 29th January 2024		Closed ₹ 797 Cr. Commitments at documentation stage ₹ 19 Cr.			
Date of 1st close		10th March 2022. Corpus at first close - ₹ 340 Cr.			
Date of 2nd Close		29th August 2023. Corpus at Second close - ₹ 602 Cr.			
Sr. No	**Investment Details**	**Category**	**Commitment Date**	**Amount Committed Initial + Follow-on (₹ Cr)**	**Amount Disbursed (₹ Cr)**
1.	E42.ai	Enterprise Tech	April 21 & Sep 23	30 + 30	60
2.	Newspace Research & Technologies	Enterprise Tech	March 22 & Oct 23	40 + 30	70
3.	Bellatrix Aerospace	Frontier Tech	June 22	10	10
4.	LivNSense Greenops	Frontier Tech	Jun 23	17.7	8.2
	Total			**157.7**	**148.7**

We are always happy to hear from you. Please feel free to reach out to us if you have any feedback or suggestions. Thank you for your continued support and trust in Pavestone Technology Fund

Sincerely,

Sridhar Rampalli
Managing Partner
sridhar@pavestone.vc

Srikanth Tanikella
Managing Partner
srikanth.tanikella@pavestone.vc

V. Laxmikanth
Managing Partner
vlk@pavestone.vc

E42.ai *(earlier known as NLPBots)*

Initial Investment commitment made in April 2021

Company Name	Light Information Systems Private Limited
Total Investment Commitment	₹ 30 Cr + ₹ 30 Cr
Amount Disbursed	₹ 30 Cr + ₹ 30 Cr
Instrument Type	₹ 60 Cr Compulsorily Cumulative Convertible Participatory Preference Shares
Fund's Current Stake	34.8% (Before ongoing Series A1 round)

Brief Description

E42.ai (earlier know as NLP Bots) provides a state-of-the-art low code AI platform enabling organizations across sectors to achieve significant automation and productivity transformations across the value chain coupled with next-generation customer experience. E42 architecture and programming paradigms including Applied AI help decrease cycle time and rapidly deploy self-learning AI workers.

It deploys solutions on premise or via a host of online channels like telephony, web sites, kiosks, SMS, chat, social media sites or emails. The platform has semantic understanding capabilities combined with deep learning, Natural Language Generation. The suite of applications is applicable to any enterprise that requires automation of chat/conversation/system-interaction driven processes across large numbers and currently serves the BFSI, telecom, logistics, e-commerce, IT sectors.

Quarterly Business Update

- Closed the financial year with ~ $ 3.1 Mn contracted ARR (exit ARR of $1.7Mn) with residual TCV of $ 7 Mn.
- E42 has achieved significant progress in its 80 Cr Pre-Series B round, securing commitments of 50 Cr.
- Onboarded Dollyy as the Chief Operating officer earlier this month; key operational responsibilities being transitioned.
- End-to-end productized solutions centred around Finance & Accounting and Banking verticals have been launched, in collaboration with key partners.
- Won prestigious NAASCOM SME Inspire Award under the "Excellence in AI" category.
- Sanjeev, Co-Founder and head of Product & Tech. moved to USA for enhanced focus on US business.
- Attended NVIDIA GTC, a global AI developers conference as a NVIDIA startup Inception member, at San Jose.

Recent Press Releases

1. E42 Appoints Jonathan Jewet as Chief Growth Officer for the Amercias
2. Tailoring Generative AI for Specific Enterprise Needs
3. E42 at 3rd NXTGEN CFO Confex & Awards 2024

Newspace Research and Technologies

Investment commitment made in March 2022

Company Name	Newspace Research and Technologies (NRT)
Investment Commitment	₹ 40 Cr + ₹ 30 Cr
Amount Disbursed	₹ 40 Cr + ₹ 30 Cr
Instrument Type	Compulsorily Cumulative Convertible Participatory Preference Shares
Fund Stake	11.4%

Brief Description

Newspace solves complex problems in the Defence (UAVs and Digital Twins), Logistics (UAVs) and Telecom (HAPS) sectors, using Advanced Distributed Computing, Applied Artificial Intelligence, Process Virtualization, Advanced Material and Battery technologies. It is India's leading provider of Intelligent Cyber – Physical Aerospace systems. NRT focuses on building Autonomous "Unmanned Aerial Vehicle" (UAV). The Company is currently working on three programs:

- **MULTI ROTOR UNMANNED SYSTEMS (MUAS)**: These are Unmanned UAVs with Swarming Capabilities. They are currently in production and are generating revenues. There are several product lines under this program.
- **AUTONOMOUS LOITERING FLEXIBLE ASSETS (ALFA)**: These are high performance, intelligent swarm drones. The company was awarded with the contract to develop the prototype and is working with US Airforce Research Labs. It is part of IDEX platform. HAL is the partner to NRT in this program.
- **HIGH ALTITUDE PSEUDO SATELLITE (HAPS)**: HAPs is the company's flagship program. These are the stratospheric drones that delivers Geo- Stationary satellite capability. Boeing and HAL are partners in this program.

Quarterly Business Update

- Disruptions in the global supply chain caused by the conflict in the Middle East led to delay in the delivery of 130 Tethered UAVs (INR 250 Cr contract) to Indian Army against their internal plan to deliver by March'24. 60% of production is now complete and the company is targeting to complete the delivery before the August 24 contractual deadline.
- Company has signed a landmark deal with Indian Navy to design and develop a domestically built high altitude pseudo satellite (HAPS) to bolster Navy's surveillance capabilities and reduce dependency on foreign technology. The contract is worth 600 Cr to be delivered over the next 2 years. This is won by the company as part of Innovation for Defence Excellence (iDEX) challenge of MoD.
- They have successfully tested HAPS flying continuously for 27 hours at 26000 ft which is a new national record
- The firm has also successfully demonstrated a 60kg drone to the defence establishment
- Company has recently participated in discussions on collaboration opportunities with the U.S. Army DEVCOM Army Research Laboratory, where in CEO Sameer Joshi presented the Next Generation Missions & Technologies vision and a roadmap for potential co-development.

Press Release

1. NRT Secures the largest equity raise for an India defence startup
2. Indian Navy signs deal with NewSpace Research & Technologies to develop high-altitude pseudo-satellite for maritime surveillance
3. India Joins Elite group of nations with Pseudo satellites

Bellatrix Aerospace

Investment commitment made in June 2022

Company Name	Bellatrix Aerospace
Investment Commitment	₹ 10 Cr.
Amount Disbursed	₹ 5 Cr. in June 2022; Balance ₹ 5 Cr in Mar'23
Instrument Type	Compulsorily Cumulative Convertible Participatory Preference Shares
Fund Stake	3.47%

Brief Description

Bellatrix Aerospace is a satellite technology company developing electric and green chemical propulsion systems for satellites using innovative fuel and design technologies. Bellatrix Aerospace aims to be a full suite solution provider for satellite propulsion systems with electric and chemical thruster offerings. Bellatrix has setup Asia's largest privately funded satellite propulsion research lab.

Quarterly Business Update

- Rudra 1N green monopropellant thruster hardware has cleared electrical and mechanical interface tests at ISRO's VSSC centre in Trivandrum. This is a critical test of acceptance for flight onboard PSLV POEM-4 mission. Company is on track for final hardware delivery to ISRO during first week of May 2024.
- Company had good traction at Satellite 2024 conference in USA last month. Company met 20+ new prospects during the conference and are getting much better response from these conversations compared to earlier discussions before space qualification. Company is advancing on the sales funnel movement through back to back meetings with these target customers.
- Rohan, CEO of Bellatrix visited USA as part of the prestigious International Visitors Leadership Program. He had great interactions with NASA, DOD and other top level governmental space authorities. He also had meetings with top management at leading US space companies, all of these through the US government.
- Company is considering to open a US entity to fast track sales in the region and are taking legal and corporate opinions on the same.
- Bellatrix won "Emerging Innovator Award" as part of "Forbes Leadership Awards 2024".

Press Release

1. Bellatrix Aerospace: Reimagining Space Mobility And Satellites-as-a-service - Forbes India
2. In Photos: Winners At Forbes India Leadership Awards 2024 In Mumbai | Forbes India
3. https://www.news9live.com/science/bellatrix-aerospace-successfully-demonstrates-green-propulsion-system-2426316

LivNSense Greenops Technologies

Investment commitment made in June 2023

Company Name	LivNSense
Investment Commitment	₹ 17.6 Cr.
Amount Disbursed	₹ 8.2 Cr.
Instrument Type	CCPS
Fund Stake	32.67% (Post disbursement of entire commitment)

Brief Description

LivNSense is a pioneering Industrial IoT & AI Platform led venture that serves the manufacturing and production industries. Their state of-the-art platform **GreenOps™** converts continuous and discrete process industries with standard OT/Electronic systems, into a Cognitive Living Equipment, thereby significantly lowering the Cost of operations, Improving Safety and Reducing the energy consumption & carbon footprint. The platform is enabler for the "Factory of Future" by optimizing the production processes, improving quality and asset uptime with "Safety First" approach.

Quarterly Business Update

- One of the global leaders in automative safety systems signed a long-term contract to roll out GreenOps (ESG-Safety) across all the factories in APAC region. The pilot got kicked off at their Bangalore plant.
- New line of business focused on reducing wastages and emissions signed with a subsidiary of Austin Industries with a contract period of 3 years.
- LivNSense was selected as a winner in VIMARSH 2023 for 5G & AI based hackathon by Bureau of Police Research & Development (BPRD). BPRD intends to engage with us for a pilot as part of safer & sustainable cities starting with Bangalore and then roll out across India based on success.
- Company is expanding the teams adding 14 team members across sales, management, and engineering/delivery.

Press Release

1. LivNsense wins VIMARSH2023 5G Hackathon
2. LivNSense at Startup Mahakumbh
3. LivNsense at Nasscom's Startups at Tech Cafe

Investor Relations

At Pavestone, it is our endeavour that all our investors continue to have the best possible experience regarding their investments made with us. In case you have any questions, queries or need any further clarifications regarding your investment, please feel free to reach the below contacts

Fund related queries	Operations related queries
Sai Manohar – Director Finance & Investments manohar@pavestone.vc Mo: +91-9000005511	Radhakrishnan/Rajkumar, CAMS pavestone@camsonline.com Contact: 044-6109 2310/ 044 2843 2310

DISCLAIMER

The information set forth in this report is confidential. It includes proprietary commercial/ financial information of the Pavestone Technology Fund (the "Fund"), and the Fund's portfolio companies (hereinafter referred to as "Confidential Information"). This Confidential Information is provided with the understanding that each recipient will maintain strict confidentiality of the information and will not disclose or reproduce any portion of the information contained in this report without the prior written consent of the Fund. The part of the Confidential Information that relates to portfolio companies is subject to confidentiality agreements ("Confidentiality Agreements") between the Fund and the portfolio companies. In receiving the Confidential Information, the recipient agrees to be bound by the obligations of confidentiality as covered in the Contribution Agreement signed between the Fund and the recipient as well as the Confidentiality Agreements signed between the Fund and its portfolio companies of the Fund, together with all stipulations contained therein. Data on economic and tech spend is informational only and does not in any way construe as advise or guidance.

CACTUS VENTURE PARTNERS

Cactus Partners Fund I

Quarterly Investor Report #7

January-March 2024

CONFIDENTIALITY NOTICE

This report has been prepared solely for review by Limited Partners/Investors of the Cactus Partners Fund I LP (the "Fund") and is private and confidential. This report contains highly confidential, proprietary information and trade secrets that are commercially sensitive and of independent, economic value to the Fund and its General Partners and, with respect to information obtained from any of the Fund's portfolio investments. By accepting this report, the Limited Partner recipient hereby acknowledges that disclosure of any information contained in this report would cause substantial, irreparable harm to the Fund, its Investment Manager and, as applicable, its portfolio companies. By accepting this report, the recipient agrees to keep strictly confidential all the contents of this report and to not distribute or disclose any information contained herein to any person or entity (except as required by law or with the express written consent of the Investment Manager of the Fund) and to not use the information in any way detrimental to the Fund or any of its affiliates. Except as expressly set forth above, any reproduction or distribution of this report, or any information contained herein, in whole or in part, is prohibited.

FROM THE FUND MANAGER'S DESK

Dear Investor,

Following Fund I's Final Close on 31 December 2023, much of the team's focus during the JFM'24 quarter has been on identifying investment opportunities to deploy the committed capital and strengthen systems and processes. Sharing below a summary of the important updates:

We successfully completed all necessary regulatory compliances related to the fund's final closing and year-end activities well within deadlines, including a comprehensive asset valuation process of the portfolio by Kroll. In April, we launched our investor portal (http://www.quantiumportal.com/cactuspartners/), providing greater ease and security of communications, and serving as a centralized repository for fund-related information and your investments with Cactus Partners Fund I. Over the current quarter we are making the portal more complete with essential data on portfolio and valuation.

On the investment side,

- We participated in a follow-on round in our portfolio company, Lohum. The funds raised will support Lohum's expansion into new markets and scaling of recycling operations in India. More details are available in the **Media Section** of our report.

- In line with our thesis of backing the "picks and shovels" makers in the EV "gold rush", we recently (May 2024) signed definitive agreements to invest in Indigrid Technology (Project EV), which is a manufacturer of electric vehicle powertrain products, and provider of Electronic Design and Manufacturing (ESDM) services.

- We signed a term sheet to invest in, and due diligence has commenced for, Project Factory, an industrial IOT startup offering digital backbone services to drive industrial operational efficiency, decision intelligence, and next-generation automation.

In addition, we have evaluated opportunities in an AI fintech company and a remote ICU monitoring physician and nursing platform, underscoring our commitment to exploring innovative businesses. More details on Project Factory and other deals in the pipeline can be found in the **Pipeline Section** of our report.

On the portfolio side, based on the recently concluded valuation exercise by Kroll, the current portfolio is valued at an MOIC of 1.7x (INR) / 1.6x (USD) and IRR of 41% (INR) / 36% (USD). More details can be found **here**. Lohum, Kapture, and AMPM continue to perform well, while Vitraya is making steady progress. Auric is performing below expectations and requires additional funding to achieve its growth and profitability targets. The **Portfolio Section** presents an executive summary of our portfolio company's performance along with company-wise detailed performance updates.

FROM THE FUND MANAGER'S DESK

Market Outlook: The investing environment remains favourable, with promising companies entering the market. Notably, the Indian startup ecosystem has attracted over USD 2 Bn in funding during the first quarter of 2024 and has welcomed two new unicorns. India's macro fundamentals remain robust, with projections of becoming the third-largest and an upper-middle-income economy by FYMar30 / FYMar31, and a projected ~7% growth rate for FYMar25 and FYMar26. We present an overview of the venture market during 2023 in the **Macroeconomic/Markets Section**.

Upcoming Events: We look forward to hosting you at our Inaugural Annual Investors Meet on September 19, 2024, in Mumbai. Meeting invitations will be sent out in the week of 21 May 2024. We request you to kindly block your calendars for the same. If you require assistance with international travel arrangements or visas, please do let us know.

In our next quarterly report, we expect to share updates on the following:

- Potential issuance of one more term sheet
- Conclusion of Project Factory
- Progress in AMPM/Auric fundraising efforts.
- Continued engagement with founders to drive portfolio company growth.

As always, we look forward to your feedback and suggestions on how we can make this quarterly report more insightful.

Warm regards,
Anurag Goel | Amit Sharma | Rajeev Kalambi

The GP Team at Cactus Venture Partners

Cactus Partners Fund I Summary (1/2)

Address	Unit 2106, One Lodha Place, Senapati Bapat Marg, Lower Parel, Mumbai 400013				
Website	www.cactusvp.com				
Bankers	HSBC	**Trustee**	Beacon Trusteeship	**Legal Counsel**	Trilegal / Goodwin Procter
Administrators (India)	Ascent Group	**Auditors**	EY	**Tax (India)**	PWC
Administrators (Mauritius)	Apex Group	**Valuation**	Kroll (Duff & Phelps)	**Tax (USA)**	FTI Consulting
Total Commitments / Fund Size	INR 6.32 Bn / ~USD 77 Mn				
% Drawn	31.5%	**Capital Invested**	INR 1,394 Mn* / ~USD 17 Mn *	**# Investments**	6 *
				# Exits	1
Investment Period	3 years from 31 Dec 2023		**Fund Term**	8 years from 31 Dec 2023 (extendable by 1+1 years)	
Fees Structure	1.5% during investment period 1.0% on unreturned capital 20% Carry after Hurdle		**Geographical Focus**	India	
Fund Structure	Cactus Partners Fund I is an India domiciled, SEBI registered Category II Fund ("CVP" or "Fund") with a Feeder Fund in Mauritius, structured as a Corporation under the Laws of Mauritius to pool overseas investments.				
Fund's Investment Objective and Strategy	Fund I is an India-focused venture capital fund investing in early-growth clean tech, health tech, and B2B SaaS, leveraging favorable technology trends, attractive consumer demographics, and start-up eco-system evolution. CVP is an early-growth investor and will make 13-15, high-conviction, investments at the Series A and Series B fundraising stages, in companies that have established Product-Market Fit (PMF), by backing high-quality entrepreneurs who are category creators and/or have demonstrated exceptional execution capabilities and financial discipline. CVP intends to actively engage with its portfolio by leading its deals, taking Board seats, and helping founders scale supported by our Growth Acceleration Playbook (GAP) comprising the following 4 business-building levers: • Technology scale-up, • Organization building, • Marketing and branding, • International expansion.				
Investment Manager	Cactus Venture Partners LLP				

Note: INR 83/USD

**Includes investment in Rubix Data Sciences, which was exited in March 2023*

Cactus Partners Fund I Summary (2/2)

Particulars (as on 31st March 2024)	Amount in USD Mn (@ INR 83 / USD)	Amount in INR Mn
Fund Size	~77	6,325
Total Drawdown	~24	1,990
Total Amount Invested	~17	1,394
Investments made as % of Fund Corpus	~22%	~22%
Portfolio Value of Investments*	~27	2,195
Total Value (including cash-in-hand)	~32	2,648
MOIC / IRR	1.6x / 36%	1.7x / 41%
TVPI / DPI / RVPI	1.36x / 0.03x / 1.33x	

Note: INR 83/USD

* *Based on portfolio valuation as of March 31, 2024, conducted by Kroll*

Macroeconomic/Market Overview

Back to the Future!

While the Indian VC ecosystem celebrates surpassing 10,000 deals (with an actual count of 10,209 deals) in Q1CY2024 [1], this cheer is tempered by the subdued deal count of 214 (down 6.5%) and value of investments at ~USD 2 Bn+ (down 33%), the lowest funding in Q1 in the past seven years.

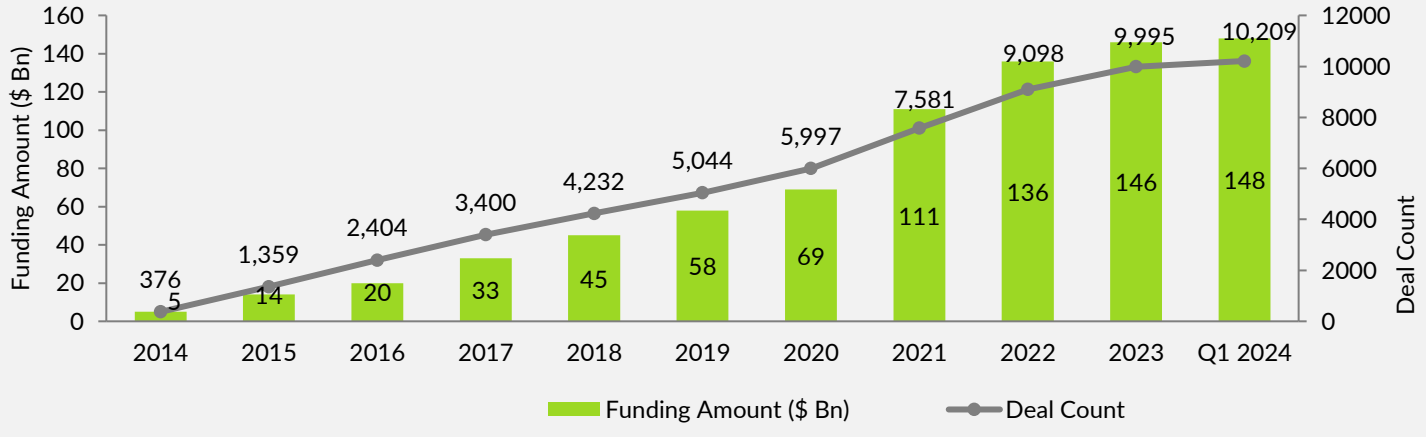


Figure 1 - Source: Indian Tech Startup Funding Report, Inc42

There were only three large deals (investments greater than USD 100 Mn) in the quarter as compared to seven in the corresponding quarter of the previous year and M&A deals at 15 were less than half the number logged (35) over the same comparable period. The only saving grace was the median ticket size of deals which, at USD 3.7 Mn, grew over the previous two quarters to almost touch historic highs of USD 4 Mn following a decline over the preceding three quarters.

The Indian startup ecosystem has now witnessed investments of ~USD 3 Bn or less over the previous seven quarters despite the benign macroeconomic environment begging the question – *is this the new normal?*

The four years prior to the outlier 2021 witnessed an average of ~USD 12 Bn+ per annum in venture funding. The previous seven quarters have seen an average quarterly funding of USD 2.5 Bn, which if annualized indicates funding of ~USD 10 Bn+ or a somewhat reversion to the historical mean.

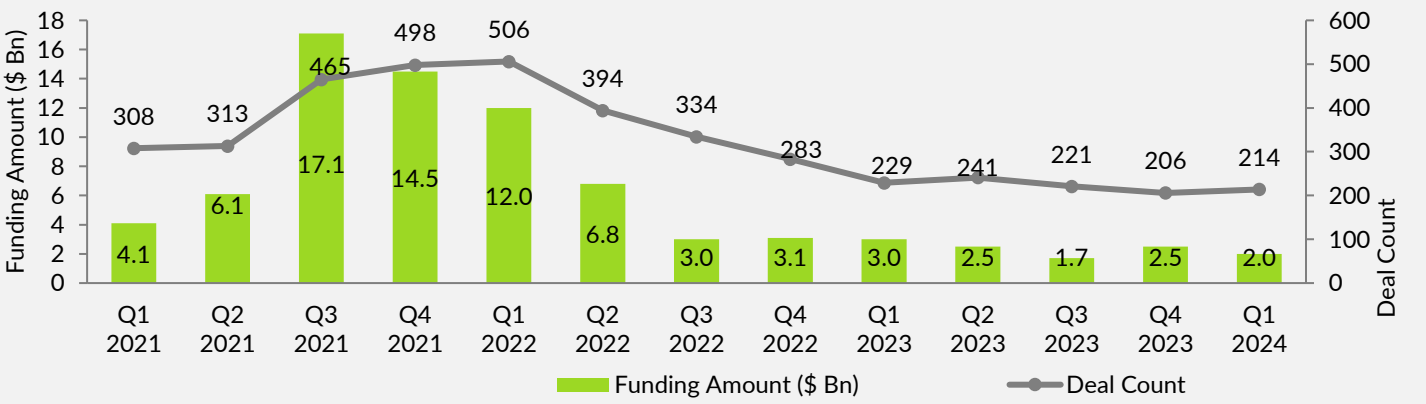


Figure 2 - Source: Indian Tech Startup Funding Report, Inc42

Macroeconomic/Market Overview

A similar reversion seems to be playing out with the Indian economy – Morgan Stanley believes that India's recent "fastest among large economic nations" growth bears a stark resemblance to the investment-driven growth last witnessed between 2003 and 2007 [7]. The investment bank expects India's investment-to-GDP ratio, which rose from 27% in 2003 to 39% in 2008 and stayed at those levels till 2011 but declined thereafter till 2021 and has now resurged to 34%, to further grow to about 36% by 2027.

Run for the Exits!

While funding has overall been tepid, 2023 was an outstanding year for PE-VC exits (if we disregard 2021 as the outlier), which surged to USD 29 Bn as per Bain's estimates [2] driven by IPOs that were supported by buoyant primary capital markets. (Refer our note on IPO trends in Edition #6 for a glimpse of a line-up of venture funded startups waiting to launch their IPOs). Given that PE-VC DPI in the exit-starved Indian ecosystem has been low historically, this was a much welcome purveyor of the role of capital markets as a channel for exits – with 56 companies planning IPOs totalling ~USD 8.4 Bn in fiscal 2024 [3], [4] – compensating for the lack of participation by M&As.

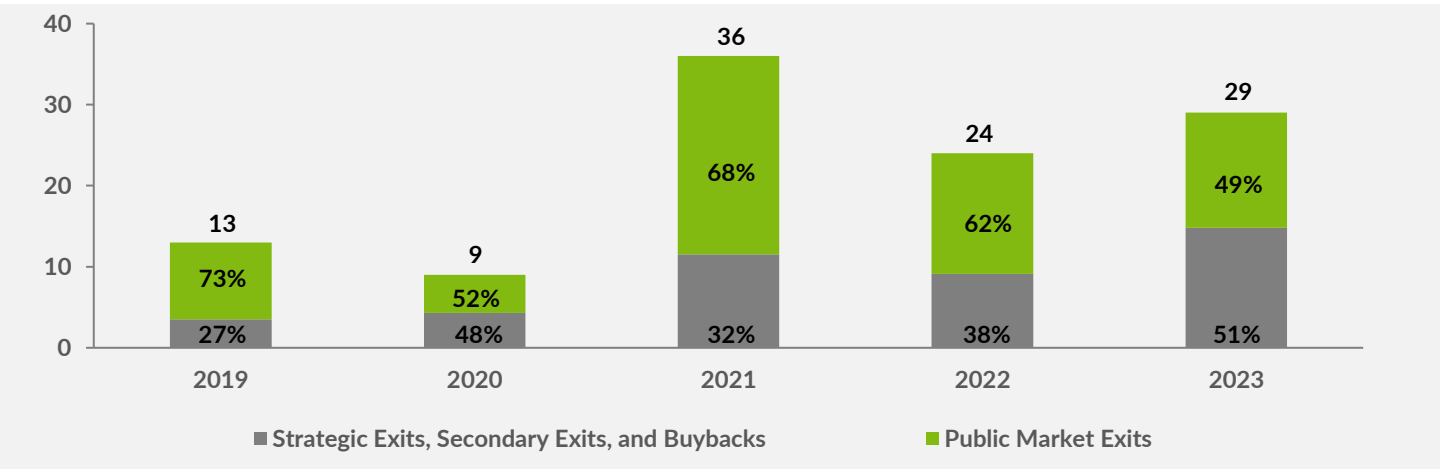


Figure 3 - Source: India PE Report 2024, Bain & Company

We see two trends emanating from the current capital market buoyancy, which is likely to sustain given the emergence of retail investors who have been investing in mutual funds (or Domestic Institutional Investors (DIIs)) via monthly Systematic Investment Plans (SIPs) thereby leading to DIIs recently overtaking Foreign Institutional Investors (FIIs) as the largest investor segment:

1. PE-VC funded companies are targeting to go IPO on the main board earlier in their growth journeys – formerly companies would target revenues of ~USD 100 Mn with a 3-year track record of Profit-After-Tax (PAT) profitability but we are increasingly hearing of founders seeking to launch their IPOs at a revenue scale of ~USD 60 Mn even if they are not EBITDA profitable.
2. Smaller companies are tapping the Small and Medium Enterprises targeted SME IPO bourses, which have received a lifeline from specialized capital markets investors and overenthusiastic retail investors [5].

VC Funds have also been evaluating secondary exit opportunities actively via sales to late-stage funds [6] and to focused secondary funds (Chiratae sold stakes from a clutch of its portfolio companies to Madison Capital India). We see the trend of secondary stake sales as an exit channel growing significantly in the years to come.

Policy Continuity is The Mantra

India's leading credit rating agency Crisil estimates that India is likely to grow at 6.8% in FYMar25, and at a projected average growth of 6.7% per year, will likely become the 3rd largest economy with a GDP of USD6.7 Tn and will get elevated to the upper-middle-income category with per-capital income of USD 4,500 by FYMar2031 [8].

With India going to polls in May 2024, it is imperative that the government that gets voted in continues with the policy of fiscal, economic and legal reforms for India to accomplish this objective. Internationally, over 2 billion people will be voting across 50 countries to select their new governments during 2024. India will also need to count on benign geopolitics and walk the tightrope of domestic and international expectations in a measured way to achieve this target [9].

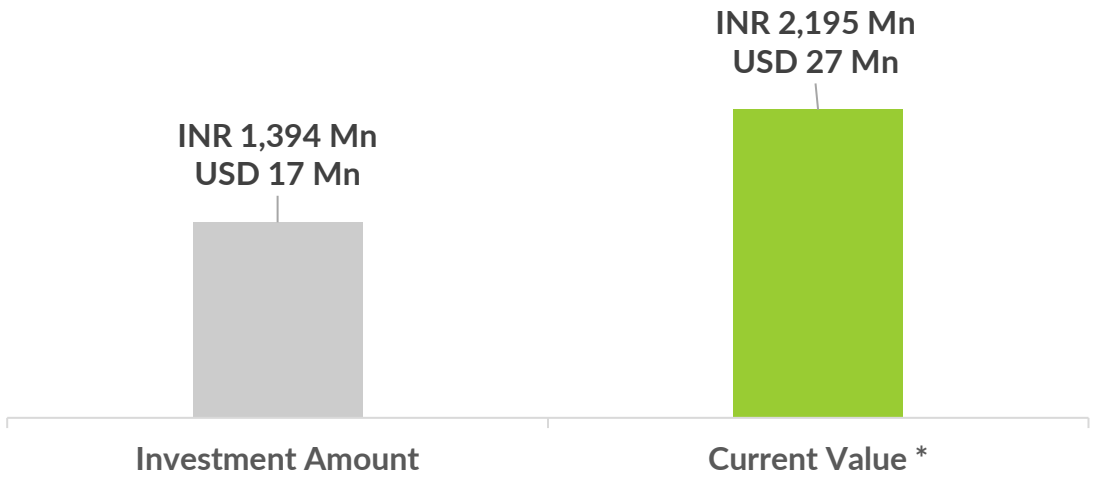
References:

1. Inc42 Indian Tech Startup Funding Report Q1 2024 (page 6)
2. India PE Report 2024, Bain & Company
3. India Inc set to raise over Rs 1 lakh crore via IPOs in FY25
4. IPO Rush: Debutant count reached 16-year high in FY24
5. Record number of small, medium-sized firms going public in India this year
6. VCs looking for partial exits, investors eyeing IPO-bound firms push up secondary deals
7. India's economy expansion now a flashback of the mid-2000s' boom cycle
8. India's GDP to grow at 6.8% in FY'25, economy set to double to $7 trillion by 2031: Crisil Ratings
9. The giant has arrived: India's rise as a global power creates a tightrope of domestic and international aspects

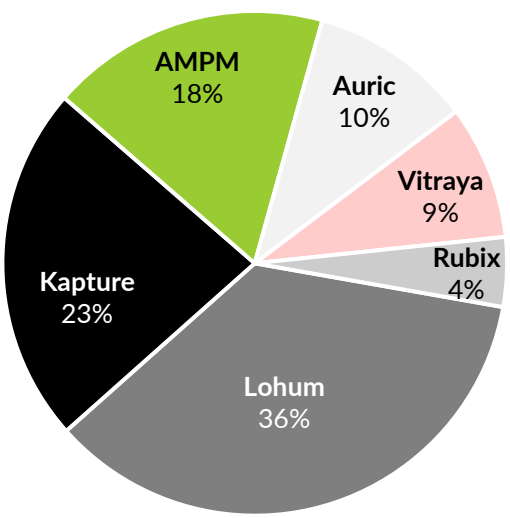
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Portfolio Overview (1/2)

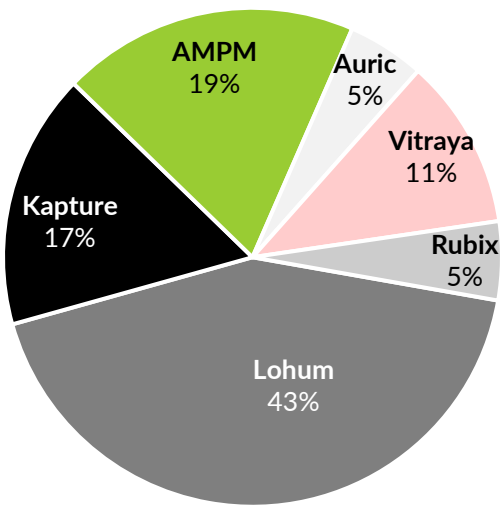
Portfolio Overview



Investment Amount as a %



Current Value as a %



* *Based on portfolio valuation as of March 31, 2024, conducted by Kroll*

Note: INR 83/USD

Portfolio Overview (2/2)

Company	Sector	Investment Cost (INR/USD) Mn	MOIC (INR/USD) X	Valuation Basis
LOHUM	Clean Tech	497 / 6.2	2.0 / 1.9	Recent Priced Fundraise
VITRAYA	Health Tech	120 / 1.5	2.1 / 2.0	Third-party Valuer*
kapture	B2B SaaS	320 / 3.9	1.2 / 1.2	Recent Priced Fundraise
AMAM	Consumer	250 / 3.3	1.8 / 1.6	Third-party Valuer*
AURIC	Consumer	145 / 1.9	0.8 / 0.8	Third-party Valuer*

* *Based on annual valuation as of March 31, 2024, conducted by Kroll*

Note: INR 83/USD

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Portfolio Performance

Investments Are Demonstrating Robust Growth

		At the Time of Investment		As on 31st March 2024		Revenue CAGR
Portfolio Company	Months since Investment	Quarterly Revenue (INR / USD) Mn	Gross Margin	Quarterly Revenue (INR / USD) Mn	Gross Margin	
LOHUM	24	256 / 3.1	28%	1,607 / 19.4	33%	147%
VITRAYA	37	Pre-Revenue	NA	26 / 0.3	90%+	NA*
kapture	9	81 / 1.0	70%	110 / 1.3	81%	50%
AMQM	37	35 / 0.4	64%	147 / 1.8	77%	60%
AURIC	36	19 / 0.23	67%	54 / 1.1	45%	42%

Note: INR 83/USD

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Portfolio Performance Commentary

Portfolio Company	Summary
LOHUM	• In FY24, achieved INR 5.4 Bn (USD 64.5 Mn) in revenue (75% of forecast, 73% YoY growth). Q4FY24 revenue: INR 1.6 Bn (~USD 19.4 Mn) with new production capacities. • FY24 EBITDA: INR 992 Mn (USD 12 Mn), 19% of revenue. FY25 revenue target: INR 11 Bn (USD 134 Mn) with 19% EBITDA. • Commissioned full recycling plants by FY24 end, capturing market share in 2W & 4W OEMs. • Expanding internationally through JVs and subsidiaries in the US and the EU, expecting revenue growth from FY25 onwards.
VITRAYA	• Achieved INR 39 Mn (USD 470K) in revenue, meeting 40% of forecast in FY24. Q4FY24 revenues reached INR 15 Mn (USD 181K), growing 180% YoY. • FY24 burn was INR 96 Mn (USD 1.2 Mn), mainly from employee expenses (70% of total spending). • For FY25, targets revenues of INR 287 Mn (USD 3.5 Mn) with a 48% EBITDA margin. • Significant revenue growth in FY24 after onboarding another insurer. Auto adjudication of insurance claims increased by 17x in volume and 8x in value YoY, serving as a key revenue driver with full-scale pilot implementations underway.
kapture	• In FY24, achieved INR 409 Mn (USD 4.9 Mn) in revenue (67% of forecast, YoY growth of 34%). Q4FY24 revenues were INR 110 Mn (USD 1.3 Mn) with an exit ARR of 1.4x compared to FY23. • FY24 burn totaled INR 219 Mn (USD 2.6 Mn), representing -54% of revenue, primarily due to expanding the team and hiring senior positions in India and internationally (72% of total spending). • Projects INR 613 Mn (USD 7.4 Mn) in revenue with a 27% EBITDA burn for FY25. • Despite delayed account closures and stretched sales cycles, Kapture exits FY24 with a strong sales pipeline and a bundled Gen AI product, positioning for substantial growth in FY25.
AMAM	• Achieved INR 413 Mn (USD 4.9 Mn), meeting mid-year revised projections with a YoY growth of 56% in FY24. Q4FY24 revenues were INR 147 Mn (USD 1.7 Mn). • EBITDA for FY24 was INR 36 Mn (USD 434K), with a margin of 9%. • For FY25, projects revenues of INR 521 Mn (USD 6.3 Mn) with a 10% EBITDA margin. • Successfully established its brand across GCC, reducing average discounts to 7% in FY24 from 14% in FY23 whilst maintaining growth. Poised for the next phase of growth with a fundraise planned to launch stores in India and the Middle East and expand online channels.
AURIC	• In FY24, achieved INR 190 Mn (USD 2.3 Mn) in revenues (12% above budget, YoY growth of 17%). Q4FY24 revenues were INR 55 Mn (USD 663K), up 42% YoY. • FY24 burn was INR 77 Mn (USD 927K), 47% of revenue, driven by marketing expenses for repositioning the business. • Revenue forecast of INR 332 Mn (USD 3 Mn) with a 30% burn in FY25. • Improved profitability by reducing quarterly losses from INR 20 Mn (USD 241K) in Q1FY24 to INR 1.2 Mn (USD 14K) in Q4FY24. Expanded their product portfolio and entered international markets like the US & Middle East, focusing on ecommerce and exports for sales growth.

Back to Fund Manager's desk

Portfolio Company Overview

LOHUM

Vision	Founders	Location
To develop technology that maximizes and advances circular economy of lithium-ion battery manufacturing, reuse and recycling	Rajat Verma	Greater Noida, UP

Deal Specifics

Sourcing	Proprietary (in-network)	
Co-investors	Ventureast, Baring, Singularity	
Board / Observer seats	1 (Observer)	
	INR	**USD**
Total commitment (Mn)	497	6.2
Series A Jan 2022 (Mn)	78	1.1
Series A1 Apr 2022 (Mn)	75	1.0
Series B1 May 2023 (Mn)	301	3.6
Secondary Nov 2023 (Mn)	23	0.3
Series B2 Jan 2024 (Mn)	20	0.2

Investment Performance

As on 31st March 2024	**INR**	**USD**
Investment Cost (Mn)	497	6.2
Investment Value (Mn)*	992	11.9
MOIC (x)*	2.0x	1.9x
Stake (%)*	2.9%	

* Based on valuation as on 31st March 2024

Financial Performance

INR Mn	**FY ended March 31st**			
	2022A	**2023A**	**2024A**	**2025E**
Revenues	1,064	3,100	5,354	11,112
Growth (%)	340%	191%	73%	108%
GM%	28%	34%	34%	34%
EBITDA	161	591	992	2,158
Margin (%)	15%	19%	19%	19%

A = Actual; P = Provisional; E = Estimate; YTD = Year to Date

Capitalization Table

Investor	**Share**
Founder	38.5%
Cactus Venture Partners	2.9%
Baring PE India	15.5%
Ventureast	2.8%
ESOP	12.0%
Others	28.3%

Business Update

- Lohum achieved INR 1,607 Mn (~USD 19.4 Mn) in Q4FY24, grew 26% QoQ and 51% YoY.
- Full scale recycling plants commissioned in Q4FY24 for materials like Lithium, Nickel, Cobalt, ACF.
- Lohum captured a 93% market share in 4W OEMs (Tata, Mahindra, Stellantis won in Q4FY24) & 85% market share in 2W OEMs segment.
- JV in the Middle East expected to commence in Q1FY25, subsidiaries in the US and Europe underway and strategic options being explored to setup operations (revenue offtake expected in FY25 & FY26).
- Senior leadership and mid management teams set in place with key hires in critical functions like R&D, Finance, Production, Corporate Development and IT.

CVP Value add

- Assistance in hiring key leadership positions and organisational design support.

Portfolio Company Update

VITRAYA

Vision	Founders	Location
To bridge the trust deficit between insurance provider and payer through frictionless claims settlement by leveraging block-chain technology	• Mrinal Sinha • Ankur Shrivastava	Mohali, Punjab

Deal Specifics

Sourcing	Proprietary (in-network)	
Co-investors	Season Two Capital, StartupXseed, Xceedance	
Board seats	1	
	INR	**USD**
Total commitment (Mn)	120	1.5
Warehoused & Bridge (Mn)	43	0.6
Series A2 Jan 23 (Mn)	77	0.9

Investment Performance

As on 31st March 2024	**INR**	**USD**
Investment Cost (Mn)	120	1.5
Investment Value (Mn)*	257	3.1
MOIC (x)*	2.1x	2.0x
Stake (%)*	8.6%	

* Based on valuation as on 31st March 2024

Financial Performance

INR Mn	**FY ended March 31st**			
	2022A	**2023A**	**2024A**	**2025E**
Revenues	4	50	39	287
Growth (%)	NM	1,152%	-22%	636%
EBITDA	-70	-68	-96	138
Margin (%)	-1,750%	-136%	-247%	48%

A = Actual; P = Provisional; E = Estimate; YTD = Year to Date

Capitalization Table

Investor	**Share**
Founders	51.8%
Cactus Venture Partners	8.6%
StartupXseed	4.9%
Season Two Ventures	9.9%
Mankind Pharma Family Office	3.9%
Xceedance	1.5%
ESOP	8.0%
Others	11.4%

Business Update

- Revenues are seeing strong traction as Vitraya achieved INR 15 Mn (USD 181K) in Q4FY24 and grew 49% QoQ and 52% YoY.
- Key milestones in Q4FY24 include the successful launch with Aditya Birla Health Insurance and the forthcoming partnership with Bajaj Allianz (expected to launch in April 2024).
- Vitraya is actively pursuing international expansion efforts in the US and the Middle East, with an anticipated partnership with a leading insurer from Dubai in Q1FY25.
- Vitraya auto adjudicated ~17K insurance claims in Q4FY24 worth INR 790 Mn (growth of 51% from the previous quarter) and onboarded 1,571 hospitals (to bring the total to 7,694 hospitals signed up on their platform).

CVP Value add

- Introductions made in support of their US expansion strategy.
- Hiring and organisational design support.

Portfolio Company Overview

Vision	Founders	Location
To develop technology that maximizes and advances circular economy of lithium-ion battery manufacturing, reuse and recycling	Sheshgiri Kamath Vikas Garg	Bengaluru, Karnataka

Deal Specifics

Sourcing	Proprietary (in-network)	
Board seats	1	
	INR	**USD**
Total commitment (Mn)	320	3.9
Series A Jul 2023 (Mn)	320	3.9

Investment Performance

As on 31st March 2024	**INR**	**USD**
Investment Cost (Mn)	320	3.9
Investment Value (Mn)*	380	4.6
MOIC (x)*	1.2x	1.2x
Stake (%)*	9.0%	

* Based on valuation as on 31st March 2024

Financial Performance

INR Mn	**FY ended March 31st**			
	2022A	**2023A**	**2024A**	**2025E**
Revenues	213	306	409	613
Growth (%)	83%	44%	34%	50%
GM%	85%	74%	69%	78%
EBITDA	44	14	-219	-165
Margin (%)	21%	5%	-54%	-27%

A = Actual; P = Provisional; E = Estimate; YTD = Year to Date

Capitalization Table

Investor	**Share**
Founders	67.2%
Angel Investors	9.2%
Cactus Venture Partners	9.0%
ESOP	7.6%
India Alternatives	7.5%

Business Update

- Kapture achieved INR 110 Mn (USD 1.3 Mn) in Q4FY24 and grew 36% YoY.
- Secured major accounts both locally and globally, including prominent names in the BFSI sector, an Indian payment bank, a leading e-commerce marketplace, ME Road & Transport Authority, and a caller ID identification firm, among others. Kapture anticipates a robust pipeline for forthcoming quarters.
- Expanded to a team of 310 (vs 237 in Apr-24) with key management hires like Chief Revenue Officer, Chief Technology Officer, etc.
- Kapture has bundled Gen AI to its core capabilities to add significant value to its suite of products. The team is continuously running pilots with existing customers expanding their annual contract size.

CVP Value add

- Organisational Design Support - Collaborated with the leadership team to discuss updates and set expectations for future initiatives.

Portfolio Company Overview

Vision	Founders	Location
Building a global luxury lifestyle brand with an 'artful, understated and modern' Indian aesthetic.	• Priyanka Modi • Ankur Modi • Anirudh Birla	New Delhi, Delhi

Deal Specifics

Sourcing	Proprietary (in-network)	
Co-investors	Various angels	
Board seats	2	
	INR	**USD**
Total commitment (Mn)	250	3.3
Series A Jan 21, May 21 (Mn)	180	2.5
Series A1 Tranche 1 Oct 22 (Mn)	50	0.6
Series A1 Tranche 2 Mar 23 (Mn)	20	0.2

Investment Performance

As on 31st March 2024	**INR**	**USD**
Investment Cost (Mn)	250	3.3
Investment Value (Mn)*	446	5.4
MOIC (x)*	1.8x	1.6x
Stake (%)*	30.6%	

* Based on valuation as on 31st March 2024

Financial Performance

INR Mn	**FY ended March 31st**			
	2022A	**2023A**	**2024A**	**2025A**
Revenues	128	265	413	521
Growth (%)	-3%	107%	56%	26%
GM%	59%	74%	80%	78%
EBITDA	-3	8	36	52
Margin (%)	-2%	3%	9%	10%

A = Actual; P = Provisional; E = Estimate; YTD = Year to Date

Capitalization Table

Investor	**Share**
Founders	68.5%
Cactus Venture Partners	30.6%
Others	0.9%

Business Update

- AMPM achieved its strongest quarter yet in Q4FY24, generating INR 147 Mn (USD 1.7 Mn) in revenue — a 40% increase from the previous quarter and a 54% rise year-over-year.
- The Middle East emerged as a key market for AMPM, contributing 45% of the FY24 revenue (INR 200 Mn) through successful trunk/pop-up shows.
- AMPM's luxury appeal attracted a notable clientele, including the Chairman of Tata Kirloskar, executives from TVS Motors, Abu Dhabi royalty, senior PwC leaders, and other esteemed individuals.

CVP Value add

- Assistance in planning fundraising and introduction to investment bankers.

Portfolio Company Overview

Vision	Founders	Location
To reposition Ayurveda for mass consumption by changing traditional formulations to better tasting products	Deepak Agarwal	New Delhi, Delhi

Deal Specifics

Sourcing	Proprietary (in-network)	
Co-investors	9 Unicorns, Venture Catalysts	
Board seats	1	
	INR	**USD**
Total commitment (Mn)	145	1.9
Pre-Series A Jul 21 (Mn)	65	0.9
Series A Mar 23 (Mn)	80	1.0

Investment Performance

As on 31st March 2024	**INR**	**USD**
Investment Cost (Mn)	145	1.9
Investment Value (Mn) *	116	1.4
MOIC (x)*	0.8x	0.8x
Stake (%)*	15.9%	

* Based on valuation as on 31st March 2024

Financial Performance

INR Mn	**FY ended March 31st**			
	2022A	**2023A**	**2024A**	**2025E**
Revenues	178	163	190	332
Growth (%)	242%	-8%	17%	75%
GM%	58%	49%	43%	47%
EBITDA	-103	-112	-77	-103
Margin (%)	-58%	-69%	-41%	-31%

Capitalization Table

Investor	**Share**
Founders	57.5%
Cactus Venture Partners	15.9%
Venture Catalysts	8.8%
Force Ventures	1.6%
ESOP	7.5%
Others	8.7%

A = Actual; P = Provisional; E = Estimate; YTD = Year to Date

Business Update

- Auric achieved INR 55 Mn (~USD 663K) in Q4FY24, 42% growth YoY.
- EBITDA burn is significantly down to 34% (vs 63% in Q1FY24).
- Amazon contributes to 40% of the net sales followed by website with 30%. Auric hit break even in Amazon in Mar-24.
- Launched Baked Noodles and Flavoured Nuts (cashews & almonds) as a part of their food portfolio.
- Auric successfully entered the Middle East market through leading online retail platforms and select restaurants and launched in the US via its dedicated US website, expanding global presence.

CVP Value add

- Contributed to strategising the expansion into the US market.
- Assistance in fundraise and introduction to potential investors.

Deal Pipeline Activity

Pipeline Funnel

Deal Stage	Dec 2020 – Mar 2024	Oct – Dec 2023	Jan – Mar 2024
Received	1509	127	132
Rejected Post Initial Screening	838	67	62
Rejected Post Founder Discussion*	486	54	61
Rejected Post Evaluation	103	5	7
Rejected in IC meeting	20	1	4
Deals Completed	6	0	0
Term Sheet Stage (ongoing DD)	1	0	1

* Includes Deals Put on Future Tracking Post Founder Discussion

Opportunities Under Diligence

Pipeline Company	Sector / Focus	Deal Description and Rationale	Investment amount (USD Mn)
Project EV (Term Sheet)	**Auto Components**	• Innovative and cost-effective auto components for EVs. • Good early traction, favorable unit economics, EBITDA profitable. • Seasoned founding team with strong domain experience and operating track record.	5.0
Project Connected ICU	**Medical IoT – Smart ICUs**	• Provider of a full stack product and services suite for converting ICUs at smaller, remote hospitals into connected, smart ICUs. • Present across 1200 beds at 206 hospitals in India, having treated 91,000 patients through 630,000 interventions. • Intend to launch in international markets by next year. • Founders have successfully created a similar offering to large US hospital chains previously.	2.0
Project Factory (Term Sheet)	**Industrial Optimization**	• Customized Industrial IoT suite for factory automation • Positive customer feedback; visible and quantifiable cost savings • Good customer traction and strong unit economics • Strong founding team with good educational pedigree and relevant operating experience	2.0
Project Evo	**Auto Components**	• Intelligent and Energy-efficient Auto components for Electric Vehicles • Tech stack well established; impressive early traction with favorable unit economics and order book • Strong founding team with good educational pedigree, domain experience, and execution skills	3.0
Project STP	**AI for BFSI**	• Full Stack tech solutions capable of automating post-trade operations in large financial institutions • Good early traction, strong unit economics, EBITDA positive • Strong founding team with significant domain experience and operating track record	3.0

Back to Fund Manager's desk

In the Media

Lohum raises USD 23 Mn



- Our portfolio company, Lohum, secured a USD 23 Mn in a Series B funding. The round saw funding from Barings Private Equity, Stride Ventures, Singularity Growth and select HNIs, among others.
- The firm will use the funds raised for market expansion in North America, Europe, West Asia, Africa, and Asia, besides scaling up recycling operations in India.

Kapture CX appoints a new Chief Revenue Officer (CRO)



- Kapture CX has named Gaurav Juneja as its new Chief Revenue Officer (CRO). With 15+ years of experience, including roles at Google and as co-founder of StarQuik (acquired by TATA Trent), Juneja brings expertise in revenue growth and client relations.
- At Kapture, he will lead global growth strategies, focusing on market expansion and optimizing customer experiences. This appointment underscores Kapture's commitment to strategic growth under Juneja's leadership.

Lohum receives the FICCI Circular Economy Award 2024



- Lohum was a winner at the FICCI India Circular Economy Award 2024 (ICEA) in the 'Circular Business Models - Matured' category.
- Lohum was honoured for its closed-loop battery waste management and recycled energy transition material regeneration model.

AM to PM with Zeenat Aman



- In AM to PM, an ongoing series of immersive films produced by AMPM, the legendary Bollywood actress Zeenat Aman was featured throughout a day, showcasing a stunning array of AMPM designs.
- To explore and shop the exquisite pieces worn by Zeenat, visit:

  Zeenat's Wardrobe Collection

Click on picture to read full article or view videos

Back to Fund Manager's desk

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THANK YOU

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CACTUS VENTURE PARTNERS

fireside ventures

INVESTOR QUARTERLY UPDATE



JAN-MAR 2024



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FROM THE FUND MANAGER'S DESK



Dear Investor,

We hope this note finds you well.

Indian economy has demonstrated resilience and continues to be on an upward trajectory. Resultantly, in April 2024, global rating agencies revised India's GDP growth for 2024 to 6.8%, from 6.1% in January 2024. Currently, as the 5th largest economy with a GDP of $3.7 trillion, India is expected to be the third largest economy in the world by 2025.

The funding environment of CY 2023 has resulted in a tectonic shift in the way businesses are being built. A number of businesses moved from 'growth at all cost' mindset to a profitable and sustainable business model. This was achieved through high degree of innovation across products/ services, the way it is delivered and the way it is discovered.

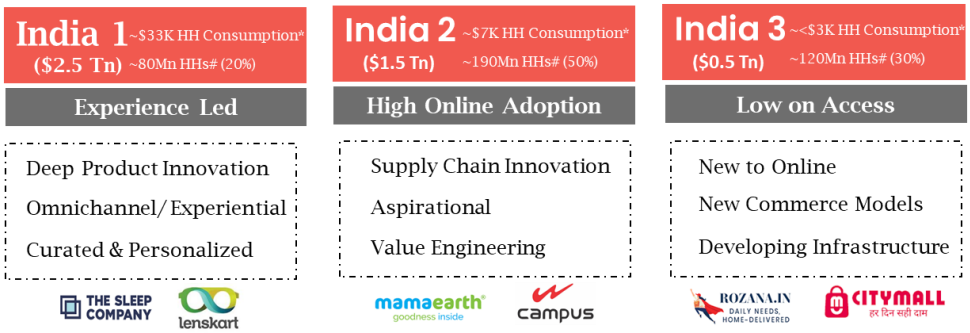
Consequently, Q1 CY 2024 saw early signs of an upsurge in investing, and we anticipate the capital inflow getting stronger in the later part of the year. CY 2023 saw total funding of USD 10Bn+ in Indian startups, out of which $2.6 Bn funding was in E-commerce companies (majority led by Consumer brands) – few big investments include, Lenskart, The Sleep Company, Mokobara, Traya, WoW Momo, etc.

GDP per capita, which is currently at $2,500 is expected to more than double to $5,500 by 2030. This surge in income is set to propel consumption in Indian households thereby unlocking a $4.5 trillion consumption opportunity.

With the evolving consumer and the large opportunity, there was a significant uptick in total GMV of e-commerce companies during the festive season in OND'23, which got stabilized in JFM'24 at INR 117K Cr., which implies a decline given majority of the spend happens during the festive season.

We see this Indian consumption opportunity being divided into 'The 3 India's' - comprising three distinct consumer segments, each characterized by varying levels of income & digital adoption. This diversity leads to wide range of consumption patterns, prompting need for tailored business strategies to cater unique preferences of each segment.

India at 2030



In line with above, Fireside has constructed comprehensive consumer research engine to identify focussed consumer themes and constructed over 15 sectoral theses in the past year.

Primary Consumer Research	Fireside Insights Engine	On-Field Visits	Proprietary Deals
Conducting thorough investigations across core sectors & demographics	Powerful data resources + our own proprietary insights engine powered by AI (in WIP)	Market visits across India 1,2,3	Deep founder network for early engagement
	Tracxn PrivateBlok Powerlaw		Strong proprietary deal flow

This robust research foundation has fuelled strong deal flow for Fund III, wherein we evaluated 2,200 deals in 2023, completing 13 transactions, with a promising pipeline for 2024.

Fireside Fund III

Summary of deals completed:



1. **Portfolio Investment:**
   - Currently, we have invested/ committed INR 478.2 Cr (USD 57.6 Mn).
   - The above invested/ committed amount includes - (i) 2 new investments (Hair care brand and Kids personal care) and (ii) a follow-on round in NewMe, which are at various stages of due diligence.
2. **Early Signs of Growth in Portfolio Cos.**
   - **~2X**[1] growth in ARR of Portfolio Cos. v. ARR at the time of term sheet signing.
   - Weighted average holding period in 13 Portfolio Cos. is **~6 months.**
   - **~50%** of the investible funds have been deployed/ reserved for follow-ons (second cheque).
3. **Bi-Annual Fund Valuation** – During the quarter Kroll completed its bi-annual external valuation exercise and following is the update:
   - **Current NAV** – INR 467.5 Cr (USD 56.3 Mn)
   - **MOIC** - 1.2X

Following transactions were concluded during the quarter:

Brand	Brief Description	Stage	Investment by Fireside
Iluvia	Rejuvenating the Salon industry - IP led	Pre-Series A	INR 28.9 Cr (USD 3.5 Mn)
Rozana	Assisted E-commerce for Rural India	Series A	INR 75.0 Cr (USD 9.0 Mn)

As part of our programmatic approach, INR 10-100 Cr program, Fireside is engaging with portfolio companies at an early stage and focussing on establishing building blocks of scalable business via:

Growth Vectors	Fireside Playbook	Selected Interventions
Product Market Fit	Achieving PMF via Consumer Insighting and new product innovation/ development.	**Sweet Karam Coffee** – Assisting in building consumer funnel (like, Consumer labs, etc.)
Go-to Market	Scale online sales through own website & marketplaces our proprietary D2C & Marketplace playbooks & ecosystem	**Inito** - D2C Funnel optimisation for consumer acquisition in USA
Brand Building	Brand Market Fit via functional differentiation / Celebrity playbooks, Brand tracks, etc.	**SKC, The Good Bug & Solethreads** - Strategize with consultants (already identified) on brand positioning.
Organization	Key hires in line with 12-18 months roadmap, & people practice evolution.	**NewMe** – Assisted in L1 hiring (including head of finance hiring).
Technology	Building data first organisations and integration of key tech solutions to enable a data driven DNA early in the company's journey	**Solethreads** – Assisted in setting up the website for scale.
ESG	Big 6 Statutory Audit, Key process SOPs for ensuring financial risk mitigation & the relevant tech and various policies to promote better workplace and sustainability.	• In the process of finalizing Big 6 auditors for all the portfolio Cos. • Implementing following policies – Code of Conduct in workplace, PoSH, Data privacy and Grievance redressal.

We are also pleased to welcome Ipsita Ghose (AVP, Finance) and Kapil Ahuja (AVP, Investor Relations), to the Fireside Team. Last but not the least, we would like to thank you for your participation in Fireside Annual Investor Conference held in March 2024 and making it a huge success.

Our best wishes

Regards
Team Fireside

[1] Excluding revenue of two portfolio Cos. (Rozana and Ripplr)

PORTFOLIO



UPDATE

Amaha

(Mindcrescent Wellness Ventures Pvt. Ltd.)

CURRENT

JFM 2024

Amaha witnessed strong growth momentum and basis JFM'24 quarter, has an annualized net run rate of INR 27.0 Cr (USD 3.2 Mn) which is a growth of 1.23X over the previous quarter on the back of improvements in retention. While the margins at CM2 level continue to improve, at 5% in JFM'24 vs (-11%) in OND'23, the company will focus on brand marketing which on a consolidated basis, will reduce the company's post marketing contribution margin. OPD and IPD continue to be the focus and the Company is actively working on expanding OPD across adults and children while also launching the first IPD in the next few quarters. The Company has established a training institute as part of grants offered by a family office to upskill clinicians and create a future pipeline. This will enable faster ramp-up. During the quarter, the Company raised additional funds of INR 17.5 Cr (out of which INR 2.1 Cr is expected to be received by one of the investor in the next quarter), as part of the second tranche to our round. Fireside invested INR 1.8 Cr to maintain its agreed stake.

The Company has a comfortable cash runway of >12 months at current level of operations.

PREVIOUS

OND 2023

Amaha started in 2014 with a vision to build India's first omni-channel mental health brand with a focus on moderate to heavy sufferers. Their full stack solution is built to capture light sufferers at top of the funnel and drive revenue from moderate to severe patients. The Company offers high-quality solution through an integrated care continuum ensuring lasting outcomes. Specializing across adult and children; the services are offered through offline centers & supplemented by self- care and teleconsultation services. Rising cases and awareness of mental health issues and existing fragmented ecosystem present a large opportunity for Amaha.

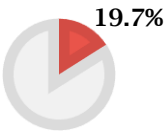
Amaha is founded by Dr Amt Malik and Neha Kirpal, who are leveraging their strong clinical background and marketing experience to build the Company. The Company has developed deep clinical pathways and programmatic approach of solution delivery to solve for specific mental health issues. D2C and OPD centres are the primary driver for sales. The Company is tracking net annualized revenue run rate of INR 21.9 Cr (~USD 2.6 Mn), basis OND'23 quarter. The Company has defined a ESG roadmap to focus on People first initiatives to create a strong impact on the society.

Fireside has invested INR 364.4 Cr (USD 4.4 Mn) in the Company for 20.7% stake. The Company is in the process of raising further funds as part of the same round, which is expected to be closed in the coming quarter.

The Company has a cash runway of >12 months at current level of operations.

AMAHA

INVESTMENT RECORD



(INR Mn)

Cost of Investment[2]	Last funding round Company Valuation	Net Asset Value[3]
382.6	1,938.9	382.6

CAPITAL TABLE[4]

	Equity	Series A,A1,A2,A3	Series A4	Total	Current Ownership	Fully Diluted
Founders	48,75,714	-	-	48,75,714	32.2%	30.8%
Option Pool	6,78,484	-	-	6,78,484	-	4.3%
Fireside Ventures	-	-	31,19,672	31,19,672	20.6%	19.7%
Other Investors	12,36,710	46,22,391	12,78,845	71,37,946	47.2%	45.1%
Total	**67,90,908**	**26,57,259**	**43,98,517**	**1,58,11,816**	**100.0%**	**100.0%**

FUNDING DETAILS

(INR Mn)

	Series A4 (Tranche 1 & 2)
	Dec. 2023 and Mar 2024
Pre-Money	1,400.0
Total Money Raised	539.3[4]
Post-Money	1,938.9
Fireside Ventures	382.6

COMPANY FINANCIALS

	OND 2023	JFM 2024
Net Revenue (INR Mn)	54.9	67.7
EBITDA (INR Mn)	-68.9	-72.6
Net Cash (INR Mn)	69.2	521.9
Head Count	271	275

[2] *Represents amount invested in the Company as at March 31, 2024.*

[3] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024 basis External Valuation from Kroll Advisory Private Limited (formerly, Duff and Phelps India Private Limited)*

[4] *Includes additional fund raise of INR 174.9 Mn, out of which INR 21.0 Mn is expected to be received in next quarter.*

Frubon

(Dev Milk Foods Pvt. Ltd.)

CURRENT

JFM 2024

Frubon had a strong quarter with an annualized net revenue run rate of ~INR 100 Cr (USD 12.5 M), basis JFM'24 quarter. The Company has been investing in ice-cream assets resulting in sequential growth from INR 1.25 Cr (Feb' 24) to INR 2.75 Cr (Mar'24) and now contributes ~ 17% of the revenue. It has signed up with Q-com players in NCR and consequently, Value Added Products are seeing increasing offtake in the NCR region. This has improved EBITDA margins to -8.71% (JFM'24) from -15.4% (OND'23). External marketing consultant (Ex head of Nutrition @ Hindustan Unilever) has been brought on board to define Frubon's Brand positioning and build the Brand and Marketing function at Frubon. The Company was also able to close a campaign Deal closed with one of the largest newspapers in Rajasthan. In building the value of good, Frubon has run awareness campaigns on vanaspati ice creams.

The Company has a cash runway of >12 months at current level of operations.

PREVIOUS

OND 2023

Frubon is a Rajasthan based dairy company that offers quality dairy & value-added dairy products such as lassi, chhaas, ice creams, flavoured milk, etc. Frubon promises the best quality products that initiates from their own milk sourcing that passes through 36 quality checks and using the best quality ingredients in the value-added products. Their ice cream is milk based, offers a range of products across price points & exciting parlour flavours such as chilly guava, cheeku, jamun.

Frubon founding team has a strong understanding of setting and running a dairy company, including specially procurement:

- **DD Verma, Managing Director** - 40 years of experience in dairy sector; Founder of Lotus Dairy Products
- **Rahul Verma, Sales and Finance** - Investment Banker with 12 years experience working in Nomura, Lehman Brothers;
- **Rohit Verma, Production and Procurement** - Worked at TCS with clients including McKinsey, Deutsche Bank, VSNL

The Company is tracking annualized net revenue run rate of INR 89.0 Cr (USD 10.7 Mn). The Company raised INR 64 Cr as part of its Series A round. This was led by Fireside - invested INR 30 Cr. for a 15% stake in the company.

The Company has a cash runway of >12 months at current level of operations.

FRUBON

INVESTMENT RECORD



(INR Mn)

Cost of Investment[5]	Last funding round Company Valuation	Net Asset Value[6]
300.0	2,000.0	300.0

CAPITAL TABLE

	Equity	Pre-Series A	Series A	Total	Current Ownership	Fully Diluted
Founders	1,85,994	-	-	1,85,994	64.6%	61.1%
Option Pool	16,780	-	-	16,780	-	5.5%
Fireside Ventures	10	-	45,690	45,700	15.9%	15.0%
Other Investors	1	38,012	18,050	56,063	19.5%	18.4%
Total	**2,02,785**	**38,012**	**63,740**	**3,04,537**	**100.0%**	**100.0%**

FUNDING DETAILS

(INR Mn)

	Series A
	Dec. 2023
Pre-Money	1,356.7
Total Money Raised	643.3
Post-Money	2,000.0
Fireside Ventures	300.0

COMPANY FINANCIALS

	OND 2023	JFM 2024
Net Revenue (INR Mn)	222.5	250.4
EBITDA (INR Mn)	-34.2	-21.8
Gross Cash (INR Mn)	6.8[7]	345.1
Debt (INR Mn)	131.9	125.7
Head Count	306	359

[5] *Represents amount invested in the Company as at March 31, 2024.*

[6] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024 basis External Valuation from Kroll Advisory Private Limited (formerly, Duff and Phelps India Private Limited)*

[7] *The funding of INR 643.3 Mn was received by the Company in first week of January 2024 and therefore doesn't form part of the cash balance.*

Gigafun

(Gigafun Studios Pvt. Ltd)

CURRENT

JFM 2024

The first version of the game (Mili Match) has been launched on iOS as well. The game metrics of M1/M3 & M7 retention has hit ~80% of the target; M1 at 30-33% v/s monetizable target of 38%. Skin #2 is under development in the crime/ investigation genre and will be launched in June 2024.

The Company has used up ~INR 7.3 Cr (USD 0.9 Mn), as of Mar'24. It has a comfortable capital runway to launch Game 2 and 3 in the next 12 months (as per initial budget).

PREVIOUS

OND 2023

Gigafun's game development of the first game saw some key learnings. The D1 retention hovered at around 25%, touching a peak of 30%, but below the target (40% from initial plan). The key learnings were in meta progression & landing design, difficulty tuning for initial levels, non-implementation of a hybrid monetization etc. The Company has implemented all the learnings in the latest version from Jan'24 (eg: Rewarded ad-based monetization, upfront implementation of meta progression, addition of SFX for enhanced gaming experience etc.) and will continue to monitor the progress. However, the incremental development operations will now be directed at 2nd game, taking all these learnings and still monitoring 1st game's retention curves, without spending any customer acquisition monies. The development cycle of game 2 will be significantly shorter and the company will target launch by April/ May'24. The Company will also be looking to add a senior Creative Director to the team to augment creative talent to work alongside the founder. The Company has incorporated the policies in relation to Data privacy, child protection, code of conduct etc.

The Company has used up ~INR 5.8 Cr (USD 0.7 Mn), as of Dec'23. It has a comfortable capital runway to launch Game 2 and 3 in the next 12 months (as per initial budget).

JAS 2023

Gigafun has been delivering on the development plan as per timelines. The Company has launched 3 vertical slices covering 100 levels and 3 story rooms till date. The game has been progressively seeing improvement in development quality across various version launches have now come to a frictionless level play. The company has been using soft launch marketing dollars to establish user retention journeys before spending full marketing budget. Till date the game has seen 100k+ installs and the retention numbers are improving. The initial D1 retention numbers have increased from 15.8% in September'23 to 27.1% in first 10 days of Oct'23 and average session lengths increased from 7.5mins to 14.8 mins. With the next versions, the company will target to improve D1, D3 and D7 retentions and level completion metrics.

The company has a cash runway of >12 months at current level of operations.

AMJ 2023

Gigafun's studios strategy is to develop the match-3 game in parts and gather consumer insights from launches of these vertical slices of each game in a sequential manner. Further, the Company will develop a total of 3 games to establish the consumer reception as measured in LTV retention curves. Game #1 will involve a slightly longer development cycle v/s Games #2 & #3, given this is where the Company will develop the underlying match-3 engine. The first game is under-development and is based on the theme of Indian weddings. This will be launched in 4 vertical slices by October 2023, with the 1st vertical slice launch targeted by August 2023. The Company has already completed the development phase till the alpha version and is on course to deliver on launch dates of 1st vertical slice. The company's growth is coming along well, which has now grown to a 15 member team and the company has used a total capital of ~USD 340k (from the USD 2.4Mn fundraise) to reach the alpha stage of 1st game.

The company has a cash runway of >12 months at current level of operations.

JFM 2023

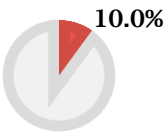
Investment in Gigafun Studios marks the entry of Fireside into the Gaming Sector. Gigafun studios is a seed stage company that will be developing a casual game in one of the most popular genres of Match-3 style casual games (similar to Candy Crush). We have co-invested alongside Lumikai, a

dedicated early stage gaming fund. Fireside's thesis of investment rests in our view of digital consumption and the changing view of the consumer of tomorrow

Casual games, have been, are, and will continue to be extremely popular. Within casual games, both globally, and in India, is an evergreen phenomenon called Match-3. This category alone has seen several large outcomes, way back in 2001, with Bejeweled, which EA acquired for $1.3B), with Candy Crush, which Activision Blizzard acquired for $5.9B and more recently, Peak Games saw great success with their games Toon Blast and Toy Blast, which were acquired by Zynga for $1.8B. This format has seen consistent success across timeframes and geographies and is already very popular in India (3rd largest genre in the country in downloads), however, the game design both in game engine and the User experience has not seen deep localization. Giga Fun Studios' core thesis is to build games on relatable content for the Indian audience, like Bollywood, weddings, mythology, and more, while using familiar game mechanics such as Match-3, which are deeply localised and customised for the Indian audience. It isn't just themes and mechanics that will be localised, the monetisation model will be too, with curated pricing and modes such as battle passes. The founding team is led by Krishnendu Mukherjees, Rahul Daga and Rahul DS – together the founders bring 25+ years of experience in leadership positions in global gaming giants such as Zynga, MPL etc and have a deep understanding of game development and consumer pain points.

GIGAFUN

INVESTMENT RECORD



(INR Mn)

Cost of Investment[8]	Last funding round Company Valuation	Net Asset Value[9]
64.8	648.0	64.8

CAPITAL TABLE

	Equity	Seed	Total	Current Ownership	Fully Diluted
Founders	10,000	-	10,000	67.0%	61.0%
Option Pool	1,494	-	1,494	-	9.0%
Fireside Ventures	10	1,632	1,642	11.0%	10.0%
Other Investors	11	3,272	3,283	22.0%	20.0%
Total	**11,515**	**4,904**	**16,419**	**100.0%**	**100.0%**

FUNDING DETAILS

(INR Mn)

	Seed
	Jan 2023
Pre-Money	453.6
Total Money Raised	194.4
Post-Money	648.0
Fireside Ventures	64.8

COMPANY FINANCIALS

	JFM 2023	AMJ 2023	JAS 2023	OND 2023	JFM 2024
Net Revenue (INR Mn)[10]	Nil	Nil	Nil	Nil	Nil
EBITDA (INR Mn)	-8.4	-13.4	-13.9	-15.0	-12.9
Net Cash (INR Mn)	182.2	167.3	152.9	136.3	121.3
Head Count	10	15	16	17	20

[8] *Represents amount invested in the Company as of March 31, 2024.*

[9] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024 basis External Valuation from Kroll Advisory Private Limited (formerly, Duff and Phelps India Private Limited)*

[10] *The Company is pre-revenue as the game is in development phase. Refer commentary for details on progress of the game development.*

Happi Planet

(Happi Planet Eco Products Pvt. Ltd.)

CURRENT

JFM 2024

Happi planet is tracking annualized net revenue run rate of INR 2.8 Cr (USD 0.3 Mn), basis JFM'24 quarter, representing 1.2X growth over previous quarter. Having found an initial product market fit, the Company has been strengthening its building blocks by improving repeats for its core product offerings. The Company has added new variants of dishwash and laundry detergent in its product portfolio. Further, they are working on launching more home cleaning products in the upcoming quarters. The Company plans to invest aggressively in one geographical market and define the omni channel playbook before ramping up growth.

The Company has a comfortable cash runway of >12 months at current scale of operations.

PREVIOUS

OND 2023

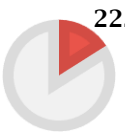
Happi Planet started in 2022 is a home hygiene brand offering a range of safe/ chemical free home cleaning products. Current portfolio includes liquid handwash, laundry detergent, dishwash and surface cleaners. The brand offers effective cleaning powered by nature with a promise of high efficacy and safe for use. Driven by increasing awareness about side effects of harmful chemicals & higher propensity to pay for these products the space creates opportunities for Happi Planet.

Happi Planet is founded by Nimeet and Mayank, who are leveraging their extensive experience in FMCG business across S&M and operations to build the Company. Marketplaces is the primary driver for sales, with Amazon being the largest contributor. The Company clocked net annualized net revenue run rate of INR 2.4 Cr (~USD 0.3 Mn), basis OND'23 quarter. Offline channel will be a key focus for the company and the company has started to build a scalable playbook for this. The Company has defined a ESG roadmap to focus on planet first initiatives including plastic neutrality.

Fireside has invested INR 8.46 Cr (USD 1.01 Mn) in the Company for 22.0% stake. The Company has a cash runway of >12 months at current level of operations.

HAPPI PLANET

INVESTMENT RECORD



(INR Mn)

Cost of Investment[11]	Last funding round Company Valuation	Net Asset Value[12]
84.6	384.6	84.6

CAPITAL TABLE

	Equity	Seed Series I	Seed Series II	Total	Current ownership	Fully diluted
Founders	10,000	-	-	10,000	61.7%	55.5%
Option pool	1,802	-	-	1,802	-	10.0%
Fireside ventures	10	-	3,954	3,964	24.4%	22.0%
Other investors	487	1,765	-	2,252	13.9%	12.5%
Total	**12,299**	**1,765**	**3,954**	**18,018**	**100.0%**	**100.0%**

FUNDING DETAILS

(INR Mn)

	Seed Series II
	Dec. 2023
Pre-Money	300.0
Total Money Raised	84.6
Post-Money	384.6
Fireside Ventures	84.6

COMPANY FINANCIALS

	OND 2023	JFM 2024
Net Revenue (INR Mn)	6.0	7.0
EBITDA (INR Mn)	-3.6	-7.2
Net Cash (INR Mn)	81.0	72.0
Head Count	5	5

[11] *Represents amount invested in the Company as at March 31, 2024.*

[12] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024 basis External Valuation from Kroll Advisory Private Limited (formerly, Duff and Phelps India Private Limited)*

Iluvia

(Renaura Wellness Private Limited.)

CURRENT

JFM 2024

Iluvia is a science-backed, mass premium hair care brand, built on proprietary in-house R&D. It has developed a portfolio of specialized patentable haircare products addressing prevalent hair issues faced by Indians that are addressed by salons. The company has identified whitespaces in the industry such as problems caused by hard water, non-carcinogenic hair straightening and anti-dandruff treatment products, anti-greying products etc. which allow the company a strong right to win in the salon space. Current product portfolio includes maintenance product portfolio across hard water, colour lock, sulphate free and repair reviver ranges.

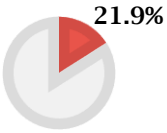
Iluvia was founded by Palash Pandey and Nishant Gupta, two chemical engineering graduates from VIT, who have spent 8 years in extensive R&D prior to launching the brand. Salons is the primary channel for sales for the company. The company clocked net annualized revenue run rate of ~INR 17 Cr. (USD 2.1 Mn), basis JFM'24 quarter. The Company is looking to significantly strengthen the senior management team over the next few months. It has defined a ESG roadmap to focus on planet first initiatives including plastic neutrality.

Fireside has invested INR 30 Cr[13] (USD 3.6 Mn) in the Company for 22.9% stake. The Company has a cash runway of >12 months at current level of operations.

[13] Fireside has currently invested INR 28.9 Cr and the difference of INR 1.1 Cr secondary transaction is expected to be completed in the coming quarter.

Iluvia

INVESTMENT RECORD



(INR Mn)

Cost of Investment[14]	Last funding round Company Valuation	Net Asset Value[15]
288.6	1,310.0	288.6

CAPITAL TABLE[17]

	Equity	Seed	Series A	Total	Current ownership	Fully diluted
Founders	48,500	-	-	48,500	31.3%	29.7%
Option pool	8,100	-	-	8,100	-	5.0%
Fireside ventures	2,646	592	32,470	35,708	23.0%	21.9%
Other investors	660	25,052	45,082	70,794	45.7%	43.4%
Total	**59,906**	**25,644**	**77,552**	**1,63,102**	**100.0%**	**100.0%**

FUNDING DETAILS

(INR Mn)

	Series A
	Feb 2024
Pre-Money	960.0
Total Money Raised	388.6[16]
Post-Money	1,310.0
Fireside Ventures	288.6[17]

COMPANY FINANCIALS

	JFM 2024
Net Revenue (INR Mn)	42.8
EBITDA (INR Mn)	-34.1
Net Cash in Hand (INR Mn)	307.9
Headcount	147

[14] *Represents amount invested in the Company as at March 31, 2024.*

[15] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024 basis External Valuation from Kroll Advisory Private Limited (formerly, Duff and Phelps India Private Limited)*

[16] *Includes primary of INR 350.0 Mn and Secondary of INR 50.0 Mn. Fireside secondary of INR 11.4 Mn is pending and is expected to be completed in the next quarter.*

[17] *Fireside has currently invested INR 288.6 Mn and the difference of INR 11.4 Mn secondary transaction is expected to be completed in the coming quarter. Fireside investment - Primary of INR 262.5 Mn and Secondary of INR 37.5 Mn (out of which INR 11.4 Mn will be completed in the next quarter).*

Inito

(Samplytics)

CURRENT

JFM 2024

Inito had another strong quarter, tracking annualized net revenue run rate of INR 104.0 Cr (USD 12.45 Mn), representing a growth of 1.2X over previous quarter. The Company has accelerated efforts to grow the marketplace revenue – mix being 75% (D2C): 25% (Marketplace). Overall, the business continues to remain CM2 positive with focus on unlocking marketing inefficiencies. Working capital for the company remains steady at ~45 days. The Company has strengthened the team with recent hires across product, engineering and marketing. Launch of new products and establishing new distribution channels will be the focus for next few quarters. Inito has 5 key policies in place, and will prioritise the remaining 7 policies. They are exploring alternate material for their test kits and packaging to reduce / eliminate plastic, this is likely to be 5-6 month project with FibMold.

PREVIOUS

OND 2023

Inito continued its growth momentum, tracking annualized net revenue run rate of INR 88.0 Cr (USD 10.56 Mn), representing a growth of 1.1X over previous quarter. The Company has a well-balanced mix of D2C and marketplaces at a healthy 65:35. Overall, the business continues to remain CM2 positive with growing LTV on back of retention efforts. Working capital for the company remains steady at ~30 days. The Company has strengthened the team with recent hires of growth head, marketing team and SCM head. Launch of new products and establishing new channels of acquisition will be the focus for the next few quarters.

The Company is already in discussion to raise additional capital to increase their cash runway, as they are looking to complete the ongoing restructuring by Q1 FY 2024-25.

JAS 2023

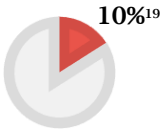
Inito started in 2014 with a vision to build the largest healthcare diagnostic at home, initially offering device and app led DIY diagnostic solutions. The company currently offers a Fertility monitor which measures actual hormone levels to track fertility days, confirm ovulation and measure chances of sustaining pregnancy. Rising infertility rates due to lifestyle choices and ailments are driving demand for fertility solutions and present significant tailwinds for Inito.

Inito is founded by Aayush and Varun, who are leveraging their engineering and product design experience in medical devices to build the Company. The Company has developed and patented technology and obtained US FDA approvals to build their business primarily in the US and also in India. D2C is the primary driver for sales, with marketplaces like Amazon contributing to the rest. The Company clocked ARR of INR 78.5 Cr (~USD 9 Mn) for JAS'23 quarter. The Company has defined a ESG roadmap to focus on planet first initiatives & commenced work on plastic neutrality.

Fireside is investing in tranches with Tranche 1 of USD 1 Mn invested in Optionally Convertible debentures of Samplytics Technologies Pvt. Ltd. (affiliate of Inito Inc.). The remaining investment of USD 4 Mn will be invested at post money valuation of USD 50 Mn after which Fireside will hold a 10% stake. This second tranche investment will be made post completion of the ongoing restructuring.

INITO

INVESTMENT RECORD



(INR Mn)

Cost of Investment[18]	Last funding round Company Valuation[19]	Net Asset Value[20]
165.6 (USD 2 Mn)	4,135.0 (USD 50 Mn)	165.6 (USD 2 Mn)

CAPITAL TABLE

Fireside has invested in tranches with Tranche 1 of USD 1 Mn and another USD 1 mn as part of Tranche 2, in Optionally Convertible debentures of Samplytics Technologies Pvt. Ltd. (affiliate of Inito Inc.). The remaining investment of ~USD 3 Mn will be invested at post money valuation of ~USD 50 Mn after which Fireside will hold a 10% stake. The remaining tranche investment will be made post completion of the ongoing restructuring.

FUNDING DETAILS

(INR Mn)

	Tranche 1 and 2 (OCD)
	Sept'23 and Feb/ March 2024
Pre-Money	-
Total Money Raised	165.6
Post-Money	-
Fireside Ventures	165.6

COMPANY FINANCIALS

	JAS 2023	OND 2023	JFM 2024
Net Revenue (INR Mn)	196.3	220.0	261.8
EBITDA (INR Mn)	-62.8	-57.2	-81.3
Net Cash (INR Mn)	81.2	49.6	59.2
Head Count	168	171	174

[18] *Represents amount invested in the Company as at March 31, 2024.*

[19] *Fireside is investing in tranches with Tranche 1 and 2 of USD 2 Mn invested in OCD of Samplytics Technologies Pvt. Ltd. (affiliate of Inito Inc.). The remaining investment of ~USD 3 Mn will be invested at post money valuation of ~USD 50 Mn after which Fireside will hold a 10% stake. This remaining tranche of investment will be made post completion of the ongoing restructuring.*

[20] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024 basis External Valuation from Kroll Advisory Private Limited (formerly, Duff and Phelps India Private Limited)*

Jetapult

(Jetapult Pvt. Ltd.)

CURRENT

JFM 2024

Jetapult's first acquisition Holy Cow Studio continues to see improvements in engagement and monetization. Globally, there has been a downward pressure on effective Ad Cost per mile (CPM) that has impacted revenue. The company is in the process of setting up analytics through Ad monetization strategies to mitigate this impact. Jetapult is building capabilities – both in-house and outsourced to make further improvements on engagement, monetization, and analytics. These capabilities can be built out as replicable playbooks for future acquired assets. Jetapult has finalized the process of its second acquisition – a leading mobile game developer in the MENA region.

The company has a cash runway of >12 months at current level of operations.

PREVIOUS

OND 2023

Jetpault's work on its first acquisition continues. This asset has seen slower growth led by overall weakness in effective Ad CPM globally that drive ad-revenues, however, the team has been building the strategic pillars across product, User Acquisition, App store optimization, and launching newer games. Further, Jetapult is in final stages of discussion to acquire its second asset. This asset will be an international studio and will give Jetapult access to the high ARPU MENA region. The transaction is expected to be consummated in the coming quarter.

The Company currently has ~INR 85 Cr (USD 10.2 Mn) of cash as of Dec'23 (inclusive of debt), representing an operating cash runway of >12 months.

JAS 2023

The operational interventions in the first acquired studio are coming along well in areas of - Game & Feature Development (60% LTV growth roadmap), Ad monetization (Level End ad features, new rewarded ad flows), Tech implementation (Level design fully automated, Custom built LTV to UA & Churn ML Models, reduced development time by 50%) and User Acquisition (New Ad creative partners onboarded). These are setting up a strong base for operational interventions in future acquisitions - 9 acquisition targets are in pipeline with 2 in diligence stage. Jetapult will target to close the 2nd acquisition over the next 2 quarters and thereafter target a fund-raise.

AMJ 2023

Jetapult's first acquisition is coming along well. The acquired business generated a revenue of INR 2.7 Cr in AMJ'23 quarter. Jetapult's team has been focussing on right sizing the margin profile to increase user acquisition as well as improve optimization for in-app purchases via better game design interventions. The acquired business had an EBITDA margin of 71% as of AMJ'23. Jetpault has laid out a 5 point strategy for the said business to improve scale, including org structure enhancement, newer campaigns for improving User Acquisition, improved IAP strategy for better monetization, ad-revenue optimization and identifying player pass etc. as newer revenue sources. It is also in active discussions with various venture debt players to raise debt to shore up capital for acquisitions.

The company has a cash runway of >12 months at current level of operations.

JFM 2023

Jetapult is our 2nd investment in the gaming sector. Incubated alongside India's leading digital media house, Jetsynthesis group, Jetapult aims to create a unique Invest & operate model in the gaming sector.

We have co-invested alongside Accel partners to co-lead their seed round. Gaming studios in India have an inherent problem of breaking out beyond an intial product-market-fit scale, as this requires deep expertise in running games, lack of access to quality talent pool, expensive development tools and distribution optimization. Many games tend to be highly profitable businesses generating 20-90% EBITDA margins, however, fail to scale due to the above mentioned issues.

Jetapult has assembled a team of global experts which will aim to take majority stakes in these businesses and scale them under a single platform using synergies of audiences, streamlining data driven live operations, access to high quality talent pool & development tools

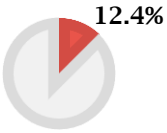
and data analytics to improve user acquisition & retention.

The team is led by Sharan Tulsiani, who was the lead of Google's Indie Game Accelerator for India and ANZ and has been instrumental in advising multiple games in the past 10 years, and Yash Baid, who was a Principal at a VC fund and brings deep expertise in Research and M&A. This creates a unique opportunity to see a multi-title, cash flow generating platform. Globally, platforms such as Triple Dot (valued at $1.4B) have shown successful outcomes using this strategy. The Company has already raised USD 12 Mn of equity and is in the process of raising venture debt and working capital debt. This will enable the platform to acquire 4-5 businesses and scale them.

Jetapult has completed its first acquisition in the casual gaming space in the last week of March. This first acquisition is a 100% acquisition and the company is into the casual gaming space targeted at the western markets of US, UK, Canada etc. The acquired company had $1.4Mn revenue in FY21-22 with a 90% EBITDA margin profile.

JETAPULT

INVESTMENT RECORD



(INR Mn)

Cost of Investment[21]	Last funding round Company Valuation	Net Asset Value[22]
414.1	3,312.0	414.1

CAPITAL TABLE

	Equity	Seed	Total	Current Ownership	Fully Diluted
Founders	3,532	-	3,532	23.7%	22.2%
Option Pool	989	-	989	-	6.2%
Fireside Ventures	10	1,953	1,963	13.2%	12.4%
Other Investors[23]	6,538	2,877	9,415	63.1%	59.2%
Total	**11,069**	**4,830**	**15,899**	**100.0%**	**100.0%**

FUNDING DETAILS

(INR Mn)

	Seed
	Mar 2023
Pre-Money	2,318.5
Total Money Raised	993.5
Post-Money	3,312.0
Fireside Ventures	414.1

COMPANY FINANCIALS

	JFM 2023	AMJ 2023	JAS 2023	OND 2023	JFM 2024
Net Revenue (INR Mn)	11.4	27.2	26.6	23.0	20.8
EBITDA (INR Mn)	2.7	2.8	-25.2[24]	-11.9	-16.9
Gross Cash (INR Mn)	480.7[25]	624.3	609.9	852.3	1,003.7
Debt (INR Mn)	-	-	-	245.1	410.3
Head Count	6	33	35	38	52
Total Acquisitions	1	1	1	1	1

[21] *Represents amount invested in the Company as at March 31, 2024*

[22] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024 basis External Valuation from Kroll Advisory Private Limited (formerly, Duff and Phelps India Private Limited)*

[23] *Includes partly paid shares to ventures debt providers and warrants on FDB basis.*

[24] *Includes one-time expense incurred in relation to the last fund raise.*

[25] *As on March 31, 2023, the Company had received INR 832.0 Mn which was partially utilized for its first acquisition in the casual gaming space. Subsequently, the Company has received the balance amount as well.*

NewMe

(Fraicheur Retail Pvt. Ltd.)

CURRENT

JFM 2024

NewMe continued to maintain its growth trajectory tracking annualized net revenue run rate of INR 102.0 Cr (USD 12.3 Mn), basis JFM'24, representing 1.1X over previous quarter and 4X since the time of term sheet which had got signed in Mar'23. The Company is on track to have 7 operational stores by June 2024 and the team has expanded with 40 new members joining this past quarter across supply chain, tech, and data functions. NewMe has hired Head of Finance, who will be joining in the coming quarter and with this they will be completing all L1 hiring. The team is building out a dedicated in-house factory in Mumbai, producing 9-10K units monthly and will provide more control on production lead times and quality. Newme has leveraged technology by building their own proprietary tech ERP which allows for real-time manufacturing updates and more accurate predictability around inventory. Other tech initiatives being led by the Head of Data Science are also focusing on offline store replenishment, customer experience, trend forecasting. On the ESG side, the company is making efforts towards moving to more sustainable raw material and implementing practices of takeback of old clothes, use of alternative fabrics, inclusive hiring and gender-neutral community building.

The Company has a cash runway of ~3 months at current level of operations and is in final stages of closing the ongoing fund raise.

PREVIOUS

OND 2023

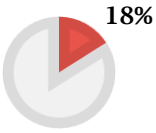
Newme represents our entry into a GenZ focused real-time fast fashion brand within the lifestyle category. Newme was launched 18 months ago, to create a brand for the 250Mn+ GenZ girls in India. The Company has leveraged technology to marry a content-to-commerce engine on the front end, that engages GenZ users with highly relevant content, with a nimble simply chain at the back-end, at almost zero MOQ levels to enable creation of a platform which can deliver real-time fashion to consumers at very affordable price points at minimal inventory holding. NewMe has seen very high consumer love and has growth 7x in the last 12 months since the time of Fireside engagement. The company was founded by Sumit Jasoria, Shivam Tripathi, Vinod Naik and Himanshu Chaudhary. Sumit, was the former Regional MD of Rocket Internet and Meero, and comes from a background in running & scaling tech first businesses. Shivam was the founder of a travel-ticketing platform based in Combodia, Vinod has 20+ years experience in the fashion industry and Himanshu comes from a background in engineering having worked on cutting edge technologies such as AI/ ML at Amazon. The team brings in a highly complementary skill-set to scale a tech-first, GenZ focused apparel brand in India.

Fireside invested INR 33.6 Cr (USD 4.0 Mn) for a 18% shareholding. Since the time of our investment, Newme has grown several fold and is continuing to attract high quality external investor interest for the next round of fund raise.

The Company has a cash runway of >12 months at current level of operations.

NEWME

INVESTMENT RECORD



(INR Mn)

Cost of Investment[26]	Last funding round Company Valuation	Net Asset Value[27]
336.2	1,867.2	846.0

CAPITAL TABLE

	Equity	Seed Series	Total	Current Ownership	Fully Diluted
Founders	10,000	-	10,000	48.5%	46.1%
Option Pool	1,111	-	1,111	-	5.1%
Fireside Ventures	-	3,910	3,910	19.0%	18.0%
Other Investors	-	6,699	6,699	32.5%	30.8%
Total	**11,111**	**10,609**	**21,720**	**100.0%**	**100.0%**

FUNDING DETAILS

(INR Mn)

	Seed Series
	Nov 2023
Pre-Money	1,048.7
Total Money Raised	818.5[28]
Post-Money	1,867.2
Fireside Ventures	336.2

COMPANY FINANCIALS

	OND 2023	JFM 2024
Net Revenue (INR Mn)	228.9	254.8
EBITDA (INR Mn)	-81.1	-119.3
Net Cash (INR Mn)	301.6	107.2
Head Count	134	201

[26] *Represents amount invested in the Company as at March 31, 2024.*

[27] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024 basis External Valuation from Kroll Advisory Private Limited (formerly, Duff and Phelps India Private Limited)*

[28] *Includes fund raise of INR 384.2 Mn from SAFE investors which got converted as part of Fireside round, and INR 98.1 Mn pro-rata investment from SAFE investors.*

Ripplr

(Intelligent Retail Pvt. Ltd.)

CURRENT

JFM 2024

Ripplr is tracking an annualized net revenue run rate of INR 1,094 Cr (USD 131.7 Mn), basis JFM'24 quarter, which is 1.2X over the same quarter previous year. The revenue has been flat over the previous quarter as the Company has focused its efforts to churn out brands with lower profitability. The distribution business contributed to 90% of the topline while the remaining was from the logistics business. New locations, increasing AOV and expansion of warehouse capacity in existing locations is expected to contribute to the revenue growth. Continued efforts on cost optimization initiatives have resulted in margin improvement. The Company continues to focus on building a scalable playbook for challenger brands and has strengthened the team to enable this over the next few quarters.

The company has a cash runway of ~6 months at current level of operations and is in the process to raise their next round of capital.

PREVIOUS

OND 2023

Ripplr had a flat quarter, tracking an annualized net revenue run rate of INR 1,129 Cr (USD 136.1 Mn). The distribution business contributed to 91% of the topline while the remaining was from the logistics business. The total active retailer base for the business has been steady at ~90k, however the average order value has increased to INR 11,250 from INR 10,695 in the previous quarter. Continued efforts on cost optimization initiatives have resulted in margin improvement to achieve (-4.17%) EBITDA as compared to (-4.47%) in the previous quarter. In addition the company is also working on a scalable playbook for challenger brands as one of the key focus areas for next few quarters.

The company has a cash runway of ~9 months at current level of operations and will look to raise their next round of capital in coming quarters.

JAS 2023

The Company continued the growth momentum to clock another strong quarter with annualized net revenue run rate of INR 1,096.8 cr (USD 133.7 Mn) which represents a growth of 10% over the previous quarter. The distribution business for large incumbents continues to be a substantial part of the revenue (90%) followed by logistics business (10%). The total active retailer base for the business has been steady at ~90k with focus on driving higher monthly orders from existing outlets. The Company has maintained gross margin of 5.6% for the quarter. Pilots conducted for challenger brands have shown early promising signs and the company will continue to focus on refining the overall strategy and scaling this in the next few quarters.

The company has a cash runway of ~10 months at current level of operations.

AMJ 2023

The Company clocked another strong quarter with annualised net revenue run rate of INR 982 Cr (USD 120 Mn) which represents a growth of 1.1x over the previous quarter. The Company's gross margin is ~5.6% for this quarter. The total active retailer base for the business has grown from ~80k in JFM'23 to ~90k in AMJ'23. The Company plans to expand to 10 more cities over the next 12 months. Distribution business continues to be the largest revenue driver accounting for ~90% of overall sales followed by the logistics business at ~10%. The Business continues to deliver margin improvement with operating margins of 1.7% in Jun'23 as compared to 1.48% in FY 23. EBITDA loss has thereon reduced to -4.5% in June'23. The Company will pilot the challenger brand strategy over next few months and expects to improve the margin profile further with scale. The firm has made a few senior hires such as Head of Growth for challenger brands & Head of Ops to focus on growth.

The company has a cash runway of ~12 months at current level of operations.

JFM 2023

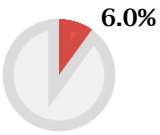
Ripplr is a new age distribution company leveraging technology to professionalise and organise the FMCG distribution for efficiency and accelerated growth. The company works with

multiple large brands like HUL, Nestle and Britannia. It is now increasingly focusing on challenger brands and as the playbook for this is developed we see great synergies as Fireside FMCG companies build their offline businesses. In addition to the distribution business, Ripplr also provides logistics services to select brands such as Licious by leveraging the on-ground fleet and in-house tech. The company started its operations around July 2020 led by Abhishek Nehru & Santosh Dabke. Abhishek was the erstwhile Co-founder & CEO of Brring, a logistics company. He has also worked with Flipkart and Croma across multiple Supply chain roles. Santosh has worked with Whirlpool, Reliance & Philips focussing on sales & distribution and consumer marketing. As of Mar 23, Ripplr is clocking a monthly GMV of ~ INR 90 Cr. Distribution contributes ~ INR 80 Cr & balance is from the logistics business. The Company is currently present in 12 cities and has around 80k+ active retailers on the platform.

Fireside has invested INR 58 Cr (USD 7 Mn) in the Company for 6% stake. Existing investors 3one4capital, Sojitz, Zephyr Peacock India also participated in the round. Prior to this round, the Company had raised ~ INR 104 Cr. The Company has > 24 months of runway basis current scale of operations.

RIPPLR

INVESTMENT RECORD



(INR Mn)

Cost of Investment[29]	Last funding round Company Valuation	Net Asset Value[30]
580.0	10,065.9	739.7

CAPITAL TABLE

	Equity	Seed/ Angel	Series A/A1	Series B/B1	Total	Current ownership	Fully diluted
Founders	6,26,324	-	-	-	6,26,324	23.9%	22.9%
Option pool	1,11,932	-	-	-	1,11,932	-	4.1%
Fireside ventures	14,473	33,609	9,455	1,05,765	1,63,302	6.2%	6.0%
Other investors	1,57,623	3,23,013	10,22,115	3,26,476	18,29,227	69.9%	67.0%
Total	**9,10,352**	**3,56,622**	**10,31,570**	**4,32,241**	**27,30,785**	**100.0%**	**100.0%**

FUNDING DETAILS

(INR Mn)

	Series B
	Mar 2023
Pre-Money	8,500.0
Total Money Raised	2,216.0[31]
Post-Money	10,065.9
Fireside Ventures	580.0

COMPANY FINANCIALS

	JFM 2023	AMJ 2023	JAS 2023	OND 2023	JFM 2024
Net Revenue (INR Mn)	2,230.7	2,456.8	2,742.0	2,824.0	2,734.0
EBITDA (INR Mn)	-164.0	-127.0	-123.0	-119.0	-113.0
Gross Cash (INR Mn)	1,886.0	1,153.0	1,142.0	994.0	889.0
Debt (INR Mn)	1,022.0	693.0	1,038.0	1,118.0	1,126.0
Head Count	1,001	1,074	1,016	998	903

[29] *Represents amount invested in the Company as at March 31, 2024. The total investment by Fireside is INR 580.0 Mn (Primary – INR 391.0 Mn and Secondary – INR 189.0 Mn).*

[30] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024 basis External Valuation from Kroll Advisory Private Limited (formerly, Duff and Phelps India Private Limited)*

[31] *Includes secondary transaction of INR 650.0 Mn.*

Rozana

(Freshcartons Retail and Distribution Private Limite.)

CURRENT

JFM 2024

About 70% of India lives in villages and Gram Panchayats, which is still largely unserved by e-commerce with next to no access to basic FMCG products, despite large spend potential. Most households do not have access to a variety of everyday products. Local stores are located 5-6 kms away and offer no receipts or guarantee of quality, counterfeit products all while providing a severely limited inventory. Rozana is an assisted rural e-commerce startup that leverages tech to cater to the everyday demands of rural India.

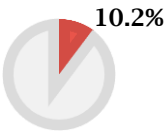
Rozana was founded in 2021 by Ankur Dahiya, Adwait Vikram Singh and Mukesh Christopher. Ankur has an FPM from IIM-Lucknow and a B-Tech (CS) from Kurukshetra University. She has also served as a special Police Officer with UP Police. Adwait holds an LLM, Harvard Law School and an LLB DU, BA (Pol Sc.), from St. Stephens, and has served as an Advocate for Supreme Court of India. Together, Rozana has showcased good initial executional success, reaching as high as INR 40 cr monthly GMV and currently operating at ~ INR 30 Cr monthly GMV from 20 districts of UP and develop a network of 4 warehouses, delivering products in over 25 categories, like Cosmetics, Footwear and Stationery all on a 'next day delivery' commitment. Rozana has managed to develop a network of over 18000 peer partners, primarily women serving ~8,000 villages.

Rozana is creating impact by enabling last mile access and reach to an economy that has largely been underserved. With reach of over 12000 villages via a peer-to-peer model lead primarily by women (99% of partners and field officers are women), more than 500K customers have access to brands and products that are consistent with quality and affordability (which did not exist otherwise). Rozana is championing the cause of rural upliftment and women empowerment.

In line with our point of view on 3 Indias, we believe that the rural consumers are new to online and these consumers need assistance. There is public infrastructure which has been built (including digitization via internet and smartphone penetration), however the consumers are still underserved due to lack of proper channel. Rozana is bridging that gap by leveraging on tech and building a network of 'peer partners', to cater to the everyday demands of rural India.

Rozana

INVESTMENT RECORD



(INR Mn)

Cost of Investment[32]	Last funding round Company Valuation	Net Asset Value[33]
749.9	7,368.1	749.9

CAPITAL TABLE

	Equity	Seed	Series A1-A4	A5	Total	Current ownership	Fully diluted
Founders	7,595	-	9	-	7,604	41.8%	39.3%
Option pool	1,159	-	-	-	1,159	-	6.0%
Fireside ventures	-	-	-	1,968	1,968	10.8%	10.2%
Other investors	2,961	1,362	1,579	2,704	8,606	47.3%	44.5%
Total	**11,715**	**1,362**	**1,588**	**4,672**	**19,337**	**100.0%**	**100.0%**

FUNDING DETAILS

(INR Mn)

	Series A
	Feb 2024
Pre-Money	5,587.9
Total Money Raised	1,780.2
Post-Money	7,368.1
Fireside Ventures	749.9

COMPANY FINANCIALS

	JFM 2024
Net Revenue (INR Mn)	480.8
EBITDA (INR Mn)	-159.2
Gross Cash in Hand (INR Mn)	1,684.7
Headcount	759

[32] *Represents amount invested in the Company as at March 31, 2024.*

[33] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024 basis External Valuation from Kroll Advisory Private Limited (formerly, Duff and Phelps India Private Limited)*

Solethreads

(Summersalt Lifesyle Pvt. Ltd.)

CURRENT

JFM 2024

Solethreads has degrown by 21% vs OND quarter given festive seasonality. The Company is investing in NPD & supply chain to participate in the burgeoning sneaker market. On the Brand front, the Company has engaged with an agency to streamline positioning and is in the process of signing two celebrities for launching exclusive lines with them. The Company has identified the right product-channel strategy and streamlined portfolio into 3 parts. Website has been scaled to prepare for Solethreads capsule/ drop launch. Website product focus will be towards evergreen sneakers and drops. Marketplaces product focus will be on Open slippers & be used as a liquidation channel for sneakers. On the Offline front, focus will be to roll back GT/LFS & focus on EBO's. Storefront design is prepared and will launch in 2 months. The Product focus here will be all encompassing with Solethreads sneakers & open footwear.

The Company has a cash runway of ~12 months at current level of operations.

PREVIOUS

OND 2023

Solethreads had a flat quarter, tracking annualized net revenue run rate of INR 45.6 Cr (USD 5.5 Mn), basis OND'23 quarter, given that the festive season sell-ins got split over 2 quarters. The company continues to see strong performance on the marketplace channel which continues to be the largest channel for the company. From Fireside's initiative to help streamline the product suite as well as build pillars of growth in GTM, the company has streamlined the portfolio in 3 parts and identified the right channel to scale these in (i) Rebel (an affordable range for marketplaces & GT) (ii) Gelatoe & Marshmellow (Moulded & Fabricated range of Flip-flops which will be EBO and website focussed and) and (iii) Solethreads Streetwear Sneakers (D2C focused). With this, the company will streamline the operations starting April 2024 and build a strong portfolio of products. The company has also started EBO/ Kiosk experiment and signed up 7 kioks, first kiosk has gone live in Chennai. The Company also signed up a debt line with RBL to enable working capital unlock.

The company is currently executing their ESG roadmap. The company has inculcated core policies within their organization including Code of Conduct, Human Resources, Environment, Data Privacy and Cyber Security etc.

The company has a comfortable cash runway of >12 months at current level of operations.

JAS 2023

The Company is tracking annualized net revenue run rate of INR 47.2 Cr (USD 5.7 Mn) which represents 1.5X growth from the previous quarter. The growth is largely led by festive quarter primary billing to marketplace alpha sellers. 2 key areas of development are product range simplification and offline GTM channel playbook creation. With these two main agenda points, the company is in the process of creating 2 sub-lines of products under open footwear which will be helpful to have a coherent brand story and also simplify supply chain basis the type of construction. Further, the company has onboarded an external consultant to help with the EBO strategy. It has opened its first store in Mumbai last quarter.

The company has a cash runway of >12 months at current level of operations.

AMJ 2023

Solethreads represents our entry in the footwear segment within the lifestyle category alongside DSG and Saama Capital as co-investors. The brand was launched in 2019 in the open footwear category targeting the mid-premium segment to offer better quality products with higher design quotient relevant to modern consumer at the right price. The company has inhouse capabilities of manufacturing & design and is led by a team with strong execution capabilities and omni-channel GTM capabilities. The Indian footwear market is currently under penetrated with per

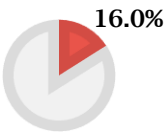
capita consumption of only ~1.9 pairs against a global average of 3 pairs and developed countries average of~5-6 pairs.

Solethreads was founded in 2019 by Sumant Kakaria and Gaurav Chopra. Sumant comes from 15+ years in the CPG industry with experience in e-commerce, retail, and distribution. Gaurav is a second-generation footwear entrepreneur who has developed, designed sourced and manufactured for Disney, Bata, Benetton, Hush Puppies and Puma.

Fireside has invested INR 23.3 Cr (USD 2.8 Mn) in the Company for 16% stake. Existing investors DSG and Saama also participated in the round. With this round of fund-raise, the Company will have >12 months of runway at current level of operations.

SOLETHREADS

INVESTMENT RECORD



(INR Mn)

Cost of Investment[34]	Last funding round Company Valuation	Net Asset Value[35]
233.2	1,458.0	233.2

CAPITAL TABLE

	Equity	Series A	Series A1/ A2	Series A3	Total	Current Ownership	Fully Diluted
Founders	9,434	-	-	-	9,434	52.1%	48.5%
Option Pool	1,360	-	-	-	1,360	-	7.0%
Fireside Ventures	10	-	-	3,101	3,111	17.2%	16.0%
Other Investors	596	2,218	1,733	998	5,545	30.7%	28.5%
Total	**11,400**	**2,218**	**1,733**	**4,099**	**19,450**	**100.0%**	**100.0%**

FUNDING DETAILS

(INR Mn)

	Series A3
	June 2023
Pre-Money	1,150.0
Total Money Raised	308.0
Post-Money	1,458.0
Fireside Ventures	233.2

COMPANY FINANCIALS

	AMJ 2023	JAS 2023	OND 2023	JFM 2024
Net Revenue (INR Mn) [36]	80.0	124.5	114.0	90.4
EBITDA (INR Mn)[36]	-17.5	-10.3	-21.5	-41.9
Net Cash (INR Mn)[36]	322.6	287.0	228.9	169.1
Head Count	68	78	78	91

[34] *Represents amount invested in the Company as at March 31, 2024.*

[35] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024 basis External Valuation from Kroll Advisory Private Limited (formerly, Duff and Phelps India Private Limited)*

[36] *Previous quarters nos. are restated as part of the year-end financial closure*

Sweet Karam Coffee

(Sweet Karam Coffee India Pvt. Ltd.)

CURRENT

JFM 2024

Sweet Karam Coffee (SKC) has had a strong quarter with an annualized net revenue run rate of INR 15.6 Cr (~USD 2 M), basis JFM'24, representing 1.2X growth from last quarter. SKC has launched new products for Kerala & Karnataka which have reached cumulative 10% revenue of the brand in 1 month from launch. The Company has improved its brand positioning by extending the Janaki Paati campaign across South India. SKC has also launched products in new categories (Chips, Indulgence Ladoos, Mixtures). The brand has been selectively launched in Quick Commerce channels and is at a MRR of ~ INR 5lacs, which will scale in quarters to come. The Company has also launched offline since Jan '24 and is present at 146 stores now with good results. D2C has scaled from INR 76 L (end of last quarter) to INR 1.2 Cr this quarter with good spend efficiency. During the quarter, the business has used capital to start expanding into multiple channel (retail and quick commerce). In building for the value of good, SKC has launched Millet Ragi Sticks and Millet Mixtures to continue providing healthier and clean snacking options for its consumers. Further, key ESG policies of code of conduct, data privacy etc will be completed by April 2024.

The Company has a cash runway of ~6 months at current level of operations and has plans to raise capital in the next few quarters.

PREVIOUS

OND 2023

Sweet Karam Coffee continued its growth momentum, tracking annualized net revenue run rate of INR 12.6 Cr (USD 1.5 Mn), representing a growth of 1.1X over previous quarter. The Company is working on channel diversification. SKC has onboarded agencies to help with D2C platform scaling, and scale offline. They are looking to further expand their product portfolio by introducing Karnataka delicacies and strengthen their presence in this state. The company is currently executing their ESG roadmap formed after the comprehensive ESG DD conducted. The company is evaluating partners to offset their plastic waste from packaging.

The Company has a cash runway of >12 months at current level of operations.

JAS 2023

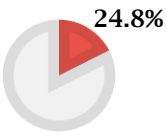
The South Indian snacks and sweets market is large but has no brand operating at scale. Sweet Karam Coffee aims to build India's largest brand of South Indian snacks & sweets, and in due course, tap the ethnic Indian market overseas.

Sweet Karam Coffee was founded by Anand and Nalini. Anand has 12 years' experience working at HUL where he managed sales demand planning, inventory, warehousing and supply chain. Nalini has 10 years corporate experience at IDP Education, RBS across strategy & Customer Experience. Their vision is to source authentic recipes and offer great tasting products while not using palm oil, preservatives and additives. Their contract manufacturer employs ~70% women in the preparation and packaging of the snacks. The company has defined a roadmap that would prioritize plastic waste management.

The Company has comfortable cash runway of >12 months at current level of operations.

Sweet Karam Coffee

INVESTMENT RECORD



(INR Mn)

Cost of Investment[37]	Last funding round Company Valuation	Net Asset Value[38]
120.0	480.0	120.0

CAPITAL TABLE

	Equity	Pre-Series A	Pre-Series A (VD)	Total	Current ownership	Fully diluted
Founders	1,05,082	-	-	1,05,082	45.7%	41.2%
Option pool	25,340	-	-	25,340	-	9.9%
Fireside ventures	10	63,339	-	63,349	27.6%	24.8%
Other investors	59,624	-	1,689	61,313	26.7%	24.1%
Total	**1,90,056**	**63,339**	**1,689**	**2,55,084**	**100.0%**	**100.0%**

FUNDING DETAILS

(INR Mn)

	Pre-Series A
	September 2023
Pre-Money	360.0
Total Money Raised	120.0
Post-Money	480.0
Fireside Ventures	120.0

COMPANY FINANCIALS

	JAS 2023	OND 2023	JFM 2024
Net Revenue (INR Mn)	28.4	31.5	39.0
EBITDA (INR Mn)	-6.3	-12.9	-23.1
Net Cash (INR Mn)	108.2	75.1	43.8
Head Count	44	60	76

[37] *Represents amount invested in the Company as at March 31, 2024.*

[38] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024 basis External Valuation from Kroll Advisory Private Limited (formerly, Duff and Phelps India Private Limited)*

The Good Bug

(Seven Turns Pvt. Ltd.)

CURRENT

JFM 2024

The Good Bug continued its growth momentum, tracking an annualized net revenue run rate of INR 55.6 Cr (USD 6.7 Mn), basis JFM'24, representing a growth of 1.2X over previous quarter. Newly launched ranges like the gut cleanse have been well received by the consumers clocking over INR 2.4 Crs (USD 0.3 Mn) in current quarter. On the channel front, the Company has a well-balanced mix of D2C and marketplaces at 70:30 and will focus on expanding channels in the coming quarters. Focussed effort on conversion and retention has improved the CM2 profile by 30% in this quarter. The Company has strengthened the clinical team with recent hires and working on a diagnostic and consultation layer to offer a full stack solution on gut health. The Company is also in the process of strengthening other functional teams with recent hires across supply chain and marketing. Fireside team is assisting The Good Bug, via our INR 10-100 Cr program, across digital marketing strategy and organization building. In relation to ESG, the Company is working towards having a road map for carbon offsets in place by OND'24. Further, driven by the purpose of health, they have partnered with Akshay Patra to share 1% of revenue for mid-day meals for children.

The Company has a cash runway ~6 months at current level of operations and will look to raise their next round of capital in the coming quarters.

PREVIOUS

OND 2023

The Good Bug recorded a steady quarter in comparison to the last quarter, tracking an annualized net revenue run rate of INR 47.3 Cr (USD 5.7 Mn), basis OND' 23 quarter. The Company added more SKUs to its successful gut health range, as demand for these products remained strong. Newly launched ranges continue to grow; Diabetes range has been well received by the consumers clocking over INR 1.2 Crs in current quarter. The Company also continues to maintain healthy gross margins of ~67% and is working on a diagnostic and consultation layer to offer a full stack solution on gut health. Company has also identified various new product lines and channels to be the focus over next few quarters. The company is currently executing their ESG roadmap formed after the comprehensive ESG DD conducted.

The Company has a cash runway 8 months at current level of operations and will look to raise their next round of capital in coming quarters.

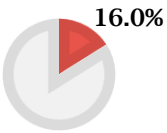
JAS 2023

The Good Bug started in October 2022 is focussed on building India's first Gut health brand. With core offering being deep science led high efficacy products; it targets specific use cases across digestive, metabolic & kid's health. The brand also offers free consultation to consumers. Increasing awareness and desire to solve for gut health issues amongst Indian consumers creates a large opportunity to disrupt the 3.5 Bn USD digestive market. The Company was founded by Keshav and Prabhu. Keshav comes with 10 years+ experience of building multiple consumer brands. Prabhu's career spans across large FMCG & consumer healthcare brands in the sales & marketing function. He is also a third-time entrepreneur having founded 2 consumer brands in the past. As of September'23 the Company is clocking an ARR of INR 52.3 cr (USD 6.4 Mn) selling primarily through D2C channel and select marketplaces like Amazon. Fireside has invested INR 28.5 cr (USD 3.4 Mn) in the Company for 16% stake. The founders are committed to building a responsible brand and certified with 1% for planet organization. The Company has also defined a ESG roadmap to focus on initiatives like offsetting carbon footprint, plastic recycling and doing good for the larger society.

With this round of fund raise the Company will have >12 months of runway at current level of operations.

THE GOOD BUG

INVESTMENT RECORD



(INR Mn)

Cost of Investment[39]	Last funding round Company Valuation	Net Asset Value[40]
285.6	1,785.6	285.6

CAPITAL TABLE

	Equity	Series A	Total	Current Ownership	Fully Diluted
Founders	35,067	-	35,067	70.2%	66.7%
Option Pool	2,650	-	2,650	-	5.1%
Fireside Ventures	10	840	8,410	16.9%	16.0%
Other Investors	6,452	-	6,452	12.9%	12.2%
Total	**44,179**	**840**	**52,579**	**100.0%**	**100.0%**

FUNDING DETAILS

(INR Mn)

	Series A
	September 2023
Pre-Money	1,500.0
Total Money Raised	285.6
Post-Money	1,785.6
Fireside Ventures	285.6

COMPANY FINANCIALS

	JAS 2023	OND 2023	JFM 2024
Net Revenue (INR Mn)	130.9	118.9	138.9
EBITDA (INR Mn)	-39.5	-60.2	-67.6
Net Cash (INR Mn)	272.4	158.7	103.9
Head Count	40	53	67

[39] *Represents amount invested in the Company as at March 31, 2024.*

[40] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024 basis External Valuation from Kroll Advisory Private Limited (formerly, Duff and Phelps India Private Limited)*

FUND



FINANCIALS

STATEMENT OF ASSETS AND LIABILITIES

	(INR Mn) March 31, 2024
SOURCE OF FUNDS	
Corpus Fund	**0.01**
Members Equity	
Class A	
- Sub Class A1	2,246.5
- Sub Class A2	730.5
- Sub Class A3	200.8
- Sub Class A4	816.3
- Sub Class A5	337.5
Class B	
- Sub Class B1	100.4
- Sub Class B2	72.8
- Sub Class B3	226.0
Class S	156.0
	4,886.8
General Fund Account	
Excess of (expense) over Income	(922.4)
Distribution to Beneficiary	922.4
Closing Balance	-
Sources of Funds	**4,886.8**
APPLICATION OF FUNDS	
Investments	
Investment in Portfolio Companies	4,674.7
Investment in Mutual Funds	22.9
	4,697.6
Current Assets	
Prepaid Expenses	1.3
Other Receivables	4.1
Balance in Bank Accounts	232.5
(A)	**237.9**
Current Liabilities	
Trade Payables	11.1
Duties and Taxes	3.9
Other Current Liabilities	33.7
(B)	**48.7**
Net Current Assets (A-B)	**189.2**
Total Application of Funds	**4,886.8**

STATEMENT OF INCOME

(INR Mn)

	Q4 2023-24	YTD 2023-24	Since Fund Inception
INCOME			
Realised Income from Temporary investments	8.5	31.9	60.9
(A)	**8.5**	**31.9**	**60.9**
EXPENSE			
Setup Costs	-	-	250.0
Management Fees	102.4	415.3	691.5
Operating Fees	12.6	29.5	42.0
(B)	**115.0**	**444.8**	**983.5**
DEFICIT (A-B)	**(106.5)**	**(412.9)**	**(922.4)**

SCHEDULE OF INVESTMENTS

	Brand Name	Company Name	Business	Investment Date	Fully Diluted Ownership	Cost	Fair Value[41]
1	Amaha	Mindcrescent Wellness Ventures Pvt. Ltd.	Omnichannel Mental Health Platform	Dec-23	19.7%	382.6	382.6
2	Frubon	Dev Milk Foods Pvt. Ltd.	Dairy & value-added dairy products	Dec-23	15.0%	300.0	300.0
3	Giga Fun	Gigafun Studios Pvt. Ltd	Casual Gaming	Jan-23	10.0%	64.8	64.8
4	Happi Planet	Happi Planet Eco Products Pvt. Ltd.	Home Hygiene – chemical free	Nov-23	22.0%	84.7	84.7
5	Iluvia	Renaura Wellness Private Limited	Salon-led personal care	Jan-24	21.9%	288.6	288.6
6	Inito	Samplytics Technologies Pvt. Ltd.	DIY Fertility Monitoring	Sep-23	-[42]	165.6	165.6
7	Jetapult	Jetapult Pvt. Ltd.	Gaming – Invest and Operate	Mar-23	12.4%	414.1	414.1
8	NewMe	Fraicheur Retail Pvt. Ltd.	Women's Fast Fashion Platform	Nov-23	18.0%	336.2	846.0
9	Ripplr	Intelligent Retail Pvt. Ltd.	Distribution and Logistics	Mar-23	6.0%	580.0	739.7
10	Rozana	Freshcartons Retail and Distribution Private Limited	Assisted ecommerce for Rural India	Feb-24	10.2%	749.9	749.9
11	Solethreads	Summersalt Lifestyle Pvt. Ltd.	Casual Footwear	Jun-23	16.0%	233.2	233.2
12	Sweet Karam Coffee	Sweet Karam Coffee India Pvt. Ltd.	South Indian Snacking Brand	Sep-23	24.8%	120.0	120.0
13	The Good Bug	Seven Turns Pvt. Ltd.	Gut Health	Sep-23	16.0%	285.6	285.6
						4,005.3	**4,674.8**
14	Temporary investments[43]	Mutual Funds	Not applicable	N/A	N/A	22.9	83.8
						4,028.2	**4,758.6**

[41] *Represents carrying value of the Investment in the books of Fireside Ventures as at March 31, 2024. Pursuant to the recent SEBI circular, we have obtained the registered valuer report for SEBI. However, Kroll continues to be our external valuer and we have have obtained the valuation report from them as well. There is no variation between both the reports.*

[42] *Fireside is investing in tranches with Tranche 1 and 2 of USD 2 Mn invested in OCD of Samplytics Technologies Pvt. Ltd. (affiliate of Inito Inc.). The remaining investment of ~USD 3 Mn will be invested at post money valuation of ~USD 50 Mn after which Fireside will hold a 10% stake. This remaining tranche of investment will be made post completion of the ongoing restructuring.*

[43] *Represents investment in mutual fund. As per the accounting standards mutual funds are carried at cost, the difference between cost and fair value of mutual funds represents distributed realized gains.*

IN THE MEDIA



February 2024: Iluvia raises series A funding from Fireside. Read more here



Mar 2024: Assisted rural e-commerce startup Rozana raises funding from Fireside, Bertelsmann and existing investor. Read more here



Mar 2024: Fireside launched its ESG report in the annual investor conference Read more here



Mar 2024: Dipanjan in a fireside chat with Aman Gupta at Startup Mahakumbh. Read more here

DECLARATIONS

This is in connection to Financial Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) related compliances. As you may be aware, the FATCA and CRS regulations require Reportable Indian financial institutions to report tax information about US and other than US account holders to Indian Government which will, in turn, relay that information to US Internal Revenue Service (IRS) and Government of other jurisdictions respectively.

In this regard, you may have provided investor declaration to confirm FATCA and CRS status at the time of investment in the Fireside Ventures Investment Fund III (the Fund). Accordingly, we request you to kindly inform us in case of change in circumstances in any of the declarations provided to the Fund earlier where there is:

- change or addition in any information with respect to the account held with the Fund
- change or addition in any information associated with such account held with the Fund
- any other material change

We request you to kindly intimate of any change as above at the earliest possible. We shall accordingly document the same in our system records.

Also, we request you to kindly intimate your tax residency status in accordance with section 6 of the Income Tax Act, 1961. We shall document the same in our system records and deduct tax on payments made ("TDS") as per the relevant provisions of the Income Tax Act, 1961.

The Fireside Quarterly report is published every quarter 30 days post the closure of the financial quarter. Unit and Capital statements will also be issued every quarter 30 days post the closure of the financial quarter.

Fund Name	Fireside Ventures Investment Trust III (Fireside Ventures Investment Fund III)
SEBI Registration Number	IN/AIF2/21-22/1018
Reporting Period	Up till March 31, 2024
Fund Sponsor	Fireside Ventures Capital Management LLP
Fund Manager	Fireside Ventures Advisory LLP
Total Fund Corpus	INR 1,832.5 crore

Disclosures under Section 10, 22 & 23 SEBI (Alternative Investment Regulations) 2012:

Regulation	Description	Disclosure
10(E)	Sponsor's continuing interest in the fund	Total corpus of the fund as on March 31, 2024 : INR 1832.5 crore. Sponsor's capital commitment as on March 31, 2024: INR 46 crore (2.5%).
22(A)	Financial, risk management, operational, portfolio, and transactional information w.r.t. fund investments to be disclosed periodically	The Fund has adhered to the investment objectives as outlined in the Fund documents. All investments are made after proper evaluation and approval of the Investment Committee. Insurance coverage has been taken out for the Fund covering professional indemnity and directorships. The details of all investment made have been covered in this report.
22(B)	Any fees ascribed to Fund Manager / Sponsor and any fees charged to the Fund or any investee company by an associate of Fund Manager / Sponsor	No fees are charged to the Fund or any investee company by an associate of Fund Manager / Sponsor. Management fee and reimbursement of Set up expenses is charged pursuant to the contribution agreement have been disclosed in the individual capital statements issued.
22(C)	Details of inquiries / legal actions by legal or regulatory bodies in any jurisdiction	(i) We have disclosed details of a civil suit initiated by an ex-employer of Mr. Kannan Sitaram (Venture Partner in Fireside Investment Advisory LLP), after Mr Sitaram filed an arbitration claim seeking payments from the ex-employer. The ex-employer sought to make Fireside Ventures, Kanwaljit Singh and Vinay Singh parties to this suit. However, the Court ordered that Fireside Ventures, Kanwaljit Singh and Vinay Singh are not necessary or relevant parties and should be deleted as parties in the suit. The sole arbitrator, appointed by the Karnataka High Court also awarded payments in favour of Mr. Sitaram, and the ex-employer has sought to

		appeal this arbitration award. Fireside Ventures is advised that such appeal has little merit. (ii) Mr. V. S. Sitaram, a partner of the Investment Manager was served a legal notice in his capacity as nominee director of Tatvartha Health Private Limited on January 25, 2023, by Dr. Ranjan Upadhyay a dermatologist at Desmoderm skin and laser clinic alleging defamation. The aforesaid legal notice was suitable replied vide email dated February 15, 2023, post which the issue was amicably resolved by the concerned parties. It is hereby clarified that no suit was filed in any court of law. (iii) Fireside Investment Advisory LLP and Mr. Kanwaljit Singh amongst others were served with a legal notice in their capacity as directors of Zorba Renaissance Private Limited on December 30, 2023, by Nisa Family Trust, a shareholder of Zorba Renaissance Private Limited alleging financial irregularities, corporate governance non-compliances etc. The aforesaid legal notice was suitably replied by Fireside Investment Advisory LLP and Mr. Kanwaljit Singh through their counsel vide reply dated January 25, 2024 through RPAD as well as e-mail, post which there has been no response or action taken by Nisa Family Trust. We shall keep the Contributors informed if there is any further development.
22(D)	Details of material liability arising during the Fund's tenure	None – apart from the liabilities disclosed in the statement above.
22(E)	Details of any breach of a provision of Private Placement Memorandum, Contribution Agreement, or any other Fund document	There has been no breach of a provision of Private Placement Memorandum, Contribution Agreement, or any other Fund document.
22(F)	Details of change in control of Sponsor / Fund Manager / Investee Company	There has been no change in control of Sponsor / Fund Manager / Investee Company.
22(G)	Report on following information:	
	a. financial information of investee company	The financial information of the investee companies has been disclosed in the quarterly report above.
	b. material risks and how they are managed i.e. risk mitigation:	
	(i) concentration risk at fund level	The Fund has not made investment in an Investee Company exceeding 25% (twenty five percent) of the investible funds as calculated in the manner provided under the AIF Regulations;
	(ii) foreign exchange risk at fund level	The Fund has not made any investment in foreign currently as on March 31, 2024.
	(iii) leverage risk at fund and investee company levels	Leverage Risk at Fund Level: The Fund has no borrowing as at March 31, 2024, hence not applicable Leverage Risk at Investee Company Level: The Fund has made investments in 11 companies as on March 31, 2024 and none of the investee companies has any leverage beyond acceptable limits.
	(iv) realization risk (i.e. change in exit environment) at fund and investee company levels	As at March 31, 2024, there is no realization risk either at fund level or investee company level. Please refer to quarterly investor report for company wise details.
	(v) strategy risk (i.e. change in or divergence from business strategy) at investee company level	None to the best of our knowledge. (The board of the investee companies includes/ will include representatives of the Fund, who monitors the performance of the investee company vis-à-vis the business plan on a periodic basis.)
	(vi) reputation risk at investee company level	None – to the best of our knowledge.
	(vii) extra-financial risks, including environmental, social and corporate governance risks, at	Investee companies have adequate safeguards such as statutory and internal auditors, board/ various committees to mitigate the risk.

	fund and investee co. level.	
22(H)	Details of change in the key investment team	None
23	Valuation Methodology	Independent Valuer – Kroll Advisory Private Limited (formerly, Duff & Phelps India Private Limited) has valued the Fair Market Value of portfolio companies as at March 31, 2024. All the portfolio companies were valued based on methodology as per IPEV guidelines.

THANK YOU

CONTACT INFORMATION:

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QUARTERLY REPORT

For Quarter Ending March 2024

sorin

FORWARD LOOKING STATEMENTS

Certain statements, projections, or other estimates in this document (including estimates of value, returns or performance) are forward-looking statements and are based upon certain assumptions. Any assumptions should not be construed to be indicative of the actual events that will occur. Actual events are difficult to predict and may depend upon factors that are beyond the Fund's control. Some important factors which could cause actual results to differ materially from those in any forward-looking statements include, among others, the following: foreign exchange developments, and financial, market, economic or legal conditions. Accordingly, estimated returns and projections should be viewed as hypothetical and do not represent the actual returns that may be achieved by an investor. Investors should conduct their own analysis, using such assumptions as they deem appropriate, and should fully consider other available information.

CONFIDENTIALITY

The information set forth herein is confidential and constitutes proprietary information and a trade secret of the Fund, its portfolio companies, and Sorin Advisors LLP. Any disclosure of this information could cause competitive harm to the Fund, Sorin Advisors LLP, and their respective affiliates and portfolio companies. By accepting this document, you acknowledge that its disclosure is strictly prohibited, and you agree to abide by such restriction and not to disclose this document to any other third party without the express written consent of Sorin Advisors LLP. Without prejudice to any other remedy available to the Recipient where in law, by contract or otherwise, the Discloser may cease providing any information about the portfolio companies or the fund if the Recipient violates any of the confidentiality obligations herein contained.

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FUND UPDATE

We are pleased to present the quarterly investor report of Sorin Investment Fund for the quarter ending March 2024. Till date, Sorin Investment Fund (the Fund) has raised INR 1,347 Cr. The fund has invested INR 136 Cr till date and there is an investment worth INR 32 Cr at advanced stages.

FUND BACKGROUND (TILL MARCH 31ST)	
Fund Financial Year	April to March
Fund Reporting Currency	INR
Incorporated	India
Target Fund Size	INR 1,000 Cr (+ INR 350 Cr Green Shoe)
Fund Size till date	INR 1,296 Cr
Management Fee	1.75% p.a of the Capital Commitment [1]

CAPITAL STATUS (TILL MARCH 31ST)	
Capital called	INR 181 Cr (14% of the Capital Commitment)
Funds disbursed	
- Investments	INR 97 Cr
- Management fee	INR 5.9 Cr (for quarter ended Jan- Mar'24)
- Set up cost	INR 6.50 Cr
Gross MOIC	
Distribution to Paid in Capital ('DPI')	NA
Total Value to Paid in Capital ('TVPI')	NA

STRUCTURE	
Fund's Domicile	India
Legal Structure	Closed-end Fund authorized by the SEBI
Investment Manager	Sorin Advisors LLP

THESIS	
Investment Focus (Stage)	Series A / B
Investment Focus (Geography)	India
Investment Focus (Sector)	Consumer-tech and SaaS

(1) Management fees of 1.60% p.a is charges to SIDBI & SRI (both government funds)

ECONOMIC ENVIRONMENT REVIEW

MACROECONOMIC OVERVIEW

The global economy is projected to grow at ~3.1% in CY24, well below the historical average of ~3.8% from 2000 to 2019. However, it has turned out to be more resilient, with moderating but above-target inflation as both services and manufacturing PMI continues to remain positive. Global headline inflation is expected to decline from ~6.8% in CY23 to ~5.8% in CY24 and to ~4.4% in CY25. In the medium to long term, there remain challenges for global growth; These challenges include unlocking productivity, which AI (artificial intelligence) offers promise for. Another challenge is addressing energy transition. Additionally, there is a need to reinvent globalization due to fragmentation and weaponization of trade and finance.

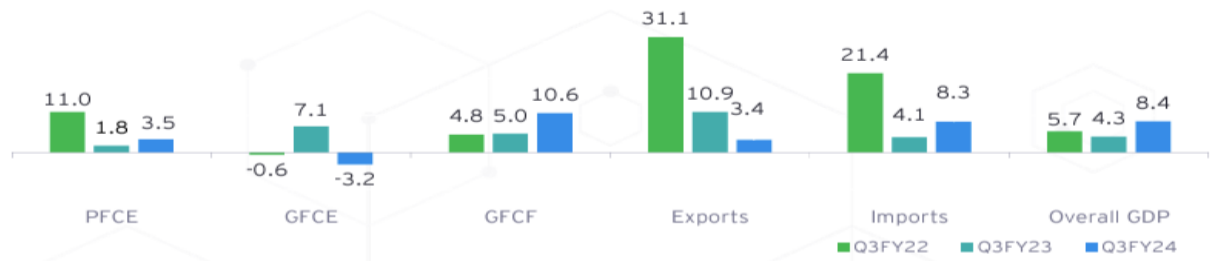
The overall global manufacturing PMI touched the 50 level mark and global services is also expanding. For both services and manufacturing sector, outlook in India continues to be optimistic. Manufacturing PMI continues to be over ~50 for more than 30 months now. The services PMI saw a sharp increase to ~61.8, highest in 6 months, attributable to buoyant demand conditions. Manufacturing PMI, in some of the major economies has improved and crossed the 50-level mark.

Manufacturing PMI	Jan-23	Oct-23	Jan-24
Global	49.1	48.8	50
India	55.4	55.5	56.5
Brazil	47.5	48.6	52.8
South Korea	48.5	49.8	51.2
China	49.2	49.5	50.8
United States	46.9	50	50.7
Vietnam	47.4	49.6	50.3
Australia	50	48.2	50.1
Canada	51	48.6	48.3
Japan	48.9	48.7	48
UK	47	44.8	47
Germany	47.3	40.8	45.5
France	50.5	42.8	43.1

Services PMI	Jan-23	Oct-23	Jan-24
Global	50.1	50.4	52.3
India	57.2	58.4	61.8
UK	48.7	49.5	54.3
Japan	52.3	51.6	53.1
Brazil	50.7	51	53.1
China	52.9	50.4	52.7
United States	46.8	50.6	52.5
Australia	48.6	47.9	49.1
Germany	50.7	48.2	47.7
France	49.4	45.2	45.4

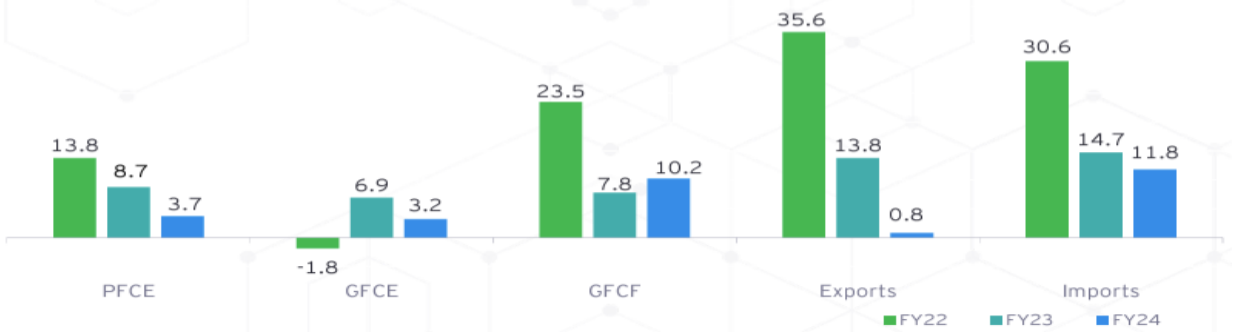
The Indian economy grew at ~8.4% in Q3FY23, exceeding overall expectations. Key drivers of growth were buoyant tax revenue collections, increased government capex, stable domestic demand (including rural demand), and strong growth in manufacturing and constructions sectors. Capital formation, an indicator of investment, grew at ~10.6% YoY in Q3FY24. However, government consumption spending in Q3FY24 contracted by ~3.2% YoY. The external sector continued to remain weak. The contribution of net exports to growth has remained negative at ~2.8% in the period Apr-Dec FY24.

Quarterly estimates of expenditure on real GDP growth (%)



PFCE: Private Final Consumption Expenditure; GFCE: Government Final Consumption Expenditure; GFCF: Gross Fixed Capital Formation;

Estimates of expenditure on real GDP growth (%) (April-December)



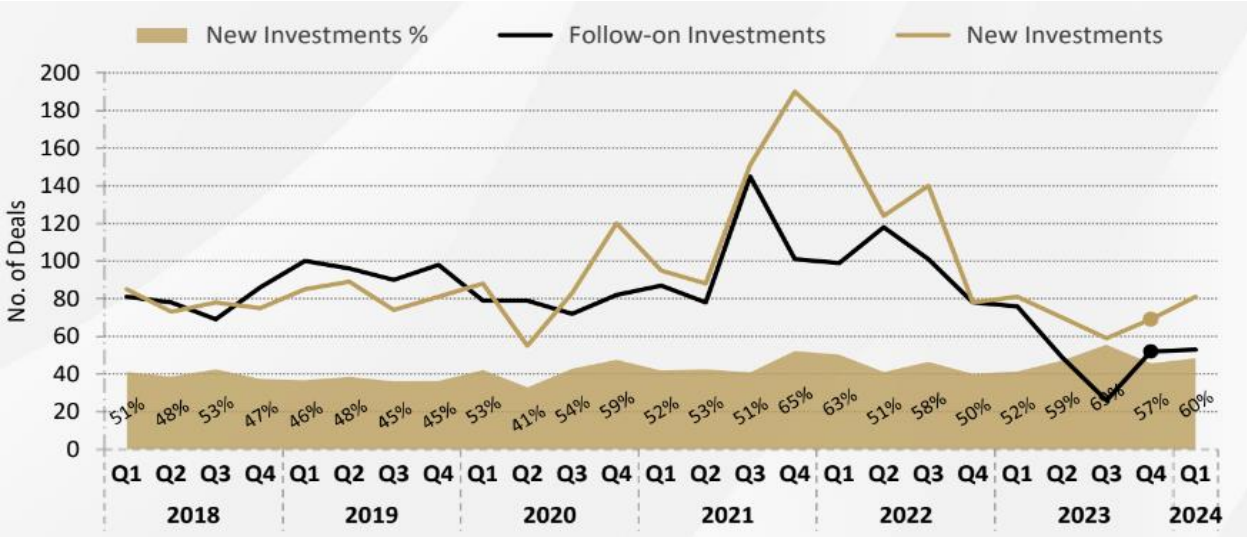
After an 11 year gap, the government also published the household consumption expenditure survey basis 2022-23 data. Key findings were that monthly per capita expenditure had grown by ~40% in rural areas and ~33% in urban areas over the past decade in real terms. The survey also highlighted the disparity between income groups – the expenditure of the top ~5% was 7x of the bottom ~5% in rural areas and the difference was 10x in urban areas. Another key insight from the survey was that expenditure patterns were shifting, with non-food items increasing by ~6% in rural areas and ~3.5% in urban areas.

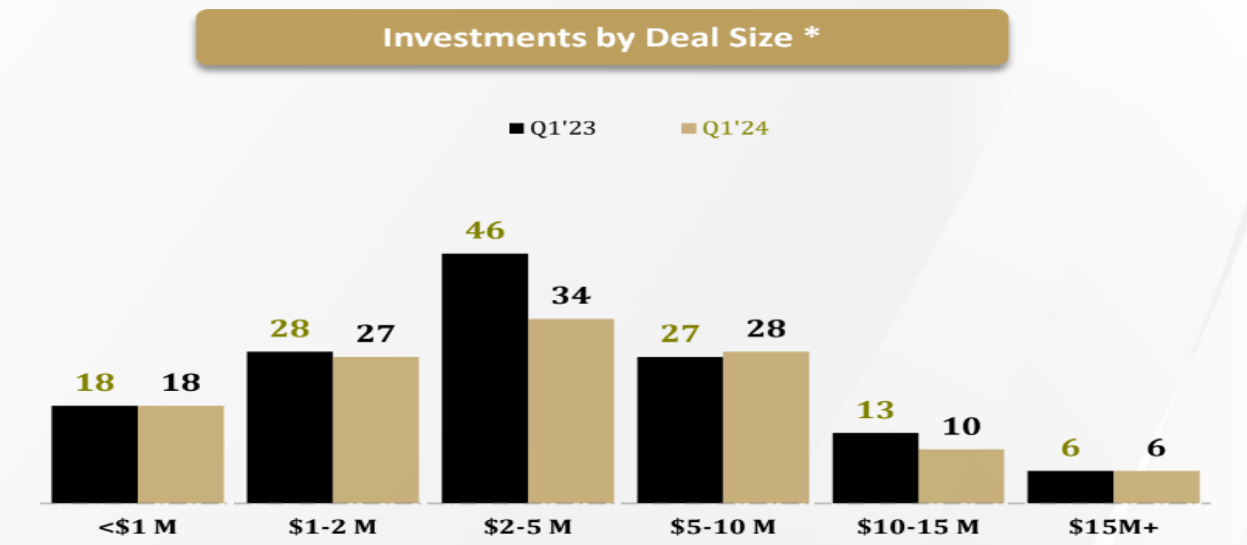
Looking ahead, the result of the national election will be a key policy monitorable, with the new government expected to present the full budget and layout potentially the next wave of systemic reforms in June / July.

VENTURE CAPITAL INVESTMENT ENVIRONMENT

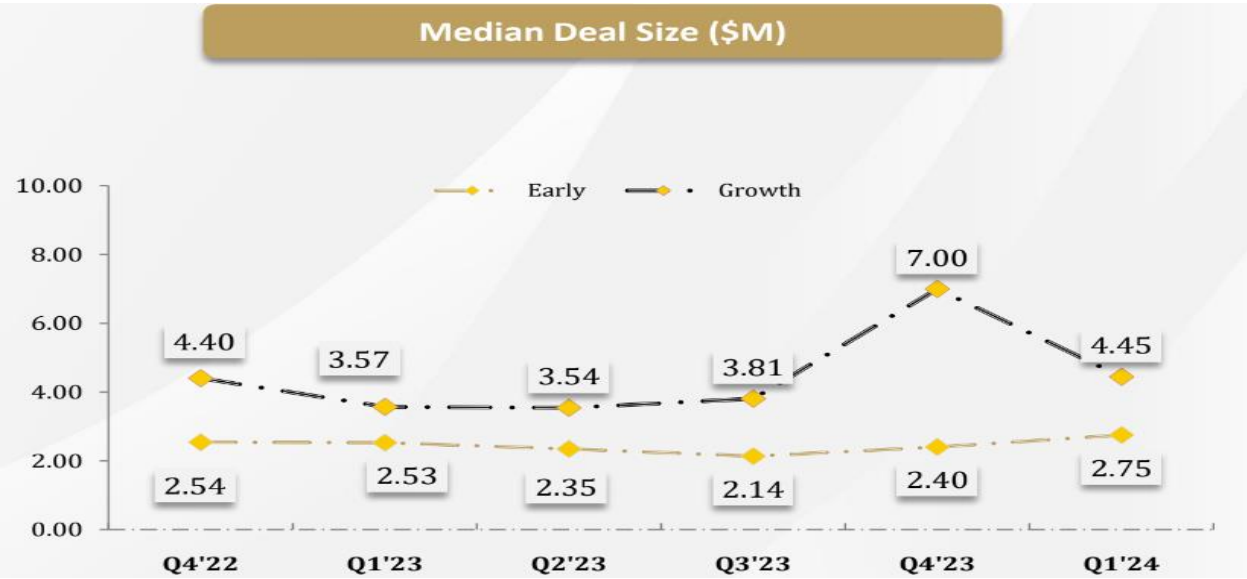
At 134 investments (worth $577M) in Q1CY24, venture capital investments registered a ~15% decrease in terms of volume (12% decrease by value) when compared to Q1CY23 (which had recorded 157 deals worth $655M), but witnessed a 11% increase when compared to the immediate previous quarter (which had recorded 121 deals worth $518M)

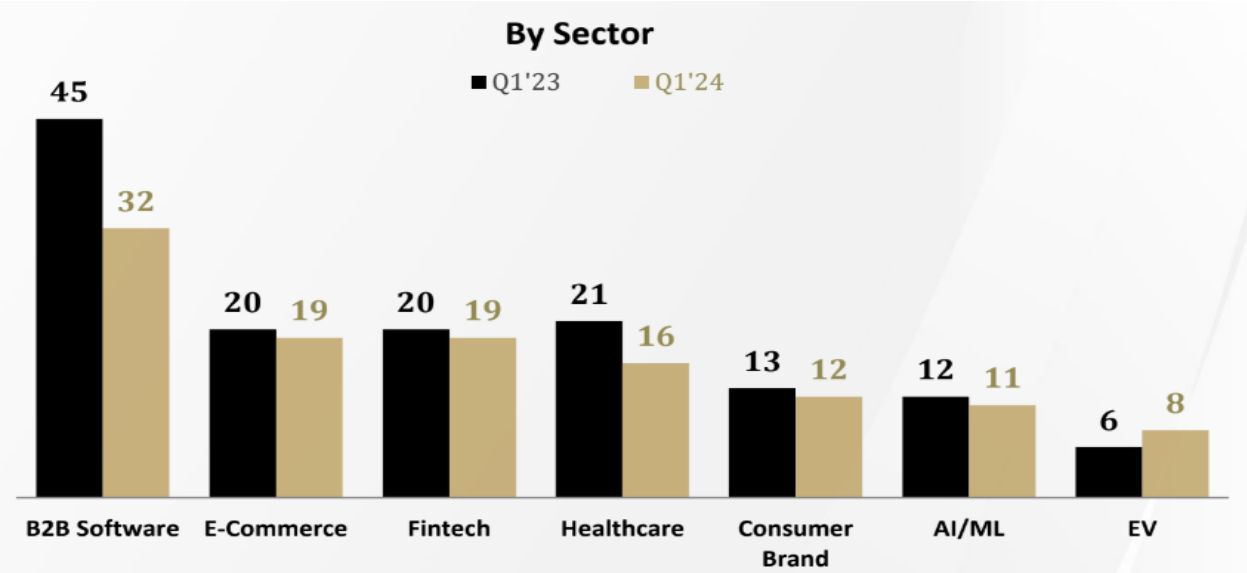




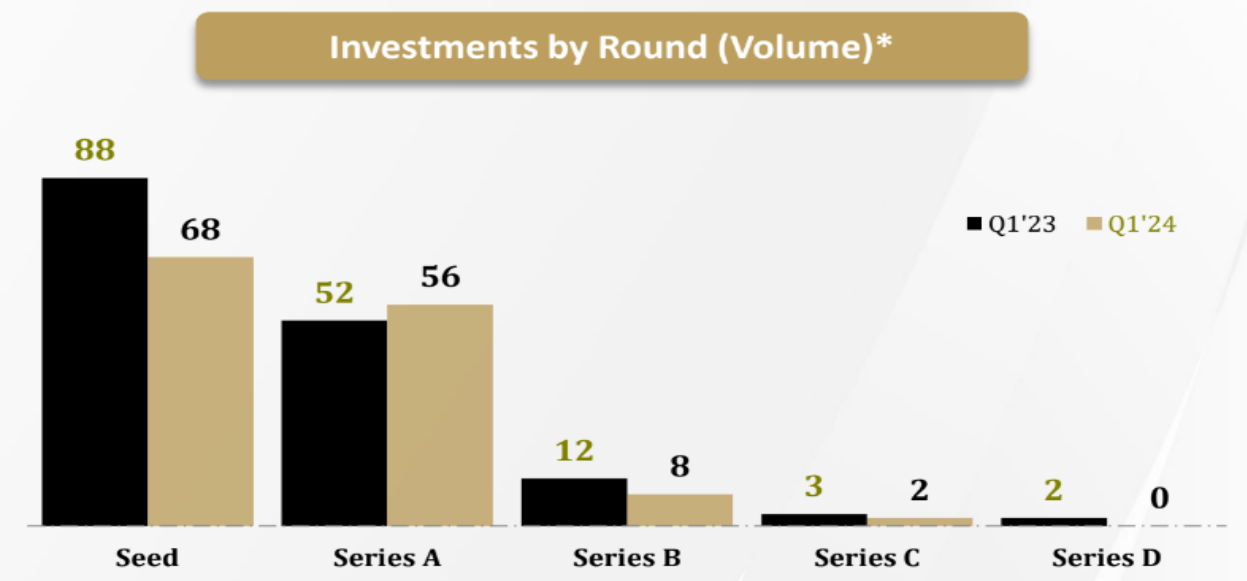


- Bulk of the investments in Q1CY24 occurred in $2M-$10M deal size range, which was similar to Q1CY23





- B2B enterprise Software was the favourite sector for VC funding during Q1CY24, attracting 32 investments worth $123M
- E-commerce came in second by volume, receiving 19 investments worth $81M
- Fintech took the third spot, attracting 19 investments worth $107M



- Bulk of deployment in Q1CY24 remained indexed towards seed deals
- Series A investments saw a slight uptick in terms of volume vs Q1CY23
- Series B / C / D continued to remain episodic

TRANSACTION UPDATE

Sorin completed 3 new deals (Freed, Litestore and Shivalik Small Finance Bank) since the last LP update and also participated in a follow on round for Uniqus Consultech.

Transaction Overview:

- Sorin led the INR 60 Cr ($7.5M) Series A round for Freed, a consumer facing tech enabled platform that offers debt-relief solutions to borrowers
- Sorin led the INR 46.5 Cr ($5.6M) Series A round for Litestore, a "Retail as a Service" platform for consumer brands
- Sorin co-led the INR 96 Cr ($11.5M) Series B round for Shivalik Small Finance Bank, a tech enabled Small Finance Bank
- Sorin also participated in the Series B round for Uniqus Consultech and exercised its super pro rata of $1.5M

For further details, please refer to the "Existing Portfolio" section of the report.

DEAL ACTIVITY

DEAL AT TERMSHEET STAGE	
Sector	• Consumer Brands
Business	• Comfortable and high-quality bottomwear for men for all occasions
About company	• Men-focused bottom wear brand providing better fit & comfort for all occasions • They aim to be specialists in bottomwear with a wide assortment of core categories in a curated range of premium fabrics. The brand envisions bringing export quality apparel to the domestic market, while ensuring value for money spent by the customer
Founders	• Dhruv has completed bachelors' degree from Wharton, post which he has 10 years' experience across Oliver Wyman consulting, Gentera and Banswara Syntex as head of Supply Chain. • Udit has completed Bachelors in Fashion from the School of Art in Chicago, post which he has worked with Fashion Institute of Technology (Central Saint Martins, Instituto Marangoni), and Banswara Syntex as Creative Director • Both cofounders (brothers) are from the third generation of a textile enterprise (Banswara Syntex), a 1,500 Cr-revenue listed company that manufactures export apparel for top Global brands.
Financials	• Revenue: INR 31 Cr in FY24 • CM1 (post logistics): 49%+ in FY24, CM2 (post marketing): 15%+ in FY24 • Limited burn at -5.5% EBITDA
Thesis	• Market opportunity and white space: Large category with no at-scale new age brand. Legacy brands offer limited product assortment / marketing innovation, and hence do not appeal to millennials. • Potential to achieve attractive unit economics through high AOV (2,500+) and repeat rates (40%+): In the core basics category (e.g., trousers, jeans, innerwear), high quality, durability and good fit result in high stickiness among consumers. Pant Project has achieved healthy unit economics through 40%+ repeat rates and higher AOVs for repeat cohorts. • Strong founders : Founders have deep knowledge of and network in textile industry. Their in-depth understanding of fabric and fit allows them to stay on top of innovations. • Promising potential of a conveniently delivered "custom-fit" proposition: Pant Project provides customer hassle-free customisation option for select premium wear, leading to superior buying experience than traditional custom wear brands.
Round Construct	• Round size of 35 Cr, Sorin to put in 32 Cr for a 20% stake
Tentative timeline for closure	• ~2 weeks

SORIN LEADERSHIP TEAM



Sanjay Nayar | Founder and Chairman

Sanjay Nayar is one of the most well-known and seasoned investors in the Indian private investing landscape – with over 38 years of experience in the financial markets. After 14 years with KKR India (CEO), he now serves as Advisor; he has also previously served on the Asian investment and portfolio management committees of KKR. He has been on the boards of various KKR portfolio companies and serves as Chairman of Avendus Capital. In addition, he serves as a Non-Executive Director at NYKAA, overseeing organic and inorganic expansion in the UAE, UK and the USA. Prior to KKR, he was CEO of Citigroup's Indian and South Asian operations and a member of Citigroup's Global Management Committee and Asia Executive Operating Committee.



Angad Banga | General Partner

Angad Banga is COO for the Caravel Group, a global conglomerate with maritime, commodities and asset management divisions. He is also a Board Director for Mandarin Shipping Limited, Fleet Management Limited (a Caravel Group company) and several other companies in the Group's portfolio of direct private equity investments. As Nykaa's first external investor, he played a key role in advising, steering, and helping drive the Company from its Series A fundraising to IPO in late 2021. Prior to the Caravel Group, Angad was a Principal with KKR, where he focused on investing in LBO transactions across the APAC region.



Mandar Dandekar | Partner

Mandar brings over two decades of rich and diverse experience in venture capital, private equity and technology consulting. He was instrumental in setting up Sorin from ground up. Previously, Mandar spent close to a decade at VC firm Kalaari Capital where he played a part in helping several companies reach success, including Dream11, Elasticrun, Jumbotail, Agnext, Healthplix, Stanplus and others. He also helped drive exits of Dream11 (large partial secondary), Myntra (acquired by Flipkart), Robosoft (acquired by Technopro) and Perpule (acquired by Amazon). Prior to that, Mandar was with Tata Capital Private Equity, Cognizant Technology Solutions and Tata Power Company Limited.



Subeer Monga | Partner

Subeer brings over 15 years of extensive experience in startup and venture investing to our team at Sorin. His journey into the world of venture investing began in 2010 with Mayfield Fund's India-focused fund, where he spent over 12 years honing his skills and contributing to over 20 investments spanning various sectors such as financial services/fintech, technology, consumer, and enterprise. Witnessing the transformation from "0 to 1" and "1 to 100" in numerous startups has been a privilege for Subeer. Among the notable companies he has been involved with include Strata, a leading fractional commercial real estate ownership platform, Enkash, one of the largest B2B cards payment businesses, LEAP India, the largest pallet rental company in India, Knowlarity, a cloud communication business acquired by Gupshup, and Securens Systems, a prominent video e-surveillance business

SORIN PHILOSOPHY

INVESTING AND PORTFOLIO MANAGEMENT

Tech based solutions to real world problems

- Back companies creating 'must have solutions' (versus good to have) for key pain points of consumers / businesses in large markets
- Actively seek scalable ideas with clear visibility to profitability

Strong founders who are adequately vested

- Partner with founders who have good domain expertise or sound thought process
- Ability to build a strong supporting team with complementary skillsets

Visibility of method (not timing) to monetization

- Focus on business models with inherent profit pools or ability to build large profit pools
- Optimize for businesses with low adoption friction and high repeat customer behaviour with low CAC

High corporate governance standards

- Sorin to aim for at least one board seat
- Authentic communication with founders and transparent exchange of information

Regularly add value through Sorin team expertise and network of industry experts

- Real world advice on growth, operational efficiency, competitive moat, fundraising etc.
- Help in hiring the best talent and thinking through the right organization structure

Regular cadence of reviews

- Maintain consistent communication and feedback loop with portfolio companies
- Ensure continued alignment of vision between Sorin and the founders

DEAL PIPELINE & EVALUATION

The Fund has developed a structured approach to sourcing and evaluating deals. The active deal pipeline is discussed with members of the Investment Committee (IC) on a weekly basis. Deals of interest to the Fund are further diligence and closed appropriately.

- Sourcing:
  - Direct Network of the Investment Team – founder networks, seed investing ecosystem, co-investor ecosystem, fund relationships
  - General Partner Network
  - Indirect Sourcing through relationship with bankers

- Pipeline Discussion:
  - Weekly cadence with members of the IC to discuss active pipeline
  - Weekly updates on ongoing diligence
  - Industry updates and market intelligence

- Evaluation:
  - Deep dive into promising companies with continued engagement by the Investment Team
  - Utilize GP and Investment Team networks to build intelligence and thesis on deals and sectors of interest
  - At least one management team conversation with Sanjay Nayar prior to a formal IC discussion

- Closure:
  - Post formal IC, a go-no go decision is made
  - Sorin endeavours to close the loop on any deal as quickly as possible

PORTFOLIO SUMMARY

Investments (Till March 31st)	No. Companies	Invested	FMV
		INR Cr	INR Cr
Active companies[3]	2	41.36	41.36
Written-off		-	-
Total Unrealised Investments		41.36	41.36
Exits			
Total Realised Investments			
Grand Total		41.36	41.36

(2) Fund has invested in 3 Investee Companies in the month of April, 2024 and is in advanced stages to make 2 more investments in May / June 2024. Thus, total investments made will amount to Rs. 168 crores after these investments are made.

Company (Till March 31st)	Sector	Business	Investment		% of Total	FMV	Gain/Loss
			Amt (INR Cr)	%		INR Cr	INR Cr
Uniqus Consultech	ESG	Climate-tech	INR 16.50 Cr equivalent to $2.00 Mn	4.44%	2.00%	16.77	-
Venwiz Technologies Private Limited	Technology	B2B E-commerce	INR 24.56 Cr	9.58%	3.00%	24.56	NA

EXISTING PORTFOLIO

UNIQUS CONSULTECH INC (UNIQUS)

COMPANY INFORMATION	
Business	Tech enabled platform to offer ESG and accountancy consultancy services
Sector	Climate tech
Current Stage	Series B
Domicile	Delaware
Founders	Jamil Khatri, Sandip Khetan, Anu Chaudhary
Round Size	$12.5M (Series A); $10M (Series B)
Key Investors	Nexus Venture Partners (Lead), Sorin Investments
Amount Invested by Sorin	INR 28.9 Cr (INR 16.5 Cr in Series A and INR 12.4 Cr in Series B)
Stake held	5.46% (up from 4.44% post super pro rata)

Uniqus provides business consulting and advisory services to US, Middle East and India based clients in the following spaces:

Environmental Social and Governance (ESG): Automation in services across strategy, project management, implementation support, climate change/net zero advisory, reporting and disclosures.

Accounting Advisory: Reporting relating to non-routine transactions, accounting change, regulatory compliance; Enable automation in the finance function for things like IPO reporting, M&A related financial reporting requirements, new accounting standards or for SOX compliance.

INVESTMENT THESIS

Strong founders: decades of domain experience, global recognition in respective fields

- Jamil Khatri: (25+ years exp) Ex-Head of KPMG's Global Accounting Advisory Services business (managed 4,000 professionals) - pioneered the practice of US listings from India; CII National CFO Committee; Ministry of Finance Committee on the IFRS Converged Standards
- Sandip Khetan: (20+ years exp) Ex-Head of EY's Accounting Advisory Services business, previously, was a founding member of KPMG's Accounting Advisory Services business in India; led US audits and US listings of diverse companies where he dealt with the SEC on complex reporting matters

- Anu Chaudhary: (20+ years exp) Previously worked with DNV serving climate change and sustainability clients across Europe; Worked with UNFCCC and American National Accreditation Board (ANAB) – responsible for verifying sustainable development claims made by global companies

Large TAM

- ESG consulting is a high growth vertical, set to cross $10.8B by 2027, Accounting consulting market valued at $38B in 2020

Clear whitespace

- High supply demand mismatch and absence of established players in ESG advisory has created a large whitespace
- Consulting companies have relied on manpower to execute projects, despite many parts of projects that can be automated by technology. Eg. ESG reporting and the generation of financial statements

Potential for strong margins

- Global delivery model with onshore customer relationship management and offshore project delivery, combined with tech led automation throughout project value chain to bring down cost and expand margins – business to be cash generating from the beginning.

Series B Update

- Sorin Investment Fund (Sorin) had invested INR 16.5 Cr ($2M) in Series A in April, 2023 in Uniqus Consultech Inc
- Uniqus Consultech Inc. has been scaling well, and now has a team strength of 300+ across 8 offices. Uniqus posted $6.6M CY23 revenue, while burning $3.5M (in-line with business plan). The company has shown strong growth and increased their revenue forecast from $16.6M to $25.7M in CY24, without expecting additional burn based on good client demand and strong execution
- Given Uniqus' performance, the company has seen external investor interest. Nexus (existing lead investor) wanted to pre-empt any external round and invested $8M in a $10M round at a $90M pre-money valuation. We continue to remain bullish on the company, and did a super pro-rata investment of $1.5M (vs $440K), bringing Sorin shareholding up to 5.5% from 4.4%

VENWIZ TECHNOLOGIES PRIVATE LIMITED (VENWIZ)

COMPANY INFORMATION	
Business	SaaS-enabled B2B marketplace digitizing Capex and industrial services procurement for the manufacturing industry
Sector	B2B E-Commerce
Stage	Series A
Domicile	India
Founders	Rajesh Reddy, Sandesh Paturi
Round Size	INR 68 Cr ($8.3M)
Key Investors	Sorin Investments (Lead), Nexus Venture Partners, Accel Partners, Riverwalk Holdings, JAFCO
Amount Invested by Sorin	INR 24.6 Cr ($3M)
Stake held	9.58%

Venwiz is a SaaS-enabled vendor discovery and engagement marketplace democratizing Capex and industrial services procurement for enterprises by providing access to a diverse pool of vetted vendors.

Procurement and project managers gain access to a filtered and curated set of high relevance vendors shortlisted by the Venwiz platform after matching a job's requirements with the capabilities of a vendor.

The company has further developed a set of automated tools to assist managers across the life cycle of Capex projects including tools to track execution and vendor milestones.

INVESTMENT THESIS

- Strong founders: Both founders have significant domain experience, have added high quality team with relevant experience to head different verticals
    - Rajesh Reddy: (14+ years exp) Ex-Head of Engineering & Maintenance for ITC – experienced Venwiz problem statement first-hand, worked as consultant with McKinsey & Company, operated in the start-up ecosystem while working with Capillary and Bounce
    - Sandesh Paturi: (13+ years of exp) Previously drove growth strategy, new product development at DuPont Nutrition and BioSciences and worked with ITC managing large scale manufacturing projects
- Large market: Annual capex spend in India at $56B - Strong push from Indian government towards manufacturing sector

- Demonstrated whitespace: Manufacturers and procurement teams struggle with finding relevant vendors for capex projects at various facilities due to high fragmentation and information opacity in the market
- Early product market fit: Vendors and clients have demonstrated willingness to use and pay for such a platform, with over 10K vendors onboarded

KAVACH FINANCIAL SERVICES (FREED)

COMPANY INFORMATION	
Business	Consumer facing tech enabled platform that offers debt-relief solutions to borrowers
Sector	Fintech
Stage	Series A
Domicile	India
Founders	Ritesh Srivasta, Alok Sharma
Round Size	INR 60 Cr ($7.5M)
Key Investors	Sorin Investments (Lead), Multiply, IPV
Amount Invested by Sorin	INR 27crs equivalent to $3.4M (across two tranches); Sorin has the right to buy INR 3crs of secondary shares, if available
Stake held	14.5-18.5%

FREED's Debt Resolution Program helps financially distressed borrowers discharge their delinquent debt obligations honorably by taking charge of their personal finances. FREED helps craft a savings plan, build savings via a monthly plan, and then negotiate a settlement with lenders on behalf of borrowers.

FREED also offers a unique and industry-first debt consolidation program which allows borrowers to consolidate and refinance their multiple high-cost loans into one single loan with a lower interest and an extended tenure, giving them extra cash flow every month.

INVESTMENT THESIS

Rise in unsecured lending and increasing credit defaults

- India is seeing strong growth in personal credit. Personal Loan outstanding has grown 5x in last 10 years (gone from $108Bn in FY13 to $500 Bn in FY23). Market will grow as both GDP grows, and the % of households credit as proportion of GDP grows. With an average credit cycle of 5-8 years, they will have a large absolute market to cater to.
- Within personal loans, small ticket loans have been a fast-growing segment, with each borrower having multiple loans outstanding. More specifically, 40% of new loans given are to borrowers with 5+ loans. Further, ~25% of the new borrowers had at least one delinquency. This is 2x higher than 5 years ago. With decreasing quality in lending, defaults are expected to rise.

Clear whitespace with opportunity to build a category leader

- Ability to build a strong consumer brand in a white space. No brand currently stands for this value proposition.

Strong founders: decades of global domain experience in respective fields

- Ritesh Srivastava (20+ years exp): Previously CEO of ELITIFY; Principal Lead at Settlement Corporation of America (operating in debt-relief industry in the US)
- Alok Sharma (20+ years exp): Previously Co-Founder of IOO Labs & CTO of ZingUpLife; 7+ years of experience at eBay as Senior Engineer Manager

Attractive unit economics

- Highly profitable business with possible AOV of over $6K (can churn out CM2 of over 20+%)

Regulatory Push/ Support

- An innovative model which is better for the consumer, for the bank and the directly in line with the aims of the regulator (clamp down on the harassment which customers have been facing)

POPSPACE TECHNOLOGIES PVT LTD (LITESTORE)

LiteStore®

COMPANY INFORMATION	
Business	"Retail as a service" platform for consumer brands
Sector	D2C Enabler
Stage	Series A
Domicile	India
Founders	Raghunandan, Puneet Dinesh, Tarun Sundaram
Round Size	INR 46.4 Cr ($5.6M)
Key Investors	Sorin Investments, Accel
Amount Invested by Sorin	INR 26.5 Cr ($3.2M)
Stake held	15.05%

Litestore works with brands to develop their offline expansion strategy, identify and obtain access to the most relevant retail spaces and manages in-store operations for them.

Through Litestore, brands can experiment with various store formats (EBOs and MBOs) and different locations in a capital efficient way. It works as a one stop shop providing brands with all the elements required for executing their offline journey.

INVESTMENT THESIS

Large Market

- Organized retail, which is 6% of the $1Tn retail market in India is expected to grow and capture higher market share led by:
    - Shift of consumer preference from unbranded products to branded products
    - Wave of D2C brands going omnichannel to continue to grow sustainably (D2C is expected to be $60B market by 2027)

Addressing friction in omnichannel growth

- D2C brands are forced to go offline due to rising online CACs and discounting in marketplaces
- Asset owners are not willing to rent spaces to new age brands
- Online native brands have limited experience on retail store operations
- Large amount of capex required in experimenting with new formats

Strong founders: led by a stellar team which brings deep expertise in real estate, operations and contract negotiations

- Raghunandan: (30+ years exp) Developed and ran large retail assets like malls etc. Has operated as the CEO / leadership of several large companies including DHL India, Prestige Retail, Bhartiya City. He has also been on the Board of The Shopping Association of India for the last 13+ years

- Tarun Sundaram: (4+ years exp) Practiced as dispute resolution lawyer with focus on real estate; brings expertise in securing both supply and demand of mall assets
- Puneet Dinesh: (6+ years exp) Graduate from NLU Delhi, Practiced as an Advocate, Office of the Advocate General, Govt of Karnataka;

Early product market fit

- The company has rapidly signed up ~75K sqft space (with potential revenue of ~INR 50 Cr - $6 Mn) within one year and also attracted a quality roster of brands.

SHIVALIK SMALL FINANCE BANK (SHIVALIK)

COMPANY INFORMATION	
Business	Tech enabled Small Finance Bank
Sector	Fintech
Stage	Series B
Domicile	India
Founder / CEO	Founders: India's ex Secretary of Financial Services and his family CEO: Former head of retail banking for RBL Bank; 20+ years of experience
Round Size	INR 96 Cr ($11.5M)
Key Investors	Sorin Investments, Lightspeed Venture Partners, Accel, Quona
Amount Invested by Sorin	INR 38.5crs ($4.6m)
Stake held	4.99%; On a fully diluted basis 4.3%

Shivalik is India's first Small Finance Bank born by transitioning from a co-operative bank. Shivalik has a ~23 year old legacy with a presence across 4 states / union territories covering more than 59 districts.

Shivalik is differentiated given its focus on being more "tech first" coupled with its low cost deposit franchise. Shivalik has an extensive range of banking functionalities through APIs across verticals.

INVESTMENT THESIS

SFB License a Moat

- Only 12 SFB licenses have been granted by the RBI in the last decade. In the last year alone, 7 applications were received, reviewed and rejected by the RBI

Strong Leadership Team

- Professional management team with relevant experience. CEO (ex-RBL Head of Retail), CTO (ex-Infosys Finacle), CIO (ex-PayU), CFO (ex-KPMG, Deloitte), Digital Banking Head (ex-Open, Jupiter), CRO (ex-GM Punjab National Bank), Branch Banking Head (ex-ICICI)

Strong Board and Governance Structures

- Shankar Agarwal (ex-Labor and Employment Secretary), Arundhati Mech (ex-Chief General Manager and Regional Director of RBI), DK Mittal (ex-Secretary Financial Services and Corporate Affairs), K Narasimha Murthy (on the board of NSE and Max Healthcare)

Good Mix of Strategy and Execution

- CEO and CRO have a conservative yet ambitious approach to fixed cost expansion, and are adding new product lines like EV financing and Fixed Deposit Overdraft Facility

Geographic Advantage

- Shivalik is primarily domiciled in UP. UP is the fastest growing state in India (~17% YoY GDP growth in FY23, ~19% expected in FY24)

Tech First

- Shivalik already has an API ready state-of-the-art tech stack; it offers a secure, scalable and future-proof banking-as -a-service platform that delivers on the cloud (Stable Money and Moneycontrol partnerships have shown promising signs)

NET ASSET VALUE

AS OF QUARTER ENDING MAR 2024

INVESTMENTS	INVESTMENT COST	TOTAL VALUE
Uniqus	16.77	16.77
Venwiz	24.56	24.56
Total Portfolio Value[2]	41.36	41.36
Mutual Fund Balance		74.26
Bank Balance		13.70
Net Other Assets		(1.17)
Total Net Assets		128.15
No. of Class A Units Issued	1,170,000,000	11,700,000,000
No. of Class B Units Issued	112,822,328	1,128,223,280
No. of Class C Units Issued	5,000,000	50,00,000
No. of Class D Units Issued	8,418,803	84,188,030
Paid-up Value Per Unit (INR)		1.40
NAV Per Unit (INR)		1.06

(2) Fund has invested in 3 Investee Companies in the month of April, 2024 and is in advanced stages to make 2 more investments in May / June 2024. Thus, total investments made will amount to Rs. 168 crores after these investments are made.

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KAE CAPITAL FUND III

Report to the investors for the Quarter ended December 31, 2023

December 2023

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1. Quarterly LP Update – Q3 FY24

Dear Investors,

We hope the new year is off to a great start.

The wars and their tragic consequences continue in Europe and the Middle East. We hope for a better sense to prevail among all stakeholders resulting in the onset of peace. Meanwhile, the general elections in India are due in a few months. Irrespective of which party forms the union government with the world's largest mandate, we expect policy stability to continue.

We are happy to share our quarterly LP update report for Q3 FY24. We will cover a brief commentary on the economy and tech ecosystem followed by the portfolio update.

Major economic indicators in the US have trended well in the Oct-Dec quarter. The annualized GDP growth rate for the quarter was a healthy 3.3%. The full year GDP growth rate for CY23 ended at 2.5%, which is higher than the CY22 growth rate of 1.9%. Inflation continued to trend down with December CPI at 3.35% compared to 3.7% in September. The markets have reacted positively to this news with NASDAQ going up by a whopping 11% between September and December. In Jan 2024, in India, RBI reported a healthy 7% growth rate for Oct - Dec quarter, beating its earlier estimates of 6.5% for the same quarter. The Nifty 50 scaled a lifetime high on December 31, ending the quarter with a gain of 10.7%.

2023 was a year of prudence for the Indian tech ecosystem in many ways. Investors placed higher emphasis on business fundamentals over top line growth. After a prolonged decline in investments across stages, investor appetite seems to have picked up with USD 2.40 Bn in investments in Q3 FY24 compared to ~USD 2.00 Bn in Q2 FY24. The total number of VC deals remained flat at ~200 during the quarter. Consumer internet funding has more than doubled in the last quarter, regaining dominance. The sector accounted for 52% of total investment. While Enterprise and Fintech continue to be sectors of significant interest, investments in these sectors have moderated a bit in the last quarter.

Our founders have navigated close to two years of a funding constrained environment admirably. Companies from our Fund I and II are either profitable or have moved quickly to reduce burn. Over 70% of these companies are well capitalized and have a runway of over 18 months. Many of our fund III companies were born in the current funding winter. They have grown sustainably by focusing on strong unit economics from day one. This grounding will help them in the long term to build enduring businesses. One of our Fund III companies has received a term sheet for USD17.00 Mn and the round is expected to close in the next couple of months.

As a long-term investor, we continue to evaluate and invest in innovative companies. The current slowdown is a great opportunity where we have ample time to talk to high quality thoughtful founders and make the right investments. In the last quarter, we have committed to four start-ups across consumer internet, AI and B2B commerce.

With the year ending on a strong note, we are excited about the prospects of our portfolio for 2024.

Fund Performance Metrics

Kae Capital Fund III **Amt in INR Cr**

Particulars	Mar-23	Jun-23	Sep-23	Dec-23
Cumulative Amount Deployed	133.66	183.25	183.25	183.25
MOIC	1.55	1.60	1.60	1.60
Gross IRR	51%	56%	44%	36%
DPI	-	-	-	-

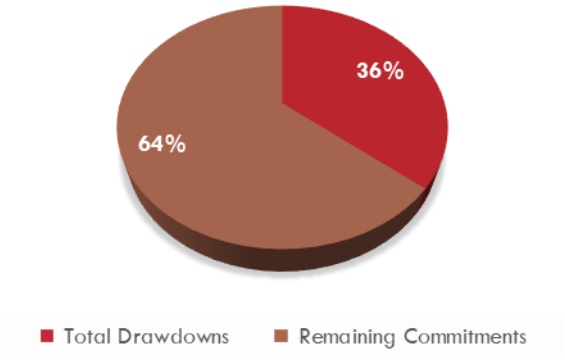
Portfolio Company Updates

Fund I and Fund II

- **Zyla:** The Healthtech company in our portfolio has been growing at a fast pace. They recently closed a USD 4.00 Mn round led by Exfinity ventures.

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2. Fund Overview and Executive Summary

Fund Overview	
Investment Period Commencement Date	9th April 2021
Vintage Year	2021
Legal Form/Structure	A Category II - Alternative Investment Fund
Fund Name	Kae Capital Fund III
Name of Partners	Mr Sasha Mirchandani, Mr Gaurav Chaturvedi, Ms Sunitha Viswanathan and Mr Krishnavataram Vinjamuri
Name of Trustee	Beacon Trusteeship Limited
Name of Investment Manager	Kae Capital Management Private Limited
Name of the Sponsor	Kine Advisory Services LLP
Total Commitments	INR 767.95 Cr
Sponsor Commitments	INR 10.00 Cr (Drawn down: INR 5.00 Cr)
Total Drawdowns Since Inception	INR 277.82 Cr
Remaining Commitments	INR 485.13 Cr 
Investment Focus	The investment policy of the Fund is to invest in incubation, seed stage, start-up stage and early-stage companies in India and other jurisdictions subject to local law requirements of such jurisdiction. The Fund will be primarily focusing on sectors that will benefit from domestic consumption growth but will be opportunistic in spotting investment opportunities in export and outsourcing sectors.
Investment Focus by Geography	Primarily India-focused but can invest in companies based outside India subject to SEBI & FEMA compliance.

** ***Mar 23: 1USD = 82.1775 INR***
Jun 23: 1USD = 82.0400 INR
Sep 23: 1USD = 83.0400 INR
Dec 23: 1USD = 83.2088 INR

The following table summarizes the Investment activity statistics:

	FY 24 (YTD)
No. of Active Companies	13
No. of Companies Exited	-
No. of Companies Written off	1
Total No. of Portfolio Companies	14
No. of New Companies	2
No. of Follow-Ons in Existing Companies	2
Cumulative Amount Deployed	INR 183.25 Cr
MOIC	1.6x
Gross IRR	36%
DPI	-
TVPI	1.3x

3. Portfolio Companies Update

ACTIVE COMPANIES

1. Tatvartha Health Private Limited (Traya)

https://traya.health/

Business Description: Traya is an Indian direct-to-consumer healthcare and personal care brand that provides a holistic treatment for consumers dealing with hairloss. The Company provides a personalized, doctor-recommended treatment that help determine the root cause of hair fall among individuals, along with a range of hair care products that are curated from a combination of Ayurveda, Allopathy, and Nutrition.

Key Highlights of the Oct-Dec 2023 quarter:

- Revenue increased by 14.2% compared to the previous quarter.
- EBIDTA Margin remained positive, averaging 10% for the Dec 2023 quarter.
- The average number of orders per month in Dec 2023 rose to 150,000 orders.

Shareholding Pattern as on 31st December 2023:

Particulars	Equity	Preference	Shares on FDB	% of FDB
Promoters + ESOP	11,194	-	11,194	46.18%
Kae Capital Fund III	10	5,083	5,093	19.60%
Others	510	9,187	9,697	37.32%
Total	**11,714**	**14,270**	**25,984**	**100.00%**

Company Valuation:

Current Company Valuation	INR 302.54 Cr	USD 36.36 Mn
Current Value of Company's Stake	INR 59.30 Cr	USD 7.13 Mn

Company Financials:

(Amt in INR Cr)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	28.14	40.67	59.10	67.50
Net Income	(10.36)	(1.66)	7.98	6.77
Burn	(10.56)	(1.69)	1.59	(3.13)
Cash in Hand	48.72	44.58	51.85	53.02
Team Size (Nos)	150	179	268	574

(Amt in USD Mn)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	3.42	4.96	7.12	8.11
Net Income	(1.26)	(0.20)	0.96	0.81
Burn	(1.29)	(0.21)	0.19	(0.38)
Cash in Hand	5.93	5.43	6.24	6.37
Team Size (Nos)	150	179	268	574

2. Bizcon Innovations Private Limited (Yojak)

https://yojakexports.com/

Business Description: Yojak is a B2B managed marketplace for construction materials between manufacturers and retailers. The company aims to digitize the finishing construction material space (tiles, sanitary ware, etc.) by enabling retailers to order digitally and by ensuring the right quality, delivery, and price. On the supplier's front, the company uses technology to efficiently plan and manage operations and help them in increasing revenue.

Shareholding Pattern as on 31st December 2023:

Particulars	Equity	Preference	Shares on FDB	% of FDB
Promoters + ESOP	11,342	-	11,342	55.89%
Kae Capital Fund III	10	4,068	4,078	20.09%
Others	10	4,865	4,875	24.02%
Total	**11,362**	**8,933**	**20,295**	**100.00%**

Company Valuation:

Current Company Valuation	INR 93.80 Cr	USD 11.27 Mn
Current Value of Company's Stake	INR 18.85 Cr	USD 2.27 Mn

Company Financials:

(Amt in INR Cr)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	11.56	12.44	13.56	1.62
Net Income	(0.82)	(0.32)	(1.16)	(0.84)
Burn	(4.33)	(1.48)	(0.17)	(0.32)
Cash in Hand	5.04	3.80	3.63	3.95
Team Size (Nos)	35	35	25	12

(Amt in USD Mn)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	1.41	1.52	1.63	0.19
Net Income	(0.10)	(0.04)	(0.14)	(0.10)
Burn	(0.53)	(0.18)	(0.02)	(0.04)
Cash in Hand	0.61	0.46	0.44	0.47
Team Size (Nos)	35	35	25	12

3. Hatica Technologies Pvt Ltd/ Hatica Inc

https://www.hatica.io/

Business Description: Hatica is building a workplace analytics platform. Hatica gives intelligence and actionable about employee productivity and well-being by using the data from its SaaS app used by the company's employees.

Shareholding Pattern as on 31st December 2023:

Particulars	Equity	Preference	Shares on FDB	% of FDB
Promoters + ESOP	11,471,999	-	11,471,999	65.77%
Kae Capital Fund III	-	3,227,340	3,227,340	18.50%
Others	-	2,744,369	2,744,369	15.73%
Total	**11,471,999**	**5,971,709**	**17,443,708**	**100.00%**

Company Valuation:

Current Company Valuation	INR 119.83 Cr	USD 14.40 Mn
Current Value of Company's Stake	INR 22.17 Cr	USD 2.66 Mn

Company Financials:

(Amt in INR Cr)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.65	0.06	0.24	0.58
Net Income	(2.46)	(3.84)	(3.99)	(3.58)
Burn	(0.26)	(3.82)	3.99	3.58
Cash in Hand	20.98	20.09	16.36	13.73
Team Size (Nos)	-	-	-	-

(Amt in USD Mn)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.08	0.01	0.03	0.07
Net Income	(0.30)	(0.47)	(0.48)	(0.43)
Burn	(0.03)	(0.47)	0.48	0.43
Cash in Hand	2.55	2.45	1.97	1.65
Team Size (Nos)	-	-	-	-

4. Assurekit Technology & Services Pvt Ltd.

https://assurekit.com/

assurekit®

Business Description: Assurekit is building the Shopify for insurance and protection products helping distributors and insurance companies to sell and manage plans for their customers.

Key Highlights of the Oct-Dec 2023 quarter:

- Regulatory inquiries prompted a temporary suspension of the salary protection product during the quarter. Approval was granted to resume operations in January 2024.
- Two additional products were completed by the company, and the necessary technology and backend processes were established to launch them this quarter.

Shareholding Pattern as on 31st December 2023:

Particulars	Equity	Preference	Shares on FDB	% of FDB
Promoters + ESOP	16,091	-	16,091	49.46%
Kae Capital Fund III	10	6,274	5,468	16.81%
Others	20	14,189	10,975	33.73%
Total	**16,121**	**20,463**	**32,534**	**100.00%**

Company Valuation:

Current Company Valuation	INR 137.50 Cr	USD 16.52 Mn
Current Value of Company's Stake	INR 23.11 Cr	USD 2.78 Mn

Company Financials:

(Amt in INR Cr)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.10	0.05	0.42	0.04
Net Income	(3.03)	(2.62)	(2.21)	(1.67)
Burn	(3.34)	(2.64)	(1.95)	(1.76)
Cash in Hand	27.55	25.59	23.35	21.18
Team Size (Nos)	51	45	22	20

(Amt in USD Mn)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.01	0.01	0.05	0.00
Net Income	(0.37)	(0.32)	(0.27)	(0.20)
Burn	(0.41)	(0.32)	(0.23)	(0.21)
Cash in Hand	3.35	3.12	2.81	2.55
Team Size (Nos)	51	45	22	20

5. Tradyl Private Limited

https://tradyl.com/

Business Description: Tradyl.com is a cross-border B2B e-commerce marketplace for mid-small retail businesses across the world to import products in small quantities from India

Key Highlights of the Oct-Dec 2023 quarter:

- Continued enhancement of product and contribution margins, achieving double-digit contribution margins in the December 2023 quarter.
- Strengthened the leadership team through strategic hires, including Samantha Peram as Acquisition head, Parvin Sinha as Sales Head, and Abhishek Jha as Growth Lead.
- Secured credit lines from ICICI Bank for export packing credit and Recur Club for working capital financing.
- Encountered demand challenges stemming from the holiday season in international markets and experienced delayed delivery requests from customers, prompting plans to ramp up Booked & Delivered GMV in the next quarter.

Shareholding Pattern as on 31st December 2023:

Particulars	Equity	Preference	Shares on FDB	% of FDB
Promoters + ESOP	11,643	-	11,643	70.89%
Kae Capital Fund III	10	3,760	3,770	22.95%
Others	10	1,001	1,011	6.16%
Total	**11,663**	**4,761**	**16,424**	**100.00%**

Company Valuation:

Current Company Valuation	INR 70.39 Cr	USD 8.46 Mn
Current Value of Company's Stake	INR 16.16 Cr	USD 1.94 Mn

Company Financials:

(Amt in INR Cr)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.80	0.94	1.39	1.25
Net Income	(0.99)	(0.59)	(0.64)	(0.62)
Burn	1.07	0.65	0.67	0.88
Cash in Hand	5.61	4.20	3.57	3.24
Team Size (Nos)	15	14	20	18

(Amt in USD Mn)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.10	0.11	0.17	0.15
Net Income	(0.12)	(0.07)	(0.08)	(0.07)
Burn	0.13	0.08	0.08	0.11
Cash in Hand	0.68	0.51	0.43	0.39
Team Size (Nos)	15	14	20	18

Note: On account of the take-over of the business of Elephanteer by Onwo from Tradyl, the valuation attributable to the subsidiary Elephanteer has been reduced from Tradyl Private Limited and has been considered under Onwo Trade Private Limited.

6. Foxtale Consumer Private Limited

https://foxtale.in/

Business Description: Foxtale is engaged in the business of manufacturing, distribution, and selling of personal care products.

Key Highlights of the Oct-Dec 2023 quarter:

- The company experienced a 37% increase in website traffic compared to the previous quarter.
- Expanded its presence in Kolkata, Ranchi, Delhi, Mumbai, and Ahmedabad through ATL branding and campaigns.
- Introduced three new products to its portfolio.

Shareholding Pattern as on 31st December 2023:

Particulars	Equity	Preference	Shares on FDB	% of FDB
Promoters + ESOP	16,526	30,000	46,526	56.96%
Kae Capital Fund III	10	15,206	15,216	18.63%
Others	20	19,918	19,938	24.41%
Total	**16,556**	**65,124**	**81,680**	**100.00%**

Company Valuation:

Current Company Valuation	INR 300.75 Cr	USD 36.14 Mn
Current Value of Company's Stake	INR 56.03 Cr	USD 6.73 Mn

Company Financials:

(Amt in INR Cr)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	7.40	13.88	20.04	29.80
Net Income	(4.95)	(4.80)	(7.60)	(80.90)
Burn	4.81	6.85	11.82	13.59
Cash in Hand	7.38	33.57	21.35	14.37
Team Size (Nos)	137	177	220	199

(Amt in USD Mn)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.90	1.69	2.41	3.58
Net Income	(0.60)	(0.59)	(0.92)	(9.72)
Burn	0.59	0.83	1.42	1.63
Cash in Hand	0.90	4.09	2.57	1.73
Team Size (Nos)	137	177	220	199

7. L8 Cones Interactive Private Ltd (Supernova)

https://www.gosupernova.live/

Business Description: Supernova is an e-learning platform. The company aims to be at the forefront of this change by providing high-quality & fun learning for most kids, which is also affordable and effective.

Key Highlights of the Oct-Dec 2023 quarter:

- The third quarter demonstrated remarkable growth, with billing revenue increasing by 136% (1.36 times), accrued revenue soaring by 331% (3.31 times), the employee count rising from 12 to 20, and over 3000 students enrolling in the course.

Shareholding Pattern as on 31st December 2023:

Particulars	Equity	Preference	Shares on FDB	% of FDB
Promoters + ESOP	12,500	-	12,500	72.18%
Kae Capital Fund III	10	1,291	1,301	7.51%
Others	10	3,506	3,516	20.30%
Total	**12,520**	**4,797**	**17,317**	**100.00%**

Company Valuation:

Current Company Valuation	INR 31.86 Cr	USD 3.83 Mn
Current Value of Company's Stake	INR 2.39 Cr	USD 0.29 Mn

Company Financials:

(Amt in INR Cr)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.04	0.03	0.15	0.15
Net Income	(0.51)	(0.61)	(0.75)	(0.75)
Burn	0.51	0.61	0.46	0.46
Cash in Hand	7.17	6.50	6.17	6.17
Team Size (Nos)	9	9	12	20

(Amt in USD Mn)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.00	0.00	0.02	0.02
Net Income	(0.06)	(0.07)	(0.09)	(0.09)
Burn	0.06	0.07	0.06	0.06
Cash in Hand	0.87	0.79	0.74	0.74
Team Size (Nos)	9	9	12	20

8. Contlo Technologies Private Ltd./ Contlo Inc

https://contlo.com/

Business Description: Contlo is engaged inter-alia in the business of information technology-enabled services including data mining, app design, app development, import export and marketing of software applications, hardware and software products, mobile applications, e-commerce solutions, web development and web solutions, Software as a Service (SaaS) including digital marketing and service including all activities pertaining to information technology services, technology innovation, system development, R&D, and all allied activities ("Business").

Key Highlights of the Oct-Dec 2023 quarter:

- Total Cumulative messages from all channels crossed 2 billion in the quarter.
- From October'23 to December'23, Booked ARR grew from INR 8.00 Cr to INR 10.31 Cr.

Shareholding Pattern as on 31st December 2023:

Particulars	Equity	Preference	Shares on FDB	% of FDB
Promoters + ESOP	10,000,000	-	10,000,000	64.83%
Kae Capital Fund III	-	2,055,004*	2,055,004	13.32%
Others	-	3,369,420	3,369,420	21.84%
Total	**10,000,000**	**5,424,424**	**15,424,424**	**100.00%**

** As per the shareholder's agreement, the fund has the rights to Reserved (shadow) 20,55,004 preferred stock of Contlo Inc.*

Company Valuation:

Current Company Valuation	INR 160.44 Cr	USD 19.28 Mn
Current Value of Company's Stake	INR 23.95 Cr	USD 2.88 Mn

Company Financials:

(Amt in INR Cr)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	1.32	1.94	2.20	2.77
Net Income	(1.53)	(1.86)	(3.53)	(3.59)
Burn	(1.38)	(1.52)	(2.55)	(5.10)
Cash in Hand	28.34	26.83	24.20	81.39
Team Size (Nos)	30	43	57	76

(Amt in USD Mn)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.16	0.24	0.26	0.33
Net Income	(0.19)	(0.23)	(0.43)	(0.43)
Burn	(0.17)	(0.19)	(0.31)	(0.61)
Cash in Hand	3.45	3.27	2.91	9.78
Team Size (Nos)	30	43	57	76

9. Bold Finance Technologies Private Limited

https://www.boldfinance.in/

Business Description: Bold Finance is a technology-led B2B gold loan startup that offers end-to-end digital, capital, and logistics support to their Jeweller partners to dispense gold loans to the customers, thereby improving the overall partner and customer experience.

Shareholding Pattern as on 31st December 2023:

Particulars	Equity	Preference	Shares on FDB	% of FDB
Promoters + ESOP	11,250	-	11,250	73.61%
Kae Capital Fund III	10	2,436	2,446	16.00%
Others	-	1,587	1,587	10.38%
Total	**11,260**	**4,023**	**15,283**	**100.00%**

Company Valuation:

Current Company Valuation	INR 72.63 Cr	USD 8.73 Mn
Current Value of Company's Stake	INR 11.62 Cr	USD 1.40 Mn

Company Financials:

(Amt in INR Cr)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.12	0.11	0.12	0.06
Net Income	(0.78)	(0.64)	(0.60)	(0.27)
Burn	0.76	0.64	0.49	0.17
Cash in Hand	11.87	11.33	10.69	10.71
Team Size (Nos)	31	30	13	8

(Amt in USD Mn)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.01	0.01	0.01	0.01
Net Income	(0.09)	(0.08)	(0.07)	(0.03)
Burn	0.09	0.08	0.06	0.02
Cash in Hand	1.44	1.38	1.29	1.29
Team Size (Nos)	31	30	13	8

10. Onwo Trade India Private Limited

https://www.onwo.trade/

Business Description: ONWO is a curated marketplace to reliably discover, transact and fulfil orders of processed food products from Indian manufacturers. ONWO offers end-to-end solutions to its customers in a full-stack digital

model that involves contract manufacturing, private label solutions, quality assurance, risk management, and complete order fulfilment using a cutting-edge technology platform. ONWO ensures better margins and value add for both manufacturers and buyers. The company is currently active in the US, Canada, UAE, Saudi Arabia, Qatar, and Oman.

Key Highlights of the Oct-Dec 2023 quarter:

- Established subsidiaries in Singapore and Canada.
- Secured an additional debt of INR 1.50 Cr.
- Received the first order with an LC.
- Forged strategic partnerships with Renuka Sugars in India and Mitr Pol in Thailand for the supply of sugar.

Shareholding Pattern as on 31st December 2023:

Particulars	Equity	Preference	Shares on FDB	% of FDB
Promoters + ESOP	11,643	-	11,643	71.74%
Kae Capital Fund III	10	2,826	3,485	21.47%
Others	10	445	1,102	6.79%
Total	**11,663**	**3,271**	**16,230**	**100.00%**

Company Valuation:

Current Company Valuation	INR 96.64 Cr	USD 11.61 Mn
Current Value of Company's Stake	INR 20.83 Cr	USD 2.50 Mn

Company Financials:

(Amt in INR Cr)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	9.68	3.99	13.15	3.90
Net Income	(0.61)	(0.87)	(0.12)	(0.54)
Burn	7.65	9.71	8.84	13.37
Cash in Hand	1.51	4.55	4.59	8.48
Team Size (Nos)	13	17	16	11

(Amt in USD Mn)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	1.18	0.49	1.58	0.47
Net Income	(0.07)	(0.11)	(0.01)	(0.06)
Burn	0.93	1.18	1.06	1.61
Cash in Hand	0.18	0.55	0.55	1.02
Team Size (Nos)	13	17	16	11

Note: On account of the take-over of the business of Elephanteer by Onwo from Tradyl, the valuation attributable to the subsidiary Elephanteer has been reduced from Tradyl Private Limited and has been considered under Onwo Trade Private Limited.

11. Eight Network Creations Private Limited

https://www.eight.network/

Business Description: Eight is an Social Audio Platform where any creator in Audio space can build followership and engage with their Audience through its live tools and several other elements in its mobile app. Eight also publishes exclusive premium podcasts and Audio Dramas for its listeners to experience immersive storytelling and learn new stuff from stories around the world.

Key Highlights of the Oct-Dec 2023 quarter:

- Surpassed 350,000 Monthly Active Users (MAU).
- Enhanced M1 retention to 30%.
- Daily Playtime/Listening User reached approximately 75 minutes.

Shareholding Pattern as on 31st December 2023:

Particulars	Equity	Preference	Shares on FDB	% of FDB
Promoters + ESOP	12,234	-	12,234	68.98%
Kae Capital Fund III	10	2,118	2,128	12.00%
Others	50	3,323	3,373	19.02%
Total	**12,294**	**5,441**	**17,735**	**100.00%**

Company Valuation:

Current Company Valuation	INR 68.09 Cr	USD 8.18 Mn
Current Value of Company's Stake	INR 8.17 Cr	USD 0.98 Mn

Company Financials:

(Amt in INR Cr)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	-	-	-	-
Net Income	(1.20)	(1.56)	(1.60)	(2.38)
Burn	0.84	1.51	1.59	2.37
Cash in Hand	13.12	11.55	9.62	7.19
Team Size (Nos)	15	13	21	21

(Amt in USD Mn)

Particulars	Mar - 2023	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	-	-	-	-
Net Income	(0.15)	(0.19)	(0.19)	(0.29)
Burn	0.10	0.18	0.19	0.28
Cash in Hand	1.60	1.41	1.16	0.86
Team Size (Nos)	15	13	21	21

12. Lodestone Healthcare Private Limited (Everheal)

https://www.everheal.com/

Business Description: Lodestone Healthcare Pvt Ltd was established with the primary aim of providing supportive team-based care with clear clinically backed protocols to patients across multiple segments within healthcare. The company is a digital first services company and propagate its services primarily through our mobile and web applications (still under development at this time).

Key Highlights of the Oct-Dec 2023 quarter:

- The company soft-launched its Gynaecology and Paediatric clinic in Thane, Maharashtra.
- Released its patient app on both Apple Store and Google Play Store, alongside launching its service provider app to streamline care within the ecosystem.
- With over 18,000 followers on Instagram, the company remains dedicated to delivering high-quality content via videos and posts.

Shareholding Pattern as on 31st December 2023:

Particulars	Equity	Preference	Shares on FDB	% of FDB
Promoters + ESOP	58,681	-	58,681	76.60%
Kae Capital Fund III	10	12,313	12,323	16.09%
Others	10	5,590	5,600	7.31%
Total	**58,701**	**17,903**	**76,604**	**100.00%**

Company Valuation:

Current Company Valuation	INR 107.05 Cr	USD 12.86 Mn
Current Value of Company's Stake	INR 17.22 Cr	USD 2.07 Mn

Company Financials:

(Amt in INR Cr)

Particulars	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.00	0.00	0.00
Net Income	(1.08)	(1.05)	(1.47)
Burn	(1.11)	1.14	1.63
Cash in Hand	23.77	22.77	21.45
Team Size (Nos)	-	-	17

(Amt in USD Mn)

Particulars	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	0.00	0.00	0.00
Net Income	(0.13)	(0.13)	(0.18)
Burn	(0.14)	0.14	0.20
Cash in Hand	2.90	2.74	2.58
Team Size (Nos)	-	-	17

13. Gobblecube Technologies Private Limited/ Gobblecube Technologies Inc

https://gobblecube.ai/

Business Description: GobbleCube is an LLM-powered CDP built on top of a customer's data warehouse which enables the user to build rich audiences and sync it across business tools in minutes.

Shareholding Pattern as on 31st December 2023:

Particulars	Equity	Preference	Shares on FDB	% of FDB
Promoters + ESOP	14,736,101	-	14,736,101	78.45%
Kae Capital Fund III	-	3,529,565*	3,529,565	18.79%
Others	-	518,866	518,866	2.76%
Total	**14,736,101**	**4,048,431**	**18,784,532**	**100.00%**

** As per the shareholder's agreement, the fund has the option to acquire 3,529,565 preferred stock of Gobblecube Technologies Inc.*

Company Valuation:

Current Company Valuation	INR 73.78 Cr	USD 8.87 Mn
Current Value of Company's Stake	INR 14.11 Cr	USD 1.70 Mn

Company Financials:

(Amt in INR Cr)

Particulars	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	-	-	-
Net Income	(0.39)	(0.84)	(0.84)
Burn	0.38	0.90	0.88
Cash in Hand	14.61	13.72	12.80
Team Size (Nos)	7	10	12

(Amt in USD Mn)

Particulars	Jun - 2023	Sep – 2023	Dec – 2023
Revenue	-	-	-
Net Income	(0.05)	(0.10)	(0.10)
Burn	0.05	0.11	0.11
Cash in Hand	1.78	1.65	1.54
Team Size (Nos)	7	10	12

IMPAIRED COMPANIES

1. Rooters Mobility Private Limited (Leo)

Business Description: The company wanted to build an app (Leo) that enables small artisans/boutique sellers in categories like apparel and home accessories to sell directly to a larger audience using a live video commerce platform. The key challenge here was to

get buyers coming on frequently to the app and scale up keeping the customer acquisition cost down and the reluctance of the sellers to pass out a large cut to Leo. The company could not get a clear product market fit.
The Fund received INR 4.73 Lakhs against the investment of INR 3.00 Cr in the Company and has realized a loss of INR 2.95 Cr.

4. Risk Management Information

The standard risks as disclosed in the Private Placement Memorandum continue to apply. The Investment Manager monitors the same as per the Risk Management Policy.

5. Portfolio Summary

Kae Capital Fund III summary is given below.

Investment Portfolio Summary as at 31st December 2023 — **Amount in INR CR**

ID	Portfolio Company Name	Sector	Short Heading	Inv Date	Cost of Investment	Fair Value of Investment	Multiple of Cost X	Valuation Methodology	IRR
	Active Companies								
1	Tatvartha Health Pvt Ltd.	Healthcare	Traya	Jul-20	21.10	59.30	2.81	Last Round Valuation	76%
2	Bizcon Innovations Pvt Ltd.	B2B Commerce	Yojak	Aug-20	17.90	18.85	1.05	Valuation Report - Mar 23	2%
3	Hatica Technologies Pvt Ltd/Hatica Inc	SAAS	Hatica	Nov-20	8.55	22.17	2.59	Last Round Valuation	47%
4	Assurekit Technology & Service Pvt Ltd.	Insuretech	Assurekit	Nov-20	11.60	23.11	1.99	Last Round Valuation	37%
5	Tradyl Private Limited	B2B	Tradyl	Aug-21	8.16	16.16	1.98	Last Round Valuation	35%
6	Foxtale Consumer Pvt Ltd.	Consumer Personal Care	Foxtale	Oct-21	27.29	56.03	2.05	Last Round Valuation	79%
7	L8 Cones Interactive Private Ltd	Edtech	Supernova	Jul-22	2.39	2.39	1.00	At Cost	0%
8	Contlo Technologies Private Ltd./Contlo Inc	SAAS	Contlo	Sep-22	23.95	23.95	1.00	At Cost	0%
9	Bold Finance Technologies Private Limited	Fintech	Bold Finance	Sep-22	11.62	11.62	1.00	At Cost	0%
10	Onwo Trade India Private Limited	B2B	Onwo	Dec-22	8.16	20.83	2.55	Valuation Report - Mar 23	141%
11	Eight Network Creations Private Limited	Content	Eight Network	Dec-22	8.17	8.17	1.00	At Cost	0%
12	Lodestone Healthcare Private Limited	Health Care Providers & Services	Everheal	Apr-23	17.22	17.22	1.00	At Cost	0%
13	Gobblecube Technologies Pvt Ltd / Gobblec	Ecommerce	Gobblecube	May-23	14.11	14.11	1.00	At Cost	0%
	Impaired Companies								
1	Rooters Mobililty Pvt Ltd.	B2B Commerce	Leo	Apr-21	3.00	0.05	0.02	Written off	-88%
	Total				**183.25**	**293.96**	**1.60**		**36%**
	Investments to be excluded (Bold Finance and Hatica)				20.18	33.80			
					163.07	**260.16**	**1.60**		**37%**

6. Contact Information

Thank you for your support. Please do not hesitate to contact us if you have any questions.

Sucheta Damle
CFO
sucheta@kae-capital.com

SINGULARITY AMC

SGOF-I : Quarterly Fund Update

December 2023

From the CIO's Desk

Dear Investors,

I hope this communication finds you in good health and wishing you a great 2024!
As we delve into the latest developments, we are delighted to share the following key updates on your fund as of December 2023.

Deployment and Reserves

We are pleased to inform you that a significant portion of SGOF I ~INR 450 Crores, has been successfully deployed. Net of fees, we currently hold reserves of ~INR 64 Crores, which we intend to strategically deploy in the existing portfolio. Additionally, we are exploring one new investment opportunity in this fund.

Portfolio Composition

- 53.3% of the capital invested across 9 companies that are already profitable.
- 25.9% of the capital allocated across 5 companies that show promising signs of profitability within the next 12 months.
- Notably, 4 companies from our portfolio are already listed, with Jana SFB expected to join the ranks by the end of February, marking our fifth listed portfolio company.
- We would have a good pipeline of 6 more companies that would likely approach the public markets over the next 2-3 years .

Macroeconomic Overview

Our macroeconomic outlook remains consistent, with recent state elections providing additional tailwinds. The significant dispersion between public and private markets presents an opportune moment for investing in private assets. Most of the mature private assets are moving towards profitability as their next major milestone.

Portfolio Harvesting

In line with our strategy, we participated in three anchor positions in pre-IPO opportunities with favorable valuations. The capital deployed of INR 68 Crs in listed companies has seen a 32% M2M gain as of January 5th, 2023 totaling INR 21.7 Crores, including gains in All Cargo, SAMHI, Blue Jet, and Cello. The impending listing of Jana Small Finance Bank in mid-February is anticipated to further enhance our listed portfolio performance.

Strategic Exits and Reinvestment

To optimize returns, we have initiated exits from some tail-end positions, we would be returning INR 5.32 Crores in profit upside. The redeployment of principal in the commitment period will be executed in line with our investment strategy.

We are pleased to note exceptional execution across most of our portfolio, with standout performance from Lohum and Purple Style Labs.

We appreciate your ongoing support and trust in Singularity and look forward to continuing this journey together..

Sincerely,

Yash Kela

Singularity Growth Opportunities Fund-I

Fund Name	Singularity Growth Opportunity Fund - I
Category	SEBI Category - II AIF
Fund Tenure	6 years (+1 year Extension)
Total Fund Size	INR 560 Cr
First Close	30th September 2021
Final Close	31st March 2023
Capital Drawn down	INR 528.6 Cr
Balance Drawdown	Over next 1 quarter

Portfolio Summary

	Sector	Model	Stage Invested	Weighted Avg. Life (WAL)	Investment (INR Cr)	Reserves (INR Cr)	Unrealized Value (INR Cr)	Valuation markup on investment[1]
allcargo Ingenuity In Motion	Logistics	B2B	Listed	5 months	26.5	-	29.4*	11%
SAMHI Smart Hotel Investments	Hotels	B2C	Listed	4 months	25.0	-	33.0*	32%
cello	Consumer	B2C	Listed	2 months	11.2	-	13.6*	21%
BLUE JET HEALTHCARE	Pharmaceuticals	B2B	Listed	2 months	5.0	-	5.3*#	5%
NSE	Fintech Infra	B2B	Late stage	8 months	43.1	-	43.1	Not valued
JANA Small Finance Bank	Financial Services	B2C	Pre IPO	6 months	39.4	-	39.4	Not valued
veeda clinical research	Clinical Research Platform	B2B	Pre IPO	9 months	30.0	-	30.0	Not valued
					180.2	-	193.8	

1. Valuation markup on investment = Unrealized value / Investment – 1
* Valued basis December 29, 2023's closing price
# Rs. 2.5cr worth of investment in has been sold in open market at a gain of 4.5%

Meeting Targets or behind with <20%, Well capitalized for >24 months

Behind Targets by > 20%, Well capitalised for => 12 months

Portfolio Summary

	Sector	Model	Stage Invested	Weighted Avg. Life (WAL)	Investment (INR Cr)	Reserves (INR Cr)	Unrealized Value (INR Cr)	Valuation markup on investment[1]
LOHUM	Battery Recycling	B2B	B	4 months	22.7	7.0	22.7	Not valued
caffeine	Personal Care	B2C	C	20 months	40.0	-	51.9[2]	30%
SERVIFY™	Insurtech	B2B2C	D	18 months	38.8	-	42.6[2]	10%
WebEngage	Digital Customer Engagement	B2B	B	18 months	35.0	-	49.4[2]	41%
PSL PURPLE STYLE LABS	Apparel Retail	B2C	1st Institutional investment	10 months	35.0	-	54.1[2]	55%
XY | XX	Essential Apparel	B2C	B	13 months	28.4	-	35.3[2]	24%
					380.1	7.0	449.8	

1. Valuation markup on investment = Unrealized value / Investment – 1
2. Unrealized value is calculated as certified by BDO in its 31 March 2023 year end valuation report. Follow on investments made after the year end in these companies are valued at cost and added to it.

Meeting Targets or behind with <20%, Well capitalized for >24 months

Behind Targets by > 20%, Well capitalised for => 12 months

Portfolio Summary

	Sector	Model	Stage Invested	Weighted Avg. Life (WAL)	Investment (INR Cr)	Reserves (INR Cr)	Unrealized Value (INR Cr)	Valuation markup on investment[1]
oro	Gold Lending	B2C	B	7 month	28.0	-	28.0	Not valued
BOMBAY SHIRT COMPANY	Apparel	B2C	B	2 months	10.0	30.0	10.0	Not valued
exotel	Digital Customer Communications	B2B	C	27 months	8.5	-	14.8[2]	74%
data sutram	Financial Services	B2B	A	2 months	8.2	6.5	8.2	Not valued
eduvanz	Education Financing	B2B2C	B	27 months	7.0	-	9.9[2]	41%
more MEGASTORE	Retail	B2C	Late stage	7 months	5.0	-	5.0	Not valued
					446.8	43.5	525.7	

1. Valuation markup on investment = Unrealized value / Investment – 1
2. Unrealized value is calculated as certified by BDO in its 31 March 2023 year end valuation report. Follow on investments made after the year end in these companies are valued at cost and added to it.

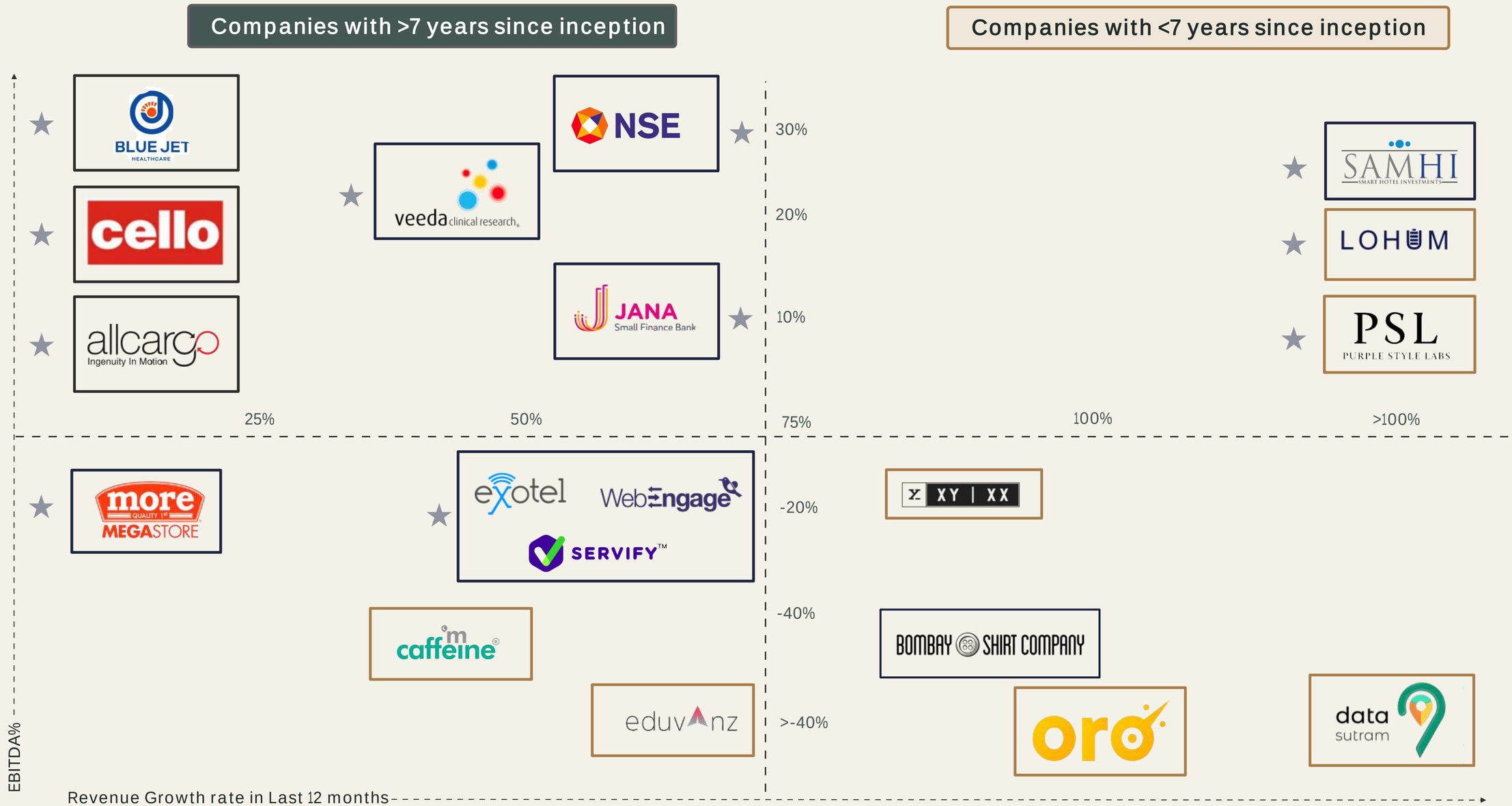
Meeting Targets or behind with <20%, Well capitalized for >24 months

Behind Targets by > 20%, Well capitalised for => 12 months

Portfolio Summary – Stage & Sector

	Series B+	Growth Stage (ARR-200 Cr-1000 Cr)	Late Stage (ARR 1000 Cr+)	Portfolio Share
Consumer	XY | XX Rs. 28.4 Cr BOMBAY SHIRT COMPANY Rs. 10.0 Cr	PSL PURPLE STYLE LABS Rs. 35.0 Cr caffeine Rs. 40.0 Cr	SAMHI HOTEL INVESTMENTS Rs. 25.0 Cr	Rs. 138.4 Cr (31%)
B2B / Enterprise Saas	WebEngage Rs. 35.0 Cr data sutram Rs. 8.2 Cr	exotel Rs. 8.5 Cr LOHUM Rs. 22.7 Cr	SERVIFY™ Rs. 38.8 Cr	Rs. 113.2 Cr (25%)
Financial Services	oro Rs. 28.0 Cr eduvanz Rs. 7.0 Cr		NSE Rs. 43.1 Cr JANA Small Finance Bank Rs. 39.4 Cr	Rs. 117.5 Cr (26%)
Others		veeda clinical research Rs. 30.0 Cr BLUE JET HEALTHCARE Rs. 5.0 Cr	allcargo Ingenuity In Motion Rs. 26.5 Cr more QUALITY 1st MEGASTORE Rs. 5.0 Cr cello Rs. 11.2 Cr	Rs. 77.7 Cr (18%)
Portfolio Share	INR 116.6 Cr (30%)	INR 141.2 Cr (30%)	INR 189.0 Cr (40%)	Rs. 446.8 Cr (100%)

Portfolio Summary – Growth & Profitability



IPO Candidates in 2-3 years / Listed Companies

~79% of portfolio EBITDA profitable or close to EBITDA profitability

Already EBITDA Profitable
53.3% of capital invested

NSE
allcargo Ingenuity In Motion
SAMHI SMART HOTEL INVESTMENTS
LOHUM
PSL PURPLE STYLE LABS
JANA Small Finance Bank
cello
veeda clinical research
BLUE JET HEALTHCARE

Path to profitability in next 12 months
25.9% of capital invested

XY | XX
exotel
SERVIFY™
WebEngage
more QUALITY 1st MEGASTORE

Investment Phase
20.8% of capital invested

caffeine
BOMBAY SHIRT COMPANY
data sutram
oro
eduvanz

Portfolio Health

Things working for the Company

- **NSE**
  - Options growth continues to drive Trading revenues for NSE.
  - Extension of trading hours, if approved, will drive more volume to the F&O market.
- **mCaffeine**
  - Increased repeats – 12M revenue improved from 60% few months ago to 73%
  - Improved margin profile – GM improved from 58% to 65%, CM1 improved from 35% to 41%
  - New brand launch – Hypen – increase TAM
- **Servify**
  - Fund raise completed – enough cash runway
  - Significantly improved margin structure – GM consistent at 16-18% levels
  - Apple AC+ plan launched in UAE and Saudi; ACS launched in Turkey;
- **Jana Small Finance Bank**
  - Q2'24 performance has been better than mgmt. projections, with high confidence in achieving AOP targets.
  - Asset quality has improved with NNPA's at 0.87% in Q2'24.
  - IPO Listing to happen in Jan / Feb'24
- **WebEngage**
  - Enterprise led product & sales motion; grew by 90% YOY
  - Expansion into MENA; grew by 100% in 12 months
- **PSL Purple Style Labs**
  - New store rollout plan on track
  - Revenue per sq ft at INR 40k+, highest in the industry
- **Veeda Clinical Research**
  - European Acquisition approved by the Board
  - Significant recovery in business pipeline for FY25
  - Management realignment with focus on better execution

Things not working for the Company

- BSE has launched Index Options on Fri/Mon (Sensex/Bankex), on days where NSE does not have expiry of heavily traded option contracts; This will affect F&O market share over the near term.
- Slower than anticipated growth in offline channel – cadence and processes institutionalized to maintain quality of growth
- Slower than anticipated roll-out of new plans
- Leverage is a key parameter to track, will improve post potential Fresh Issue of 575 Cr. in the IPO
- Need to improve customer collection process. DSO for 3.5 months.
- Need to improve the sales pipeline for India business
- Ability to crack men's wear segment
- High customer concentration resulting in revenue unpredictability

Meeting Targets or behind with <20%, Well capitalized for >24 months | Behind Targets by > 20%, Well capitalized for => 12 months | Behind Targets by > 20%, Well capitalized for < 12 months

Portfolio Health

Things working for the Company

- **XY XX**
  - Strong product market fit in inner-wear and ability to expand across regions and city tiers
- **oro**
  - Encouraging signs on the 2 disbursement centers launched in August'23. Monthly walk-ins at Perambuir have 2.5x in 4 months.
- **allcargo** Ingenuity In Motion
  - Demerger announced making ISC business standalone, which will unlock shareholder value
  - Company has invested in digitisation and will rationalise fixed cost to improve margins
- **SAMHI** SMART HOTEL INVESTMENTS
  - Debt pare down in line with estimates
  - Portfolio wide Occupancy and ARRs continues to remain strong
- **LOHUM**
  - On track of capacity expansion for mechanical and chemical processing to double the revenue and EBITDA by Q4
  - Cracked CAM manufacturing at lab scale
  - Entered into US and Europe with industry veterans
- **eduvanz**
  - Launch of WIZR, the B2C facing platform has garnered decent initial traction, company expects to initiate monetization in AMJ'24
  - Robust & Scalable Tech platform developed; ready to be deployed in Q4'24
- **exotel**
  - Reorient itself as 'Communications Solutions Provider'
  - Restructuring the team and processes to become Enterprise ready
- **more** QUALITY 1st **MEGASTORE**
  - Improvement in Total Commercial Income has been sustained
  - Operating cost at store and corporate being further reduced
  - Likely to achieve store level EBITDA profitability in Q3FY24

Things not working for the Company

- **XY XX**
  - Slowdown for Inner-wear industry in last 9 months visible across channels resulting in flat business
- **oro**
  - Slower than anticipated progress on the acquisition of an NBFC license.
  - Monthly AUM net addition had slowed down due to festive season in Oct'-Dec'23.
- **allcargo** Ingenuity In Motion
  - Slowdown in global trade due to geo-political concerns and muted China growth
  - Hit on realisation and EBIT on account of utilisation hit
- **SAMHI** SMART HOTEL INVESTMENTS
  - Monetization of tail-end of assets taking longer
- **LOHUM**
  - Fill in gaps in leadership due to manufacturing setup and Greater Noida as location
- **eduvanz**
  - Flat AUM for the last 3 quarters due to a lack of off-BS lending partners.
  - Revised commercials due to DLG have impacted revenue recognition
  - Asset quality continues to remain a concern
- **exotel**
  - Sluggish business growth in last 12 months in CPaaS coupled with GP margin drop – from 56% in FY23 to 47% in FY24
  - Company expected to burn ~Rs. 53cr at EBITDA level in FY24
- **more** QUALITY 1st **MEGASTORE**
  - Path to sustainable EBITDA profitability not before AMJ 2024
  - Online ordering on More App needs to be scaled profitably

Meeting Targets or behind with <20%, Well capitalized for >24 months | Behind Targets by > 20%, Well capitalized for => 12 months | Behind Targets by > 20%, Well capitalized for < 12 months

Key Operational Metrics & Risks

	Key metrics / milestones	Key risks
NSE	• Volume turnover growth across derivatives and cash segments • Supreme Court judgement on NSE colocation litigation	• Cyclical business with high derivative volumes correlated to a bull market • Existing litigation suits and potential delay in a public listing • Introduction of Bankex/Sensex options will divert option volume to BSE from NSE.
mCaffeine	• Offline Roll-out along KPI for this channel • Traffic, new user, repeat user and CAC. Resultant impact on LTV/CAC • CM2 for FY24 for all marketplaces and D2C channel	• Growth in offline channel • Ability to role out new products and scale core SKUs • Movement of traffic, new user and conversion ratios
SERVIFY™	• Contract wise profitability at GM level & overall path to EBITDA profitability • Ability to onboard new OEMs in new category	• Delay in roll-out of new contracts
Jana Small Finance Bank A SCHEDULED COMMERCIAL BANK	• Quarterly AUM growth to achieve FY 24 AUM target of Rs. 24,460cr • Strong control measures on asset quality • Sustainably reducing leverage over the next few quarters • PAT achievement of Rs 450 Cr for FY'24	• Microfinance is a high-risk category vs. other sub-sectors. • Delays with respect to a potentially favorable public listing
WebEngage	• Monetization from Personalization Product stack • New business addition in Enterprises • EBITDA breakeven expected by Q4FY24	• Competition from 2 larger funded players in India & many outside • Ability of company to crack large sized Enterprise deals • Ability to build Channel Partnerships as a channel
PSL PURPLE STYLE LABS	• Offline roll-out - Store, CAPEX, & Resultant ROCE profile • Online metrics - # of customers - new & repeat, CAC • Ability to crack Men's wear	• Store roll-out - infra execution risk • Scaling supply from individual designers

● Meeting Targets or behind with <20%, Well capitalized for >24 months ○ Behind Targets by > 20%, Well capitalized for => 12 months ● Behind Targets by > 20%, Well capitalized for < 12 months

Key Operational Metrics & Risks

	Key metrics / milestones	Key risks
veeda clinical research,	• Acquisitions completion in BABE vertical (in India) and Clinical Trials (in US/ Europe) • Business performance against plan • DRHP filing by Jan 24 and IPO preparation post this	• Ability to do acquisitions in Clinical Trials and BABE • Ability to recruit volunteers with specifications and in time • Ability of company to meet regulatory audit and compliance norms
XY XX	• GT channel growth • 100% DMS rollout by Q3FY24 • GT team efficiency (GT costs as a % of revenue)	• Slowdown in GT channel • Success of outwear categories
oro	• Achieve an AUM of INR ~240 Cr. • Achieve breakeven EBITDA by Dec'24 in one cluster city • On-boarding of new lending partners • Continuous improvement for CAC & Opex. Reduction	• Market dominated by traditional players • CAC of digital gold lenders are extremely high • Slower than expected ramp-up of physical disbursement centers • Delay in the acquisition of an NBFC license
allcargo Ingenuity In Motion	• EBIT per TEU to go up to 6k per TEU • Container utilisation to go up from 92% to 95% • YoY Growth in TEU volumes in 8-10% range.	• Reducing realisation and EBITDA per TEU due to slowdown in global markets • Growth in shipping volumes • Growth in LCL business as already 15% market share globally
SAMHI SMART HOTEL INVESTMENTS	• Debt pare down • Renovation and Rebranding of existing SAMHI's portfolio • Portfolio wide Occupancy and ARRs	• Business cyclicality can pose a challenge • Equity structure – promoters hold <3% of equity
LOHUM	• International expansion to US and Europe for feedstock sourcing • Plant capacity to increase 3x from current capacity	• Company not able to source sufficient feedstock to grow in future due to more competition • Drop in recycling yield due to higher mix of NMC chemistry sales going down and LFP going up

● Meeting Targets or behind with <20%, Well capitalized for >24 months ○ Behind Targets by > 20%, Well capitalized for => 12 months ● Behind Targets by > 20%, Well capitalized for < 12 months

Key Operational Metrics & Risks

	Key metrics / milestones to track	Key risks
cello	• Operationalisation of greenfield soda lime glass unit • Ramp up of writing instrument segment • Scale up branding, promotional and digital activities.	• Profitability depends on cost of raw materials (majorly plastic granules) which in turn is dependent on petroleum prices • Execution risk of setting up a new glassware unit with capex of Rs 250 Crs • Stretched working capital
BOMBAY SHIRT COMPANY	• Offline roll-out – Key KPIs to be tracked • D2C Metrics –Repeat user and CAC. RoAS • CM2 & Burn Metrics – Drive towards EBITDA profitability	• RoAS needs to be sustained and improved to move towards EBITDA profitability in next 18 months • Newer products to keep the merchandise fresh and launching new range like Jackets to improve ASP's further
exotel	• Build itself as 'Communications Solutions Provider' & execute the plan • Enterprise GTM (team, processes, marketing, product to be rewired) • Company's ability to bundle its products and sell it as solution	• Higher team churn • Ability of company to crack Enterprise GTM
data sutram	• Onboard 2 large national bank as a paying customers • Innovate relevant use-cases & achieve PMF in the CPG category • Build adjacent products for BFSI landscape & increase share-of-wallet by upsells • Build a playbook for international markets particularly GCC & the U.S.	• New regulations regarding stricter data sharing between vendors • Longer lead time for BFSI contract closures will lead to delayed revenue growth and sustained cash burn
eduvanz	• Portfolio mix to favor off-balance sheet financing • Asset quality to improve over the next six months • Onboard co-lending partners for off-BS lending	• AUM remains flat at INR 560 Cr. due to degrowth in upskilling business and limited off-BS disbursements. • Concentration risk - ABFL is the sole off-BS lending partner • Off-BS yields have declined in the last six months
more QUALITY 1st MEGASTORE	• SPSF to increase 5%-7% QoQ • Online sales has to grow at 12%-15% QoQ. • Store level profitability to break-even in Q3FY24	• Top 2 retail players have 70% market share of organized retail • Dependence of upside on Online growth • Improvement in weak Hyper Markets business depends on Amazon's involvement

Meeting Targets or behind with <20%, Well capitalized for >24 months Behind Targets by > 20%, Well capitalized for => 12 months Behind Targets by > 20%, Well capitalized for < 12 months

3 New Investments







India's leading consumer-ware player with strong brand name

Sector	Consumer	Stake	~0.08%
Investment Amount	INR 11.2 Cr.	Investment Life (avg)	2 months

SGOF Board Representation None

- Incorporated in 2018, Cello is a prominent player in the consumer ware market in India with a presence in consumer houseware (including houseware and glassware), writing instruments and stationery, molded furniture and allied products
- Have 13 manufacturing facilities across 5 locations in India situated at Daman, Haridwar, Badi, Chennai and Kolkata.
- Has one of the best distribution network with 3,322 distributors and 126,382 retailers presence across India.

Leadership



Pradeep Rathod
Chairman and Managing Director



Pankaj Rathod
Promoter and Joint Managing Director

Shareholding (listed entity)

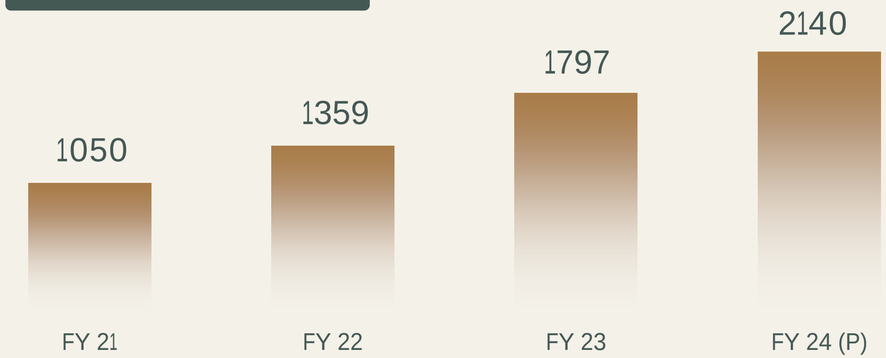
Founders	FII+DII	Public
70.0%	14.1%	7.9%

ICICI Venture
TATA CAPITAL

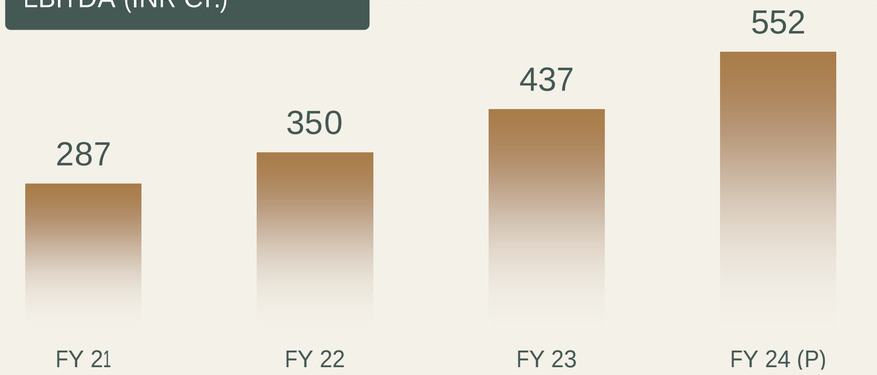
2018	INR 1797Cr	5500+
Founded	FY23 Revenues	People

Offices: India Mumbai (HQ)

Revenue (INR Cr.)



EBITDA (INR Cr.)



Segments and Revenue Share (FY 23)

Consumer Ware	Writing instrument and Stationery	Allied Products
65.7%	15.9%	18.4%

India’s leading consumer-ware player with strong brand name

Investment rationale

- Rich promoter experience in consumer industry of 6 decades with strong track record of ramping up business.
- Well established and trusted brand name of ‘Cello’ with a strong brand awareness and brand recall helping in a consumer-focused industry.
- Diverse products portfolio in glassware, opal ware, melamine, and porcelain categories available at various price points.
- Strong distribution network supported by strong sales team and presence in multiple channels.
- Strong historical financial results and better performance vs peers.

Business scale

- Offers 15,891 SKUs across product categories. which is the most diversified amongst peers,
- 80% of manufacturing done inhouse while 20% outsourced (mainly steel and glassware)
- Consumer house ware has a capacity of 57.8 Mn units (79% capacity utilized), Writing instrument has a capacity of 705 Mn units (68% capacity utilized), Allied products have capacity of 12.8 units (70% utilized), Opal ware and glassware has a capacity of 15,000 ton (88% capacity utilized). Has Increased opal ware capacity by 67% to 25000 tons.,
- 3300+ Distributors and 126,000+ number of of retailers

Brands & Products

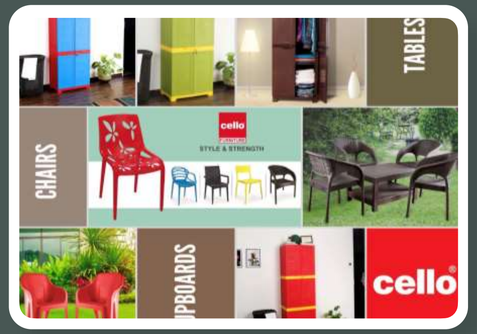
Opalware & Glassware



Writing instrument & Stationeries



Moulded furniture & Allied products



India's leading consumer-ware player with strong brand name

Risks and Mitigants

• Profitability depends on cost of raw materials (majorly plastic granules) which in turn is dependent on petroleum prices.	• RM price has softened and is expected to soften a bit more driving higher margins (though there is a pass-through mechanism as well). • H1 vol. growth was 13% but that was negated by softening RM price.. • H2 FY24 should be very strong due to the festive season falling in Q3 this time vs Q2 of last year.
• Execution risk of setting up a new glassware unit with capex of Rs 250 crs.	• Promoter have the experience of setting up new plants and ramping up the sales. Have been able to ramp up segments like for writing instrument very fast
• Stretched working capital	• Working capital has been historically high and has further increased to 159 days vs 154 days on March 23 • This is due to low inventory T/o with distributors, better credit terms given • However, management is taking steps to reduce it.

Next 12 months milestones

- Operationalisation of greenfield soda lime glass unit – a play on import substitution (1st one in India to set up) with revenue potential of INR 230 crs.
- Ramp up of writing instrument segment - very small and has potential to ramp up. Had reached Rs 285 crs in FY 23 in 3 years and can reach up to Rs. 550 crs with current facility + some capex on machines.
- Scale up branding, promotional and digital activities.

Leading made to Order, Custom Fit Apparel Organization

Sector	Apparel	Stake	~7.0%
Investment Amount	INR 10 Cr + INR 30 Cr*	Investment Life (avg)	2 months
SGOF Board Representation	Board Seat		

- Launched in 2012, Bombay Shirt Company is the first online custom shirt brand in India.
- BSC's Vision is to be India's foremost Men's Apparel brand renowned for sustainable practices with a global footprint.
- BSC offers Made to Measure (MTM) clothing, a type of slow fashion movement, No overproduction of clothing as clothing is made to order opposed to standard sizes, thereby avoiding risks of facing inventory obsolescence.

Key Management



Akshay Narvekar
Founder & CEO



Aditya Mehta
COO

Other Investors

Lightbox | RAAY GLOBAL INVESTMENTS

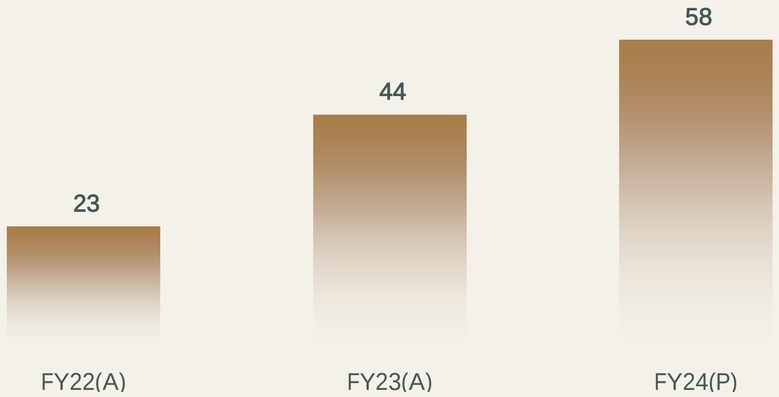
2012	INR 56 Cr	270+
Founded	FY23 Gross Revenues	People

* INR 30 Cr to be invested over multiple tranches

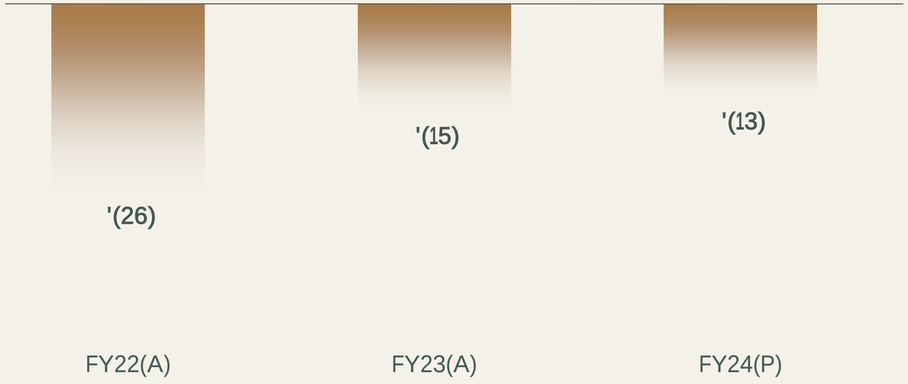
Office : Mumbai (HQ)

India

Revenue for Year ended (INR Cr)



EBITDA for Year ended (INR Cr)



Leading made to Order, Custom Fit Apparel Organization

Investment Rationale

- **Leading player** catering to fast growing made to order, highly personalized apparel market
- Company has **delivered to over 200 countries worldwide** through its omnichannel presence
- Business has demonstrated **strong offline economics** across its 15 stores –CAPEX payback within 12months; Revenue/Sq.Ft of 26K, best in category
- Has industry leading **return rates at <1%.** For an organization involved in Made to Order products, this metric is exceptional
- Unlike other apparel businesses, made to order model entails negligible inventory obsolescence risk – **82% of SKUs are with no inventory**

Business Scale

- **Strong traction of annual revenue run-rate (ARR) growth** – for FY2023 company clocked INR 44 Cr. of Net revenue; YoY growth of 80%
- **Company has maintained quality of growth by improving its margin structure** – Gross Profit (from 25 to 47% now), CM1 (from 22% to 44%) and CM2 levels at 20%
- Company scored 85% as per Sean Ellis Framework, implying very **high levels of resentment** if the brand ceased to exist amongst its customer base, indicating high customer acceptance
- **Made to Measure comprised 82%** of the portfolio in FY '23.

Leading made to Order, Custom Fit Apparel Organization

Risks and Mitigants

• **FoCo Channel**	• Company intends to replicate its success in Company Owned Company Operated Stores to the Franchisee -Network. Execution across the emerging network key for success • BSC Intends to roll-out ~45 Stores
• **Marketing Spends**	• RoAS needs to be sustained and improved to move towards EBITDA profitability in next 18 months
• **Same Store Sales Growth**	• Newer products and categories to keep the merchandise fresh and therefore drive higher repeats • Launching new range such as jackets will improve ASP's

Next 12 months milestones

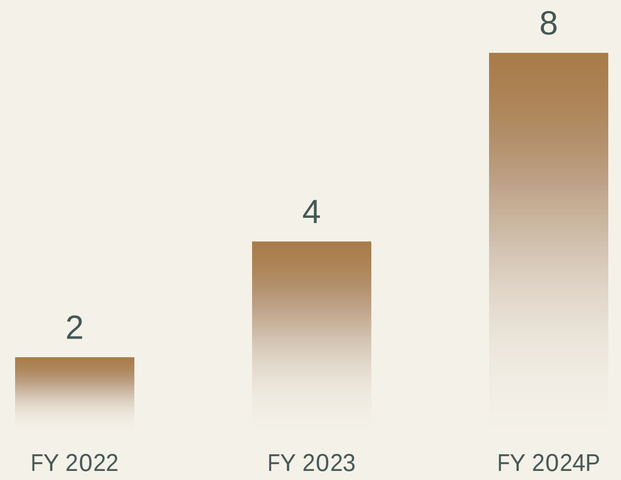
- Offline roll-out – Key KPIs to be tracked
- D2C Metrics –Repeat user and CAC. RoAS
- CM2 & Burn Metrics – Drive towards EBITDA profitability

Alternative Credit Underwriting for SMEs

Sector	Fintech	Stake	~6.08%
Investment Amount	INR 8.2 Cr	Investment Life (avg)	2 months
SGOF Board Representation	Board Seat and Observer		

- Core offering is a horizontal data platform that processes, cleans, and catalogues raw and unstructured data from 250+ Data sources and triangulates it together to churn out trends and create insights on businesses and places useful for BFSI and CPG companies.
- The AI and ML-driven data engine converts raw unstructured data from satellites, mobile phones, POS machines, Ad networks, and Collection agencies to create insights that capture how businesses behave.
- Currently, the major use case for company is in the BFSI vertical wherein using the company's platform lenders can underwrite NTC/NTB population via alternative criteria and expand branch networks based on collated intelligence.

Revenue (INR Cr.)



Other Investors

BHARAT INNOVATION FUND BY CIIE.CO

IIFL FINANCE

Founded	FY23 Revenues	People
2018	INR 4.4 Cr	65

Select Leading Customers

IndusInd Bank

amazon pay

ITC Limited

IDFC FIRST Bank

Office : Mumbai

Alternative Credit Underwriting for SMEs

Investment Rationale

- Financial Inclusion is a key driver of India becoming a $5Tn economy,
- BFSI companies are on the lookout for alternate sources of underwriting wherein Data Sutram plays a key role.
- Less than 15% of MSMEs have access to formal credit with the primary reason being the lack of credible data for underwriting.
- BFSI and CPG/FMCG companies with a retail presence want to expand their retail branch network backed by data, Sapience enables these companies to narrow down regions and geographies relevant to their target market.
- Data Sutram's platform can be replicated to cater to multiple industries and service industry-specific novel use-cases, Hence, our keenness to invest in such an asset.

Business Scale

- FY23 revenue of Rs. 4.4 Cr., up from Rs. 1.7 Cr. in FY22. Expects revenue of ~Rs. 8-10 Cr. in FY24P. Currently, tracking monthly revenues of 75L
- Marquee client base with recurring revenues from leading Financial Institutions such as IndusInd Bank, IDFC & Piramal.
- Relevant product suite across Site Selection, Sales Intelligence, and Alternate Credit Underwriting. BFSI use-case has achieved PMF.
- Company has ~12 active paid clients with 6 clients in the procurement stage and 7 clients in the POC stage. Clients in the pipeline include leading Banks, SFBs and NBFCs.

Alternative Credit Underwriting for SMEs

Risks and Mitigants

- New regulations regarding stricter data sharing between vendors can be detrimental for growth
- Data Sutram aggregates data from various data source, Personal and Confidential information is either masked and not shared by data source. DS operates within Data Empowerment & Protection Act. and does not infringe on any merchant's privacy.
- Longer lead time for BFSI contract closures will lead to delayed revenue growth and sustained cash burn
- DS has recently hired two senior executives from the Enterprise Sales and Financial Services Infrastructure ecosystem. Both senior executives have developed a playbook and structured ops to efficiently target and close enterprise clients
- DS ha created a different team for Harvesting to up-sell other products to the same client to increase wallet share
- Achieving PMF in new products is critical for increasing share-of-wallet
- DS is doing pilots with large CPG Brands for identification & bucketing of Retail Merchants which will help CPG Brands to take better decisions based on data

Next 12 months milestones

- Onboard 2 large national bank as a paying customers
- Innovate relevant use-cases and achieve PMF in the CPG category
- Build adjacent products for the BFSI landscape and increase share-of-wallet by upsells
- Build a playbook for international markets particularly GCC and the U.S.

15 Existing Portfolio Companies



India's Leading Stock Exchange

Sector	Fintech	Stake	<0.1%
Investment Amount	INR 43.1 Cr.	Investment Life (avg)	8 months
SGOF Board Representation	No		

- Incorporated in 1992, NSE is the leading stock exchange in India & the largest derivatives exchange in terms of volume.
- Surrogate play on the growing penetration of capital markets investing in India
- Largest capital markets exchange in India with more than 50Mn unique investors registered on the platform.
- NSE earns majority of its revenue from providing trading services (82% of total revenue), wherein NSE earns a take rate on the volume turnover across financial instruments (Equity-Cash, Equity-Derivatives, Currency Derivatives.
- NSE group consists of 16 subsidiaries and 9 associates with strategic investments in complementary businesses. Including mutual fund registry services, back-end exchange support services for its platforms, depository services, e-corporate governance, and commodity, power and receivables exchange.

Leadership



Ashishkumar Chauhan
MD & CEO

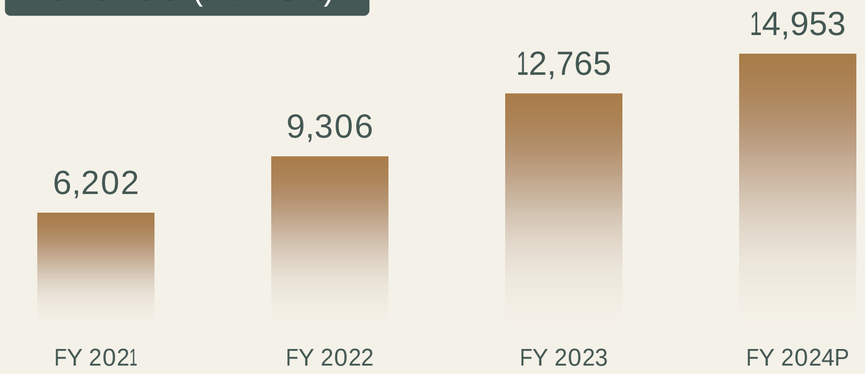


Yatrik Vin
CFO & Head of Corporate Affairs

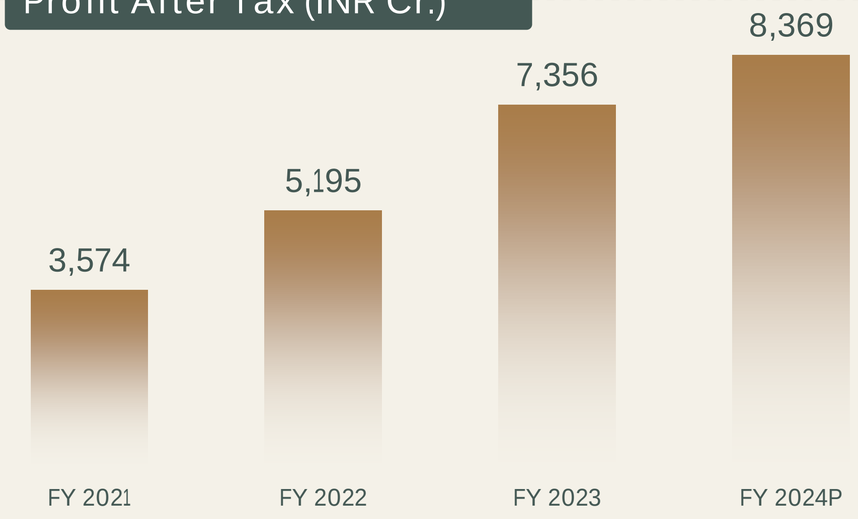
1992	INR 12,765 Cr	~3,200
Founded	FY23 Revenues	People

Office : India Mumbai (HQ) + 7 Branch Offices

Revenue (INR Cr.)



Profit After Tax (INR Cr.)



NSE | India's Leading Stock Exchange

Investment Rationale

- Monopolistic asset with a 93% market share in the cash market and 100% market share in derivatives.
- One of the most systematically-relevant companies in India, a play on the increasing relevance of capital markets investing in India.
- Generates ~30%+ ROE, driven by 50%+ PAT margin, which will continue to grow.
- Ranks among the top 3 global exchanges in terms of volume, and in terms of efficiency.
- Most compressed multiple in last 5 years; entry PE multiple is at ~30% discount to average of global peers
- Company today has a market cap of ~Rs. 153,500 Cr and as of March 2023 had free cash balance of ~Rs. 20,000 Cr

Growth Drivers

- Consistent uptick in options trading income and higher monetization to NSE
- Post-COVID growth driven by an increasing partnership of Millennials + GenZ population.
- New IPOs
- SGX Nifty volume transition underway through NSE-IFSC

Scale Highlights

No.1

Worlds biggest derivative exchange in terms of values

~100%

In FY22 NSE had a near 100% market share in equity derivatives and 93% in capital market

8th

The world's 8th largest stock exchange with a market cap of $3-4 trillion

70%

Nse is bigger than 70% of NIFTY 50 companies in terms of profit

India's Leading Stock Exchange

Risks & Mitigants

• Cyclical business with high derivative volumes correlated to a bull market.	• SGOF return expectations account for the cyclicity of the business, and we believe within the wealth management/capital markets space, we are optimally placed to succeed over the medium to long term.
• Existing litigation suits and potential delay in a public listing.	• If the litigation has an adverse result, NSE is comfortably positioned to honor any existing penalties. Additionally, as NSE has a vibrant secondary market, a secondary exit continues to remain a viable option.
• Unfavourable regulations or potential cap on take rates. SEBI regulations to curtail excessive speculation.	• Unfavorable regulations and a potential cap on take rates will impact profit growth, however NSE is optimally placed to withstand headwinds w.r.t pricing. NSE has developed best-in-class operational excellence and will continue growing profits in the mid-to-high teens over the next 5-7 years.

Next 12-month milestones

- Volume turnover growth across derivatives and cash segments
- Supreme Court judgement on NSE colocation litigation

India's Leading Stock Exchange

Q2 FY2024 updates

Consolidated operating revenue growth of 24.3% yoy and 22.3% QoQ. Q2'24 Consolidated operating revenue of Rs. 3,652 Cr.

EBITDA Margins Declined from 84% (Q2'23) to 79% (Q2'24)

Q2'24 margins experienced softness vs. Q2'23 due to an increase in tech-related spend (~Rs. 250 Cr.) along with increase in regulatory fees due to increased trading volumes.

Options trading witnesses sustained momentum

Premium volume in equity index and stock options grew 31% yoy in H1'24, while equity index and stock futures degrew by 6%.

Mgmt. Cognizant of the unprecedented growth in the last 12 months, hence has guided for a need to upgrade existing infrastructure. NSE expects to shift from the BKC Offices due to an increase in demand for data centers by brokers.

ProTean, an Associate company of NSE (Pre-OFS, NSE held ~25% in Protean) listed on the public exchange wherein NSE was one of the selling shareholders

NSDL (NSE holds 24% in NSDL) another Associate company of NSE had filed its DRHP in July'23 (Came out of abeyance on December 5th 2023.), NSE is one the selling shareholders.



THE ECONOMIC TIMES | Markets

NSE plans longer F&O trading hours

Synopsis
The exchange is proposing an evening session, possibly between 6 pm and 9 pm, when market participants can continue trading futures and options contracts after the regular session between 9:15 am and 3:30 pm is over, said one of them. The NSE might consider extending this session to 11:30 pm at a later stage, the person said.

NSE sends proposal to SEBI for trading hours extension, suggests F&O trading from 6-9 am

The National Stock Exchange, India's largest bourse, is finalising plans to extend trading hours for equity derivatives, said three people with knowledge of the matter.

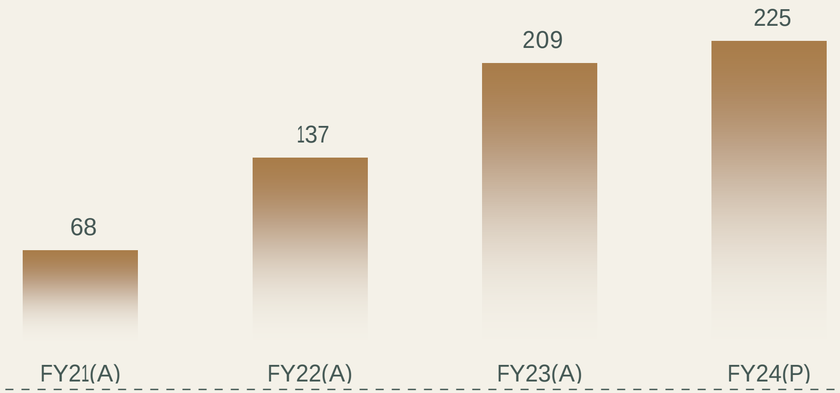
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Leading Personal Care Brand for Caffeine-related Products

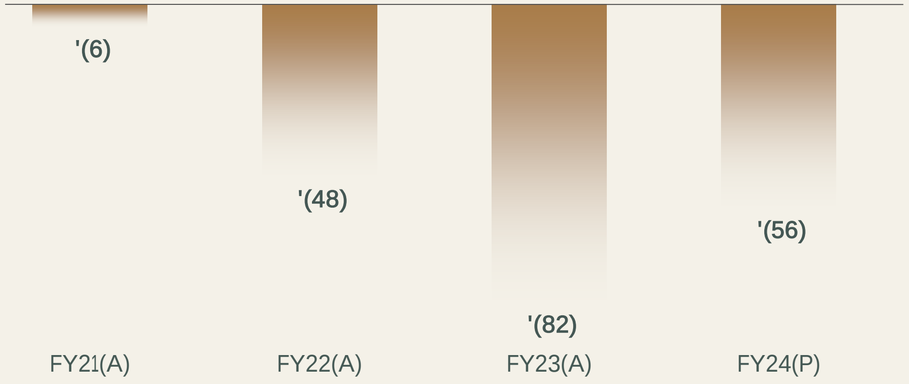
Sector	Personal Care Brand	Stake	~4.9%
Investment Amount	INR 35.0 Cr + INR 5.0 Cr.	Investment Life (avg)	20 months
SGOF Board Representation	Board Observer		

- mCaffeine is one of the most dynamic and innovative new brands in Personal Care.
- It addresses face, body and hair related care and conditions with its ingredient-based products and has a market-leading position in the coffee-ingredient segment.
- It is focused on Millennials (age 24-35) and GenZ (age 18-24), both men and women, and drives 55% of revenue from Tier 2 and 3 cities of India

Revenue for Year ended (INR Cr)



EBITDA for Year ended (INR Cr)



Co-Founders


Tarun Sharma


Vikas Lachwani

Other Investors

AMICUS CAPITAL PARTNERS | RPSG VENTURES | paragon partners

2015	INR 209 Cr	375
Founded	FY23 Revenues	People

Office : India HQ in Goa with offices in Mumbai, and Bangalore

Leading Personal Care Brand for Caffeine-related Products

Investment Rationale

- Huge TAM of Rs 1 Lac Cr, expected to double in 6-7 years – existing TAM ripe for displacement as key products are decades old
- mCaffeine is a top-5 searched personal care
- Ability to rollout hero products: 14 SKUs have INR 5Cr + ARR
- Strong brand pull: 53% repeat customers - conversion rate on website is 5.3% highest amongst D2C brands

Business Scale

- Strong traction of annual revenue run-rate (ARR) growth – for FY2023 company clocked INR 209 Cr. of revenue; YoY growth of 56%
- Company has maintained quality of growth by improving its margin structure – Gross Profit (from 58 to 65% now), CM1 (from 35% to 41%) Offline channel has just started – within a year of launch, this channel forms 15% of revenue. Company is currently present in 7k stores through 100 distributors
- New brand launched – Hypen, in partnership with Kriti Sanon. focus is on addressing concerns (skin & hair) and establishing efficacy by using science backed clean ingredients. 4 products already launched

Channels Present

NYKAA | amazon | Flipkart | purplle.com Har Indian ka Beauty Destination | Myntra

SWIGGY instamart | Shoppers Stop START SOMETHING NEW | Walmart | TRUEBELL SINCE 1984 | Wellness Forever CHEMISTS "B" LIFESTYLE STORE Life. Unlimited

Leading Personal Care Brand

Risks and Mitigants

• **Offline channel to lead next leg of growth**	• Company intends to institutionalize cadence for this channel by setting robust processes – store selection, promoter incentive, and debtor and inventory management • Robust offline team under a national sales head with RSMs, ASMs and beauty advisors in place
• **Ability to role out new products and scale core SKUs**	• Company continues to innovate new products as long as it is able to drive efficacy, experience and emotion in consumers • It has demonstrated its ability to market hero products – launched ~60+ SKUs in last 12 months, # of SKUs with 5Cr ARR has increased from 8 – 14 and NRV/SKU/Month is constant at ~Rs. 1.3Cr.
• **Movement of traffic, new user and conversion ratios**	• 2nd leg of Alia's brand campaign is underway to increase awareness and consideration • Has streamlined communication funnel by doing "education driven marketing" • Company has launched its own app to ensure higher conversion ratio

Next 12 months milestones

- Offline roll-out – Key KPIs to be tracked
- D2C Metrics – Movement of traffic, new user, repeat user and CAC. Resultant impact on LTV/CAC
- Impact of Alia's 2nd brand campaign
- CM2 for all marketplaces and D2C channel
- Equity fundraise

Leading Personal Care Brand

Q3 FY2024 updates

Raised funding in equity + debt – having raised ~Rs. 30 Cr from existing investors in March, company has further raised ~Rs. 11 Cr in equity + ~Rs. 25 Cr in debt; company intends to raise an external round in CY2024

Improved margin profile – GM improved from 58% to 65%, CM1 Margin improved from 35% to 41%; clear path to CM2 break-even

Offline channel stabilized and growing – cadence and processes institutionalized, launched multiple products at Rs. 150-200 price point; channel on track to lead next leg of growth

International Sales picking up – Large distributor onboarded that can help company scale to 20+ countries; PO received for Kuwait, UAE & KSA

Corporate gifting channel started – entire team build-out; early traction seen in orders

New brand Launched – Hyphen, in partnership with Kriti Sanon. 4 products launched; focus is on addressing concerns (skin & hair) and establishing efficacy by using science backed clean ingredients

NPD – TAM expanded by launching products under kombucha & black tea range and cosmetics segment (lipstick, concealer, foundation & shimmer)

New channels launches

SWIGGY | zepto | LAKMÉ | zomato

Forbes INDIA

Kriti Sanon and mCaffeine's founding team launch new skincare brand 'Hyphen'



Leading international insure-Tech company (B2B, B2B2C)

Sector	Insure-tech	Stake	~0.8%
Investment Amount	INR 38.8	Investment Life (avg)	18 months
SGOF Board Representation	Board Observer		

- Servify is one of the leading global players that operates damage-protection and extended-warranty programs for global electronics OEMs.
- It essentially does end-to-end program management of OEMs' warranty plans, after sales-service plans and trade-in business through its tech-driven unified platform

Co-Founders



Sreevathsa Prabhakar

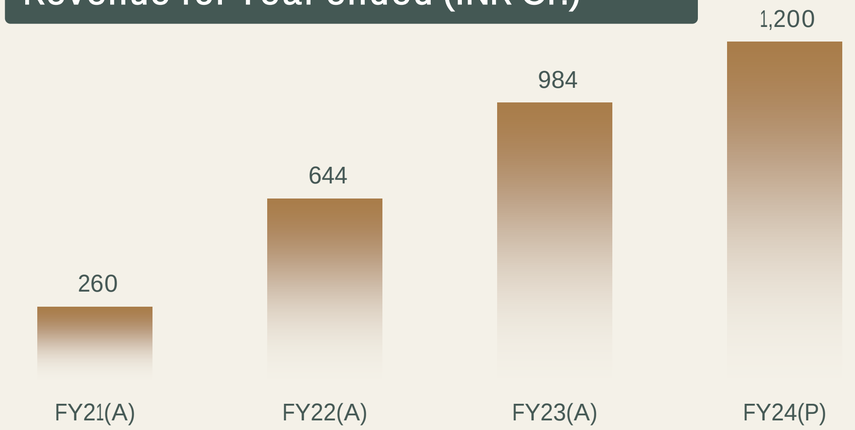
Other Investors

BEENEXT | BLUME | IRON PILLAR Building from India for the World

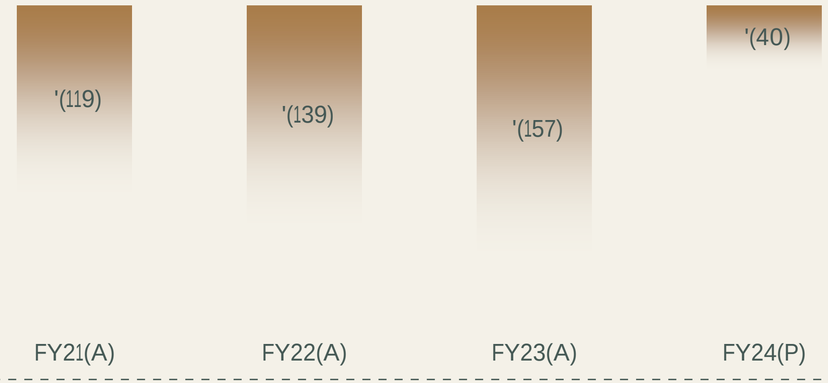
2015	INR 984 Cr	500
Founded	FY23 Revenues	People

Office : India, North America, Europe, UAE

Revenue for Year ended (INR Cr.)*



EBITDA for Year ended (INR Cr.)*



* On Non-GAAP basis

Leading international insure-Tech company (B2B, B2B2C)

Investment Rationale

- After sales warranty plans are a massive untapped revenue stream for most electronics OEMs
- Retaining customer strategically represents fundamentals change in customer engagement for OEMs
- Customers are adopting warranty plans more easily now as device-uptime is critical to a user and frequency of use is on a increasing trend
- Only 2 companies of scale including Servify globally, therefore a clear right-to-win in this space, making it a highly desirable public-market candidate

Business Scale

- Strong traction of annual revenue run-rate (ARR) growth – for FY2023 company clocked INR 984 Cr of revenue; YoY growth of 55%
- Company has maintained quality of growth by improving its margin structure – Gross Profit increased from 6% in FY22 to 9% in FY23
- Its products are now available across 130k+ retail sales locations
- Company currently has 150+ live programs across 26 countries; India forms ~75% of revenue; to be ~60% in FY24
- Major OEMs partnered:

Apple | SAMSUNG | hp | realme | dyson | BOSE

OEM Partners & Retail Channels

Apple | SAMSUNG | mi | ONEPLUS | hp | realme

amazon | Flipkart | Reliancedigital | croma A TATA Enterprise

Leading international Insure-Tech company (B2B, B2B2C)

Risks and Mitigants

• **Samsung business – higher than anticipated provision to haunt profitability**	• Company has created higher provision for frequency and severity for this contract already in FY23 • It has put into place several corrective measures to ensure frequency and severity does not cross threshold • All programs sold post September 2022 are on full risk transfer basis to the insurer – meaning the gross margins are locked in
• **Delay in roll-out of Samsung contracts in Europe**	• Samsung intends to increase customers loyalty by providing free Samsung Care plans; Servify will get full payment for its plan • B2B and B2C contracts launched in US have gained far better traction than anticipated – thereby truing up on marginal loss of revenue caused by the delay • Company has onboarded 3 new OEMs and has started selling umbrella construct plans to further de-risk away from one single OEM

Next 12 months milestones

- Contract wise GP margin
- Hitting profitability
- Ability to onboard new OEMs in new category

Leading international insure-Tech company (B2B, B2B2C)

Q3 FY2024 updates

Fund Raise

~Rs. 61Cr equity + ~Rs. 20Cr debt already raised; commitment for additional ~Rs. 85Cr equity + ~Rs. 60Cr debt secured.

Significantly improved margin structure

100% risk transfer in place, contract reneg with Samsung and increased non-India revenue have improved GM to 16-18% levels. Clear path to profitability now in sight

Samsung Business

India contract renegotiated GM fixed at 14-15% levels with 100% risk transfer; US B2B contract launched with 20-25% GM; US B2C plan gaining traction – have replaced Assurion / Assurant completely

Apple Business

AC+ plan launched in UAE and Saudi; ACS launched in Turkey. Conversation ongoing to launch ACS in US as well

New OEMs cracked

- Eureka Forbes, Panasonic and TCL – TAM expanded to consumer electronics + home appliances
- BOSE and Vivo onboarded as new OEMs in previous months have scaled faster than expected and have stable margin structure
- Regional Carrier in US – Thumb Cellular onboarded



ThePrint

Servify Expands its Portfolio by Adding New Product Categories in India

Mumbai (Maharashtra) [India], November 2: Servify, a leading global provider of product protection, trade-in, and affordability solutions for top OEMs, today announced its partnership with a few more consumer brands such as Eureka Forbes, Panasonic, Harman and TCL to empower their Extended Care and Product Protection programs in India.

Leading Small Finance Bank

Sector	Financial Services	Stake	<2.0%
Investment Amount	INR 39.4 Cr.	Investment Life (avg)	6 Months
SGOF Board Representation	No		

- Incorporated as an urban micro-finance center in 1999. Successfully operated as an NBFC from 2008 to 2017.
- Jana SFB received a Small Finance Bank License in 2017 and started operating as a scheduled commercial bank in 2019.
- The company has the second-most geographically diversified portfolio with a pan-India presence among major SFBs (FY20) with a secured portfolio of loans (Housing Loans, LAP, MSME loans, and 2W loans) contributing ~55% of the AUM and MFI contribution of 35% (positioned to target rural India)

Leadership



Ajay Kanwal
MD & CEO



Buvanesh Tharashankar
President & CFO

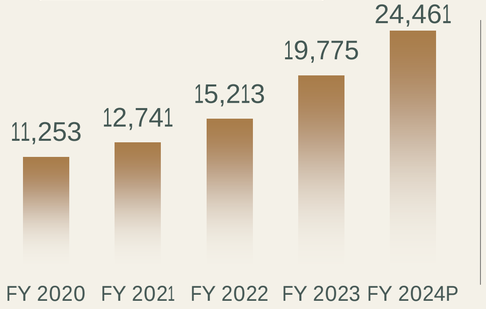
Major Investors

TPG | Morgan Stanley | HarbourVest | Norwest Venture Partners

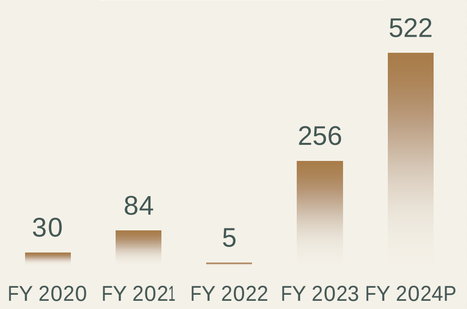
2008	INR 2,278Cr	750+
Founded	FY23 Revenues	Branches

Office : INDIA (Bangalore)

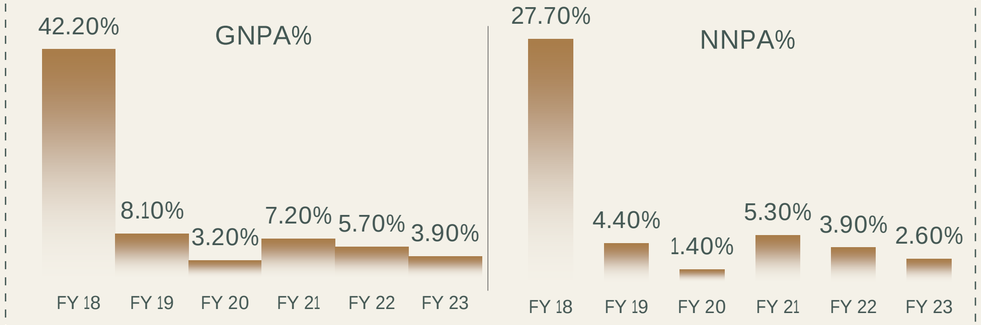
AUM (INR Cr.)



PAT (INR Cr.)



GNPA and NNPA Improvement trend in last 6 years



Company's book value (INR Cr.)

Net worth as of Sept'23	INR 2,458Cr

Leading Small Finance Bank

Investment Rationale

- Industry tailwinds including GOI's financial inclusion initiatives have optimally placed SFBs that can underwrite New To Credit using Alternate data; Jana SFB was among the first urban micro-finance centers established in 1999.
- Well-diversified loan and deposits book; AUM and loan portfolio is not concentrated to a single state; Top 3 markets collectively contribute ~39% of AUM
- Customer-centric SFB with a history of servicing under penetrated areas for the last 14+ years
- Seasoned management team with a demonstrable history of industry-leading business growth.

Business Scale

- Operates 753 branches and 61 ATMs across 24 states with 98% of savings accounts being digital.
- 4-year deposit growth CAGR of 40%, FY23 deposits of INR 16,300 Cr.
- 5-year revenue CAGR of 39.4%, with FY23 revenue of INR2,278 Cr.
- FY23 Secured Loan Book of INR 11,045Cr. (up 13.2% yoy) and Unsecured Loan Book of INR 8,729 Cr. (up 24.3% yoy)

Leading Small Finance Bank

Risks and Mitigants

- **Competition remains a key risk as the current market has multiple participants with 11 SFBs, multiple NBFCs, and MFI institutions**
- Credit continues to remain an under-penetrated market, even with multiple players in the space only ~30% of SMEs / MSMEs get access to credit. Jana SFB is well-positioned to serve this market with deep underwriting capabilities developed over the last ~15+ years.
- **Microfinance is a high-risk category vs. other sub-sectors.**
- Management is cognizant of the fact and has been de-risking the portfolio, ever since converting to an SFB, Jana has grown its secured loan book to 59% of AUM in H1'24.
- **Loan Book levered at 9.2x which is higher than peer median**
- Company expects to raise Rs 575 Cr in fresh issue which would improve leverage levels within peer group range.

Key Milestones

- Quarterly AUM growth to achieve FY24 AUM target of INR 24,461 Cr.
- Strong control measures on asset quality
- Sustainably reducing leverage over the next few quarters

Leading Small Finance Bank

Q3 FY2024 updates

Has received final clearance from SEBI to float an IPO;
Expectations of the IPO process to initiate in Jan/Feb'24

AUM performance in line with projections, company expected AUM of Rs. 21,833 Cr. vs. actual performance of Rs. 22,500 Cr. in **Q2'24.**

H2'24 PAT of Rs. 213 Cr., inline with expectations; Mgmt. confident in delivering FY24 PAT of ~Rs. 450 to 500 Cr

Company expected to deliver PAT of ~Rs. 750 Cr and ~Rs. 900 Cr in FY25 and FY26 respectively

Improved asset quality

NNPA's have improved to **0.87%** in Q2'24 vs. 1.17% in Q1'24.

Networth of Rs. 2,458 Cr. as of Sep'23.

ET BFSI.com
From The Economic Times

Jana Small Finance Bank IPO: Jana SFB files DRHP with SEBI for ₹575 crore issue

The Net Proceeds from the Jana Small Finance Bank IPO are proposed to be utilised towards augmentation of Bank's Tier - I capital base to meet Bank's future capital requirements such as organic growth and expansion and to comply with the regulatory requirements for enhanced capital base, as may be prescribed by the RBI from time to time.



Top 3 B2B SaaS player focused on Customer-Retention

Sector	Enterprise SaaS	Stake	5.0%
Investment Amount	INR 35.0 Cr.	Investment Life (avg)	18 months

SGOF Board Representation Board Seat & Observer

- The Company is a pioneer in India for Digital Customer Engagement (DCE) solutions for retention marketing and top 3 player in the space
- Enables companies to integrate multiple data layers (browsing behavior, transaction data, customer service calls) with its platform, to segment users into various cohorts and journeys and to send personalized communication, nudges and offers to them to improve conversion and repeats.
- Serves over 600+ companies in India, Middle East, Europe and Latin America across various verticals (e-commerce, fintech, ed-tech, gamin, travel and more)

Co-Founders



Avlesh Singh



Ankit Utreja

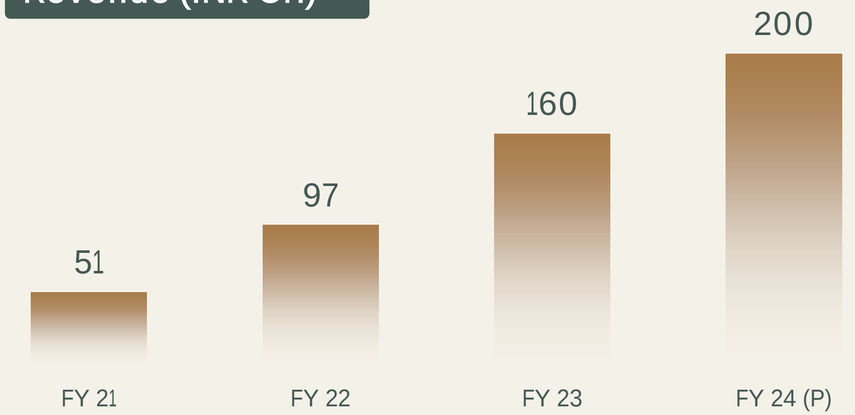
Other Investors

SWC | BLUME | IndiaQuotient

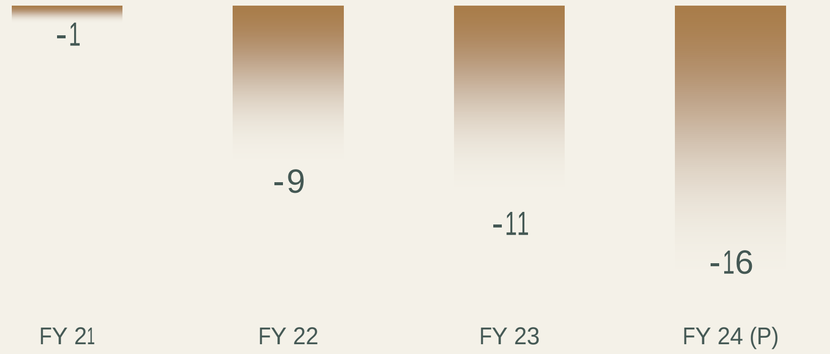
2011	INR 160 Cr	345
Founded	FY23 Revenues	People

Office : India UAE Jakarta

Revenue (INR Cr.)



EBITDA (INR Cr.)



Top 3 B2B SaaS player focused on Customer-Retention

Investment Rationale

- The cost of digitally acquiring customers has shot up 2-3x in last few years. ROI for Retention marketing spend is 5-10x vs Acquisition spend.
- Revenue-enhancing solutions with immediate gratification
- TAM to grow significantly over next 10 years in India / MENA / Asia as companies' focus on Retention grows. US TAM already $15 Bn
- Cash efficient, EBITDA positive consistently in last 4 years; 60% Revenue CAGR in last 4 years

Business Scale

- 600+ customers in India, Middle East, Europe across different verticals. Recently, launched Southeast Asia operations with Jakarta office.
- Company operates on 130% Net Revenue Retention (NRR) and 3x LTV / CAC (gold standard in SaaS).
- Established strong GTM in Enterprise segment; works with customers like Unilever, Shoppers Stop, Adani and Ikea.
- 2/3rd business from India and 1/3rd from outside India

Key Customers

Classplus | adani | Groww | pepperfry | Unilever | Chaayos

Shoppers Stop – Start Something New | epigamia Greek Yogurt | Edelweiss Tokio life – zindagi unlimited | Bajaj Finserv | MYGLAMM

Top 3 B2B SaaS player focused on Customer-Retention

Risks and Mitigants

• **Competition from 2 larger funded players in India & many outside**	• Company in consideration set being a top 3 player in RFQ process, has high recall in Enterprises • PMF with large enterprises like Unilever, Adani, Ikea on back of competitive pricing, product parity and superior customer service (foreign players lack on service aspect)
• **Ability of company to crack Enterprise GTM**	• In the last 12 months, Company grew Enterprise revenue by ~80% with 200%+ NRR. • 30 large contracts like Adani, Akasa Air, Shoppers stop, Luminous cracked with $80-100k AOV • Company's brand marketing event – Engagement generates strong traction and leads
• **Ability to roll out New Product stacks and monetise (Personalisation, Shopify tool)**	• Rolled out Personalization features as test with customers, will start monetizing it from Q1 FY 24. • Launched Shopify plug ins and integration to enable go-live in 2 days vs 4 weeks earlier • Product roadmap for Predictive analytics and segmentation, generative AI applications

Next 12 months milestones

- Monetization from Personalization Product stack
- New business addition in Enterprises
- Receivables at 3.5 months of revenue, track recoverability

Top 3 B2B SaaS player focused on Customer-Retention

Q3 FY2024 updates

Growth

Business at $23m ARR by Dec 23 similar to Sep 23; Net new ARR of 1.5mn set off by some involuntary churn to remove bad customers with high outstanding. Expect to close the year with $28m ARR.

Marketing initiatives

Executed 3 Engage Mint Events back-to-back in Mumbai, Banga and Riyadh to create a ripple effect. Also, have run high quality 40+ podcasts with CMOs showing company's thought leadership

Focus on revenue expansion from existing customers through product upsell; appointed Ankur Gattani, Head of Marketing as Chief Growth Officer

Product Improvements

Capabilities launched in Analytics stack by which a customer can configure alerts on metrics that are critical and directly create journeys; Also launch Gen AI features to automate email / message offers

Leadership

Head of sales has moved on and India – Sales role now taken over by Avlesh, CEO for short term.



WebEngage recognised as 50 Fastest Growing Tech Companies by Deloitte in Dec-23

Omni-channel fashion platform focused on premium Indian wear

PSL
PURPLE STYLE LABS

Sector	Fashion	Stake	~1.9%
Investment Amount	INR 30.4 + 4.6Cr	Investment Life (avg)	10 month
SGOF Board Representation	Board Observer		

- PSL is a tech powered luxury fashion house that operates at the intersection of luxury fashion, online commerce and technology, seamlessly connecting designers and consumers
- PSL offers merchandise across multiple categories, including Womenswear, Menswear, Kids-wear, Fine Jewellery and Home Décor from 1,000+ designers (98% of relevant designers already onboarded)

Co-Founders

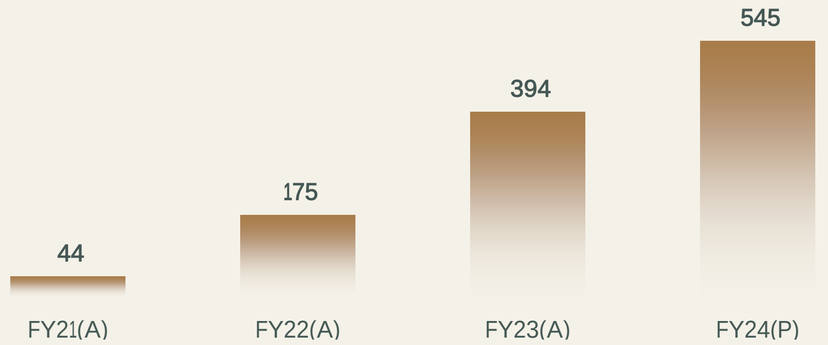


Abhishek Agarwal

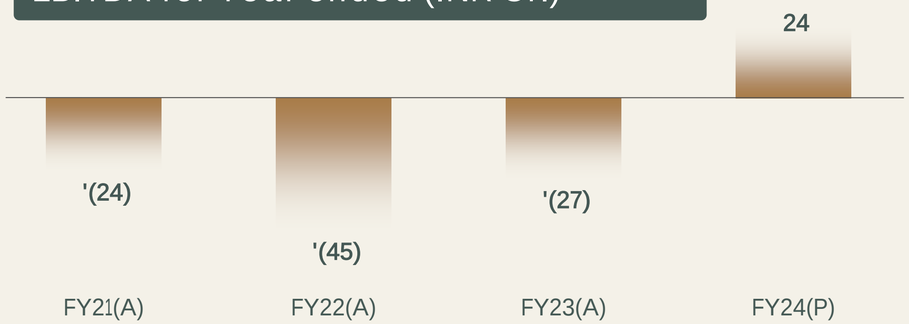
2015	INR 394 Cr	450
Founded	FY23 Revenues	People

Office : India HQ in Mumbai, with 14 stores across India

Revenue for Year ended (INR Cr.)



EBITDA for Year ended (INR Cr.)



PSL
PURPLE STYLE LABS

Omni-channel fashion platform focused on premium Indian wear

Investment Rationale

- PSL creates and dominates the space "offline multi-brand chain for women's premium Indian occasion-wear"
- Founder has accomplished INR 400 Cr. ARR in 4 years, PSL is 5x the size of AZA and OGAAN, and 4x the size of the top 3 iconic designers
- Great economics for a multi brand marketplace–GP stable at 45-46%, store-level EBITDA at 20% already, and store level ROCE of over 50%.
- Helps solve pertinent problem from both ends:
  - Consumers by giving global access to a range of Designers
  - Designers by giving global distribution & access

Business Scale

- Post acquiring Pernia's Pop-Up store in 2018, PSL has been able to scale its business 60x from ~INR 70lac/month to ~INR 50 Cr. / month today
- PSL has got every style covered for customers – Indian clothing, Western styles, Contemporary clothing or Formal Silhouettes for all 3 categories – women, men and kids
- Company currently has 13 stores with 108k sq. ft across top metros in India – Delhi - 3, Mumbai - 5, Kolkata - 1, Hyderabad- 1 , Ahmedabad - 1, and Bangalore -1 , and 1 in London

Marquee Designers

TARUN TAHILIANI | RITU KUMAR | Dolly J. | SHANTANU & NIKHIL | ROHIT

AISHA RAO | RAJDEEP RANAWAT | masaba | PAYAL SINGHAL EST. 1999 | GV GOPI VAID

PSL
PURPLE STYLE LABS

Omni-channel fashion platform

Risks and Mitigants

• **Store roll-out – infra execution risk**	• Having opened 1st store in 2018, company has gradually opened 13 other stores over 5 years • This fiscal company has already opened 1 store in Bangalore, Ahmedabad, Hyderabad, Mumbai and Surat each • Each year company intends to open at least 50k sq.ft of retail space
• **Scaling supply from individual designers**	• Company has ~1,000+ designers onboarded (98% of relevant designers onboarded) and is therefore very less depended on one designer facing scaling issues • It continuously passes data and market insights to top designers to ensure inventory management and new product designs are managed efficiently • Given PSL has global distribution, attractive economic model and acts as a powerful media partner, it gets an unsaid preferential treatment from most designers

Next 12 months milestones

- Offline roll-out – Store, CAPEX and Resultant ROCE profile
- Ability to crack Men's premium occasion-wear
- Raising capital – debt + equity
- Inventory levels

PSL
PURPLE STYLE LABS

Omni-channel fashion platform

Q3 FY2024 updates

Sharp uptick in performance seen across both Online and Offline channel; company on track to outperform its AOP for FY24

Offline business (54% of GMV) consistently growing; store-level EBITDA of 20% already – potential to go upto 25% levels; SPSF of ~Rs. 42,000 – unheard of in industry

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Store roll-out on track - ~35,000 sq.ft of retail space already added

- **Hyderabad –** PSL's largest store at 25,000 sq.ft opened in November
- **Mumbai –** ~3,000 sq.ft store opened in Kala Ghoda in November; another ~3,000 sq.ft store in Bandra planned, possession towards end of this fiscal
- Surat - ~7,000 sq.ft store opened in October
- Other cities **–** discussion ongoing in Chennai; scouting for ~8-10k sq. ft space

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Online business sees a 40% customer repeat rate, overall CAC is between 4,500-5000 levels and AOV /CAC at ~6x

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Company to focus on Men's wear and Pret category (priced between Rs. 10-40k) during the fiscal to increase its TAM

Equity raising mandate given to a leading IB **–** to raise ~Rs. 100Cr of equity; company continues to raise debt to optimize its capital structure



Fundraising

Company has raised ~INR 25 Cr. at ~Rs. 2,900 Cr. pre-money. This valuation is at substaintial markup to SGOF's entry price.

India’s largest independent Clinical Research Organization (CRO)

Sector	Healthcare	Stake	1.4%
Investment Amount	INR 30 Cr.	Investment Life (avg)	9 months
SGOF Board Representation	Board observer rights in selective matters		

- Largest Independent CRO in India in revenue and physical capacity and execution track-record
- Full Stack of CRO Services with Majority Business from Developed Markets; Capabilities in BA/BE, Pre-clinical Trials, Clinical Trials and Bio analytical services
- Regulated markets focused; favorable client mix of mid and large pharma, biopharma, agro-chemical, med devices
- Acquiring new capabilities through inorganic opportunities and JVs to get faster GTM

Business CEOs



Ajay Tandon



Vinaya Babu

Majority Investors

CX partners

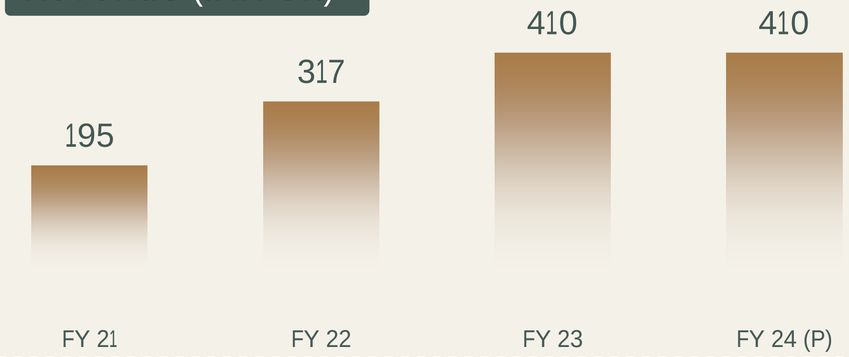
Other Investors

SabrePartners

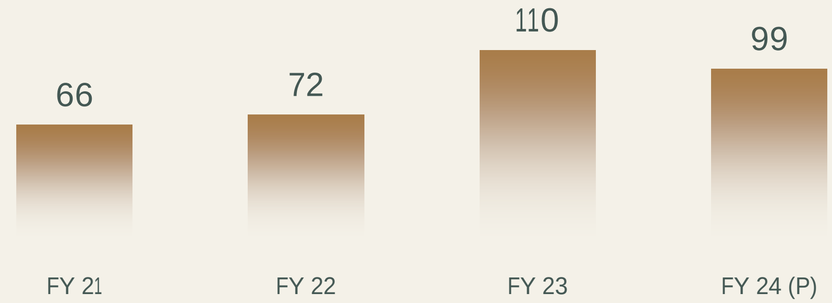
2004	INR 410 Cr.	1000+
Founded	FY23 Revenues	People

Office : HQ in Ahmedabad with offices in Bangalore and US

Revenue (INR Cr.)



EBITDA (INR Cr.)







India’s largest independent Clinical Research Organization (CRO)

Investment Rationale

- Largest independent CRO in India in BA/BE and Pre-clinical trials
- Clear focus to expand into strategic areas like Clinical Trials (CT) via acquisitions in US/ Europe
- Proven capability to operate at scale; Registered volunteer database of 65k+ people, Audited by Global regulators like FDA and WHO
- Moats–a) Difficult to learn Process (safety, regulatory, method development), b) Large pharma clients needing 5-year track record before giving a contract c) Regulatory track record needed for global pharma
- 30% Revenue CAGR at 25-30% EBITDAM company and 25%+ ROCE till FY23

Business Scale

- Largest player in India - 16+ years of experience; 4,200+ BA/BE studies, 8,500 pre-clinical studies, 50+ clinical trials conducted
- Large multi-site infrastructure - 588 BA/ BE beds, and world-class Vivarium with 85 experiment rooms across 7 facilities in Gujarat and Karnataka
- Deep client relationships -650+active customer base across 25+ countries; 90%+ share of business from regulated markets and ~80% repeat business
- Best-in-class regulatory track-record - 90+ global regulatory audits by US FDA, MHRA, DCGI and WHO

Key Customers

TARO | NOVARTIS | Biocon

Glenmark A new way for a new world | Dr.Reddy’s | CLARIANT

India’s largest independent Clinical Research Organization (CRO)

Risks and Mitigants

• **Ability to do acquisitions in Clinical Trials and BABE**	• In CRO business, acquisition is the preferred way to fill in product/ service/ geography gaps vs organic growth • Company plans to do acquisitions in Clinical Trials (‘CT’) and BABE (captive arms) vertical. CT business expands company’s capabilities and BABE gives it more scale. • Board has approved an acquisition in Europe which will be executed in JFM 2024
• **Ability to recruit volunteers with specifications and in time**	• Company has a database of 70k+ volunteers on the platform. 40% volunteers have done 2 or more studies. • 15+ years of execution, 1000+ studies conducted; Scale builds trust amongst large pharma cos
• **Ability of company to meet regulatory audit and compliance norms**	• Impeccable regulatory compliance - successful 90+ global regulatory audits, 250+ client qualifications audits in last 5 years. • Compliance with DCGI and FDA guidelines for Volunteer onboarding, screening, counselling, infrastructure, patient safety, reporting, compensation etc.

Next 12 months milestones

- Completion of proposed European Acquisition and execution of at least one more acquisition ideally in the BA/BE space in India
- Significant improvement in business pipeline and revenue visibility to ensure no repeat of 0% revenue growth in FY24.
- DRHP filing by May 24

India’s largest independent Clinical Research Organisation (CRO)

Q3 FY2024 updates

FY24 organic revenues are expected to be same as FY23. This has happened partly due to weaker order book, significant plan changes for 2 out of top 3 customers and business pipeline which has a longer order to execution time cycle. This is also due to delay in regulatory approvals due to key people changes at DCGI (Drug Controller General of India, the regulatory body which gives approvals to conduct clinical trials).

Company has already improved its business pipeline which will start reflecting in improved revenue run rate in JFM 2024.

M&A efforts expected to finally bear fruit as the company closes on an European acquisition which meets the strategic objectives.

Other highlights

IPO process being deferred till completion of M&A process.



Leading new-age Men's Inner-wear & Comfort-wear brand

Sector	Consumer Brands	Stake	5.4%
Investment Amount	INR 20 + INR 8 Cr	Investment Life (avg)	13 months
SGOF Board Representation	Board Seat & Observer		

- New-age Inner-wear and Comfort-wear brand innovating on fabric and designs, and the power of omnichannel distribution.
- Products - Inner-wear (trunks, briefs, boxers, vests) and Comfort-wear (T-shirts, shorts, pyjamas, lounge pants, winter hoodies)
- Target customer - Millennials (age 24-35) and GenZ (age 18-24) who want to wear aspirational and high-quality apparel that is very comfortable, but affordable too.
- 70% of their demand comes from tier 2 and tier 3 cities and 30% from tier 1 cities.

Co-Founders



Yogesh Kabra



Siddharth Gondal

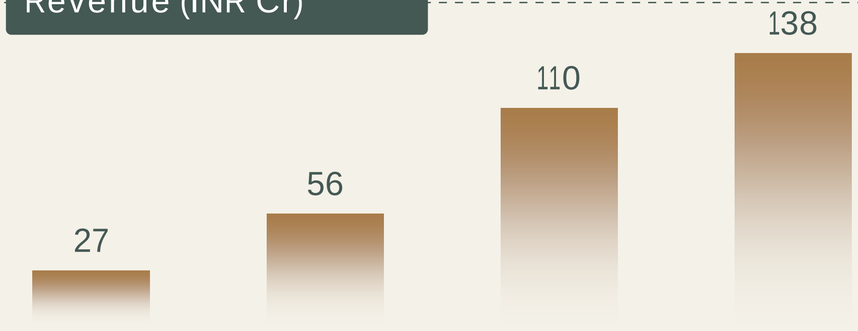
Other Investors

sauce. | DSG CONSUMER PARTNERS

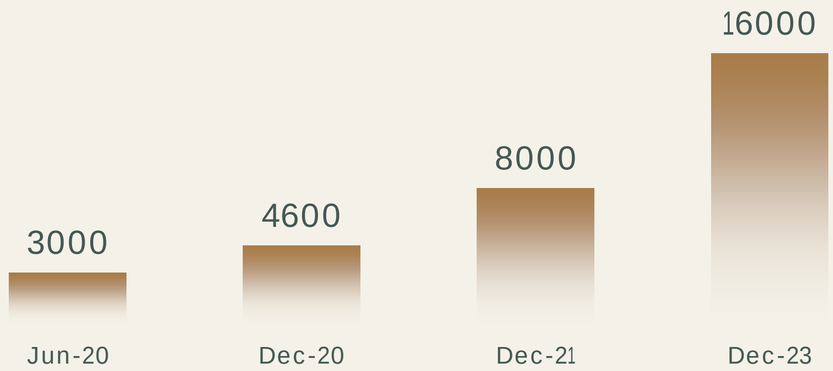
2017	INR 110 Cr.	290
Founded	FY23 Revenues	People

Office : India Mumbai, Surat

Revenue (INR Cr)



Strong Pan India presence in retail stores (#)







Leading new-age Men's Inner-wear & Comfort-wear brand

Investment Rationale

- Essential wear category with high repeats
- the Company offers micro-modal underwear (3x softer fabric than cotton) at only 20% premium over Jockey's basic cotton underwear
- Millennial customers want lots of options and more comfortable/natural fabrics (micro modal, supima cotton, bamboo cotton, silver cotton), and that is where the Company fits in
- Huge market of Rs 18k Cr. in Inner-wear and Comfort wear in mid-premium category

Business Scale

- 100+ SKUs across Inner wear. Comfort-wear (pyjamas, t-shirts, shorts, joggers), Winter-wear (zippers, hoodies), thermal wear
- Sells its products through General Trade Channel (170 distributors and 15000 retail stores), 5 marketplaces Own Website, 25+ Modern Trade stores 2 EBOs
- Inner-wear contributes 80% of the revenue and Comfort-wear 20%. In future
- 60% business comes from Offline, 40% from online channels

Channels Present

XY | XX
xyxxcrew.com

amazon

NYKAA

AJIO

Myntra

Reliance trends

Shoppers Stop
START SOMETHING NEW

Flipkart

CRED

15000 stores

Leading new-age Men's Inner-wear & Comfort-wear brand

Risks and Mitigants

• **Weak Retailer retention due to low sales velocity, some product defects**	• Brand marketing last year with K L Rahul improved retailer retention by 50% • Store BTL initiatives are in process to nudge customers • Hired senior people in supply chain and QC process to fill the gaps; Product quality 4+ on Amazon • Company implementing Distributor Management System (DMS) to get tracking of primary and secondary fulfilment
• **Dilution in gross margins**	• Plan to improve gross margin by 500bp to 49% in FY 24, already improved to 48% in April and May • Combined Impact of pricing changes on a product catalogue and supply chain cost optimisation
• **Success of outwear categories**	• Outerwear categories more competitive, hence, difficult to crack PMF and scale. • Products like T-shirts, Pyjamas do very well. Outerwear contributes ~15% share of revenue. • Company is working on to rejig sourcing for these products through established large players to get superior quality at attractive price point

Next 12 months milestones

- EBITDA Breakeven
- GT team efficiency (GT costs as a % of revenue)
- Reduce working capital days to 90 days

Leading new-age Men's Inner-wear & Comfort-wear brand

Q3 FY2024 updates

Industry slowdown
Entire apparel and inner-wear industry faced flattish or degrowth in last 12 months including major listed players.

Performance
While company's overall revenue has gone up to INR 11Cr in Oct 23 vs 8.3Cr in Oct 22, major growth has come from marketplace and website which contribute 65% of the business (vs 50% a year back). GT channel has degrown from INR 3.5Cr 12 months back to 3.1Cr in Oct 23.

AOP
Due to the industry slowdown, Company has reduced its targets to hit INR 138Cr. revenue with -9% EBITDA in FY 24

Working capital
Company has controlled working capital in last 3 months by improved debtors collection and controlling inventories. Currently, NWC stands at 97 days (on sales) vs 109 days 12 months back

New Products
Company has launched new cotton inner-wear and athleisure in the last 4 months and is getting good response from the market.

Systems and processes
Company has already gone live with warehouse and inventory ERP. It has implemented Distributor Management System at 80% sales contributing distributors and started mapping sales fulfilment in real time now.



How XYXX incorporates functional style in their foray into Athleisure

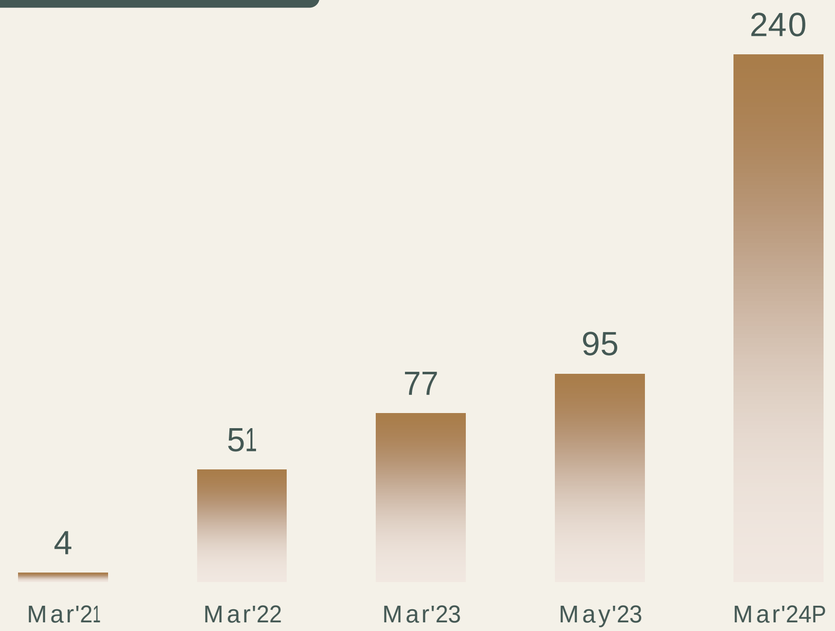
Specialized provider of gold loans

Sector	Fintech	Stake	7.27%
Investment Amount	INR 28 Cr.	Investment Life (avg)	7 months

SGOF Board Representation	Board Seat + Observer

- Founded in 2020, Oro Money is a gold loan enabler that provides credit access to individuals basis existing gold jewellery.
- Direct play on the massive unorganized gold loan market in India, with the optionality of expanding use cases across target users
- Oro aggregates prospective borrowers and connects them with lenders, Oro processes and operates as a tech enabler for traditional lenders.
- Oro expects to set up disbursement centers in communities to better attract customers. Oro's Physical approach can help it operate at one-third of the operating expenses of the scaled digital lenders and, also maintain quality of borrowers which will reduce CAC.

AUM (INR Cr.)



Co-Founders


Rakesh Mani
CEO


Sreekesh Krishnan
CPO


Path Shah
CBO

Other Investors

PREMJI INVEST

CAPITAL

3 States Capital

Founded	AUM in Dec' 23	Disbursement run-rate Dec'23	Employees
2020	INR 145Cr	INR 33Cr	~96

Office : India Chennai

Specialized provider of gold loans

Investment Rationale

- Gold lending market is predominantly serviced by the unorganized sector.
- Only digital approach not viable in sourcing customers due to high digital CAC; a Physical model creates distribution advantages.
- Operating Cost will be 15% at scale (AUM of INR 500 Cr) as compared to 18-21% of other digital lenders
- Differentiated GTM will enable Oro to acquire customers at a fraction of the cost
- Second-time founders with a prior exit to Dunzo; previously built an on-demand last-mile delivery company.
- Established team and advisory board, with in-depth knowledge of jewelry category and customer experience around gold lending
- Advisory Board of Mithun Sacheti (Caratlane Founder) & PR Seshadri (Ex-MD & CEO, Karur Vysya Bank)

Business Scale

- New-age gold loan enabler that originates gold loans for lenders and provides a differentiated user journey for gold loan borrowers.
- Works with Federal Bank, Sunita Fin lease, and Fin care Small Finance Bank.
- Company to benefit from partnership with Federal Bank in Kerela – access to customer base, branch network and low cost of capital
- AUM of 95 Cr. with no on-balance sheet loans; Expects to get an NBFC license in the next 9 months to initiate co-lending
- Monthly disbursements of 28Cr., with 3.1k active loans and 2.6k active customers as May'23

Lending Partnerships

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

SHRIRAM City
MONEY WHEN YOU NEED IT MOST
In-process

NORTHERN ARC
In-process

Sunita Finlease Ltd.
Bank on us!
(Since:1985)

TVSCREDIT
In-process

Specialized provider of gold loans

Risks & Mitigants

• **The existing market has been dominated by traditional players that have developed deep distribution capabilities.**	• A significant chunk of the addressable market continues to remain untapped, the opportunity for multiple players to successfully coexist and operate remains open.
• **Customer acquisition costs of digital gold lenders have been extremely high historically, leading to unfavourable unit economics.**	• Founders understand the gold lending would require an offline presence; Hence Oro has pivoted to a Physical model vs. an entirely digital journey.
• **Slower than expected ramp-up of physical disbursement centres.**	• Oro has finalized 60 high-traffic locations that have high pools of active/potential borrowers; A differentiated user journey would enable Oro to compete against traditional and new-age lenders.
• **Delay in the acquisition of an NBFC license.**	• Oro is in the process to file for a lending license, we expect the license can be acquired by JFM'24 and operational by Q1'25.

Next 12-month milestones

- Achieve an AUM of INR ~240Cr. (20% On book) by July'24
- Achieve breakeven EBITDA by Oct-Dec'24 in one cluster city
- 20% share of footfall through walk-ins by March 24

Specialized provider of gold loans

Q3 FY2024 updates

Dec'23 AUM is below SGOF estimates at ~Rs. 145 Cr. (15% below SGOF estimates), however has grown 88% since Mar'23. Slowdown in AUM net addition due to festive season in Oct- Dec'23

Company has launched a pilot with Federal Bank offering door-step gold loans in Kerala.

Launched 2 physical disbursement centres– Company has set up two disbursement centres in Perambur (Chennai) and Vijaywada. Initial traction shows encouraging signs. Walkins at the Perambur branch have 2.5x from 22 walk-ins in August to 56 walk-ins in Nov'23.

Declining trend is noticeable in Customer Acquisition Costs, However, DCs will take 2 quarters to start operating at optimum capacity.

Filing for NBFC license in process, Company has filed for an NBFC license and expects approvals by JFM'24

Company at matured stage to onboarded 2 large lender in JFM'24

FY24 AOP – Company to clock ~Rs. 215 Cr in AUM with a NIM of 3.6%. Is expected to burn ~Rs. 26 Cr at EBITDA level.



Oro Disbursement Centre in **Perambur commenced ops in Aug'23**

India's largest freight forwarding player in cross border logistics

Sector	Logistics	Stake	0.4%
Investment Amount	INR 25.1 Cr.	Investment Life (avg)	5 months
SGOF Board Representation	None		

- Incorporated in 1993, Allcargo Logistics provides integrated logistics solutions across freight forwarding operations, inland container depot, container freight station operations and contract logistics operations.
- India's largest integrated logistics solutions provider and world's largest LCL (Less than container load player)
- Allcargo's global brand "ECU Worldwide", is a leading player in the global LCL market with a strong network of 4,000 port pairs across managed by more than 300 offices in over 180 countries.

Leadership



Shashi Kiran Shetty
Founder, Executive Chairman

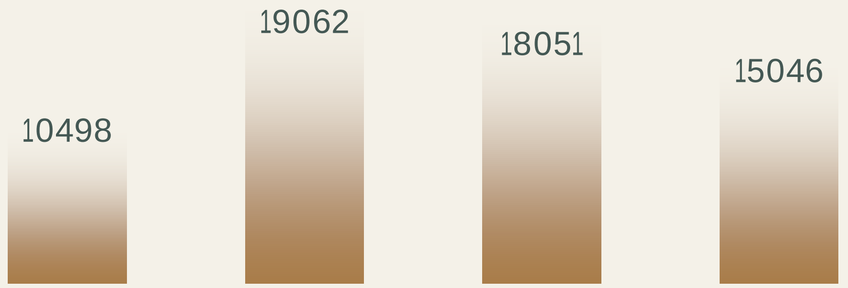


Adarsh Hegde
Managing Director

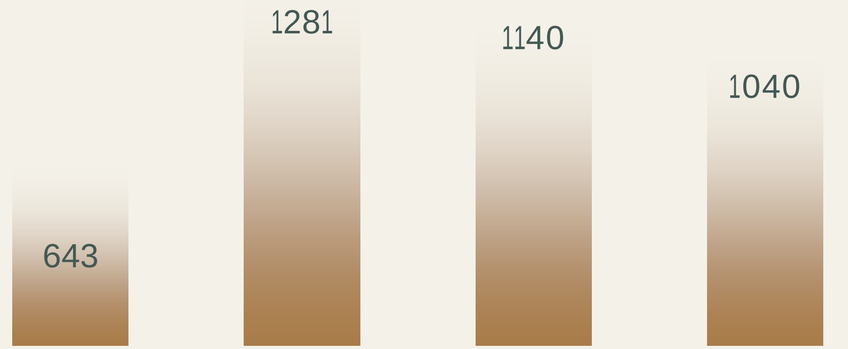
Shareholding (listed entity)

Founders	FII+DII	Public
70.0%	13.4%	16.6%
1993 Founded	INR 18051 Cr FY23 Revenues	5000+ People

Revenue (INR Cr.)



EBITDA (INR Cr.)



Modes of logistics



Offices: 300 offices in more than 180 countries with HQs in Mumbai, India

India's largest freight forwarding player in cross border logistics

Investment Rationale

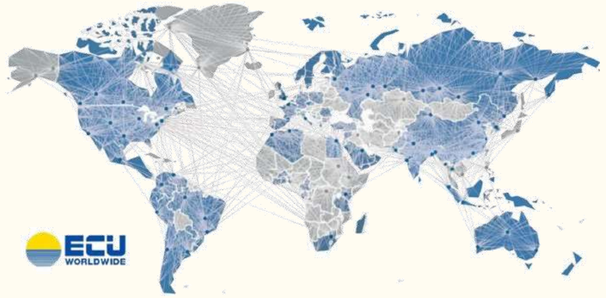
- India's largest integrated logistics solutions provider and world's largest LCL (Less than container load player)
- Strong value proposition to SME sized forwarders who benefit from our scale & carrier relationships as large volumes lead to high utilization and lower pricing
- Uniquely positioned with both digital and operational capabilities (digital startups lack operational footprint and scale and conventional players lack digital capability)
- Strong moat in LCL business as network and consolidation ability impacts pricing and hence, scale creates entry barriers for new players
- Potential to generate long term 6% EBITDA and 40%+ ROCE; Bought the stake at 6x 1 year forward EBITDA

quotes

Business Scale

- Global #1 in LCL consolidation operating the largest global LCL network with 15% market share in operating markets
- Transported ~954000 tons of TEUs in FY 23; ECU360 platform used by 20k+ forwarders every month
- 4,000 port pairs across managed by more than 300 offices in over 180 countries with 2500 direct trade lanes; Door to door delivery in 50+ markets
- >60% ECU's shipments booked digitally

Worldwide presence with a digital capability to book instantly and real time visibility of shipments



- Instant door to quotes
- Automated door to door quotes
- Enhanced Track & Trace
- Booking in seconds
- Business Insight
- Reusable template
- Personalized dashboard

India's largest freight forwarding player in cross border logistics

Risks and Mitigants

- **Reducing realisation and EBITDA per TEU due to slowdown in global markets**
  - Shipping rates went up 3-4x in covid time and now, has sharped come down in last 12 months to pre covid levels and even lower on some lanes due to supply build up
  - Shipping rates almost bottomed out now so EBITDA per TEU at bottom levels; will start improving from here on.
- **Growth in shipping volumes**
  - 3-year outlook of 6% EBITDA and 10-15% CAGR growth in volumes
  - Considered only 6% CAGR in shipping volumes growth in our assumptions, so limited risk of not meeting it
  - Flat volumes trend only short term; In long term, trade volumes growth will be 10-15%.
  - India outbound trade flows will grow due to China + 1 story and increased manufacturing base in India
- **Growth in LCL business as already 15% market share globally**
  - LCL market growing at 25% CAGR globally, faster than FCL
  - Have <5% share in many markets, will keep on expanding share in these countries
  - FCL business currently 1/3rd of the business, will grow this further.

Next 12 months milestones

- EBIT per TEU to go up to 6k per TEU
- Container utilisation to go up from 92% to 95%
- YoY Growth in TEU volumes in 8-10% range.

India's largest freight forwarding player in cross border logistics

Q2 FY2024 updates

Industry slowdown
Entire apparel and inner-wear industry faced flattish or degrowth in last 12 months including major listed players.

Performance
While company's overall revenue has gone up to INR 11Cr in Oct 23 vs 8.3Cr in Oct 22, major growth has come from marketplace and website which contribute 65% of the business (vs 50% a year back). GT channel has degrown from INR 3.5Cr 12 months back to 3.1Cr in Oct 23.

AOP
Due to the industry slowdown, Company has reduced its targets to hit INR 138Cr. revenue with -9% EBITDA in FY 24

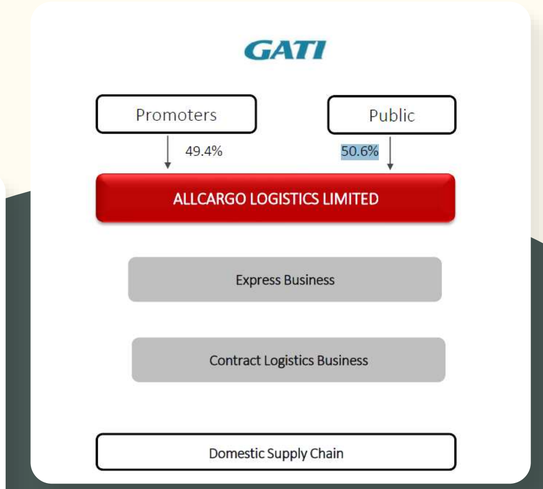
Working capital
Company has controlled working capital in last 3 months by improved debtors collection and controlling inventories. Currently, NWC stands at 97 days (on sales) vs 109 days 12 months back

New Products
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Systems and processes
Company has already gone live with warehouse and inventory ERP. It has implemented Distributor Management System at 80% sales contributing distributors and started mapping sales fulfilment in real time now.

Allcargo Scheme of restructuring



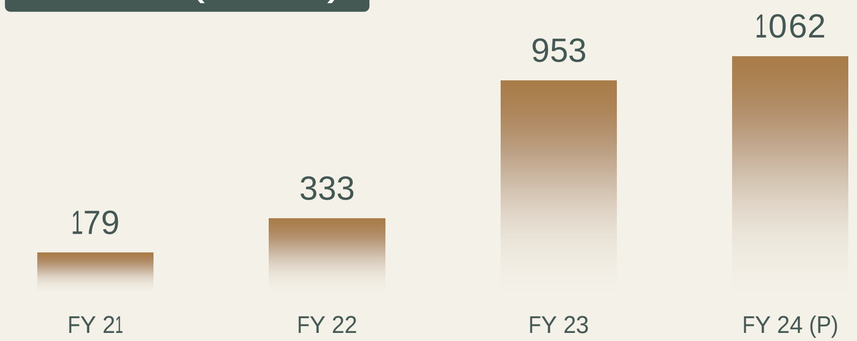


India's prominent branded hotel ownership and asset management platform

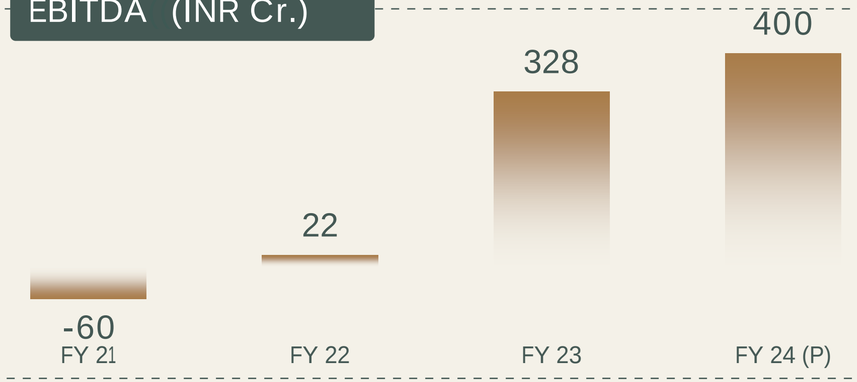
Sector	Hotels	Stake	0.9%
Investment Amount	INR 25.0 Cr.	Investment Life (avg)	4 month
SGOF Board Representation	No		

- SAMHI has 3rd largest inventory of operational keys (owned and leased) in India as on March 2023 – 4,801 keys across 31 operating hotels in 12 of India's key urban consumption centers
- Their portfolio is diversified across key consumption centres in India, at different price-points and with established brands catering to a broad set of demand.

Revenue (INR Cr.)



EBITDA (INR Cr.)



Business CEOs



Ashish Jakhanwala



Manav Thadani

Other Investors

Goldman Sachs | IFC

2011	INR 953 Cr	2000+
Founded	FY23 Revenues	People

Office : HQ in Delhi

Luxury

Upper upscale & upscale — Sheraton | Hyatt Regency | Courtyard by Marriott | Hyatt Place

Upper mid-scale — Fairfield by Marriott | Four Points | Caspia

Mid-scale — Holiday Inn Express | Caspia

Economy & budget

India's prominent branded hotel ownership and asset management platform

Investment Rationale

- India's prominent branded ownership and asset management platform with 3rd largest inventory of operational keys
- Clear track record of acquiring and turning around asset's vs doing greenfield developments has enabled company to achieve scale and revenue growth at lower capital expenditure
- Favorable demand-supply dynamics – Indian travel & tourism industry is expected to demonstrate strong growth between FY19-28; with stable supply this will translate into strong capacity utilization
- Strategically located hotels – SAMHI's hotels are in 12 cities which collectively account for 70% of air passenger traffic and 90% of office space in H1 FY23

Business Scale

- Acquisition of ACIC portfolio of a) 962 keys across 6 properties and b) large land parcel in Navi Mumbai complete – total keys stand at 4,801
- For H1FY23 average room occupancy was ~72% and RevPAR was ~Rs. 3,325
- Growth prospects: ~172 keys to be added, 402 keys to be renovated / rebranded and 2 F&B outlets to be added in Samhi's current portfolio
- Additionally, as part of ACIC portfolio, SAMHI wishes to:
  - Renovate and rebrand 217 keys at Four points by Sheraton Pune
  - Develop a 350 key Upper Mid-Scale hotel in Navi Mumbai

Key Hotel Brands

HYATT REGENCY

SHERATON

Holiday Inn Express

RENAISSANCE HOTELS

COURTYARD BY MARRIOTT

Fairfield BY MARRIOTT

India’s prominent branded hotel ownership and asset management platform

Risks and Mitigants

• **Business cyclicality can pose a challenge**	• Their portfolio is diversified across key consumption centres in India, at different price-points and with established brands catering to a broad set of demand. • SAMHI’s hotels are in 12 cities which collectively account for 70% of air passenger traffic and 90% of office space in H1 FY23
• **Equity structure – promoters hold <3% of equity**	• To compensate for loss of holding and increase skin in game, management will be taking ESOPs to increase their holding in company by ~4%

Next 12 months milestones

- Debt repayment
- Renovation and Rebranding of existing SAMHI’s portfolio
- Portfolio wide Occupancy and ARRs

India's prominent branded hotel ownership and asset management platform

Q2 FY2024 updates

Quarterly performance

- Revenue – Rs. 220Cr; up 26% YoY and 15% QoQ
- EBITDA – Rs. 51cr; -4% YoY and 12% QoQ
- Net Debt – Rs. 1,837Cr (as on Nov 4, 2023); down from Rs. 2,833Cr (as on March 2023)

Demand remains to be strong with continued recovery in airline traffic and absorption of commercial office in key cities

- Occupancy – 72%; 1.3% bps YoY improvement
- ARR – Rs. 5,441; 14.7% YoY improvement
- RevPar – Rs. 3,917; 16.4% YoY improvement

In Aug 2023, **Samhi completed acquisition of ACIC portfolio** with 962 rooms and **land for development in Navi Mumbai**

Renovations to properties announced

- Refurbishment of banquet facilities at Pune and Hyderabad (FY25)
- Launch of refurnished executive rooms at Sheraton Hyderabad (FY25)
- Renovation & rebranding of Caspia Delhi (FY25)
- 16 serviced apartments + New Restaurant + Rebranding of Hyatt Regency Pune (FY26)
- Renovation & rebranding 217 keys of Four Points by Sheraton Pune (FY26)

Additions to properties announced

- 16 keys Holiday Inn Express in Kolkata (FY25)
- 56 keys Holiday Inn Express in Bangalore (FY25)
- 350 keys in Navi Mumbai (FY27)

SAMHI portfolio city wise

Cities	Hotels	Keys
Pune	5	873
Hyderabad	4	824
Bangalore	6	864
Gurgaon	2	381
Ahmedabad	3	432
Vizag	1	123
Coimbatore	1	126
Chennai	4	554
Greater Noida	1	137
Nashik	1	101
Goa	1	130
Delhi	1	142
Jaipur	1	114
Total	31	4,801

Source: Company, JM Financial

SAMHI portfolio operator wise

Operators	Hotels	Keys
Marriott	17	2,618
IHG	10	1,427
Hyatt	2	477
Caspia	2	279
Total	31	4,801

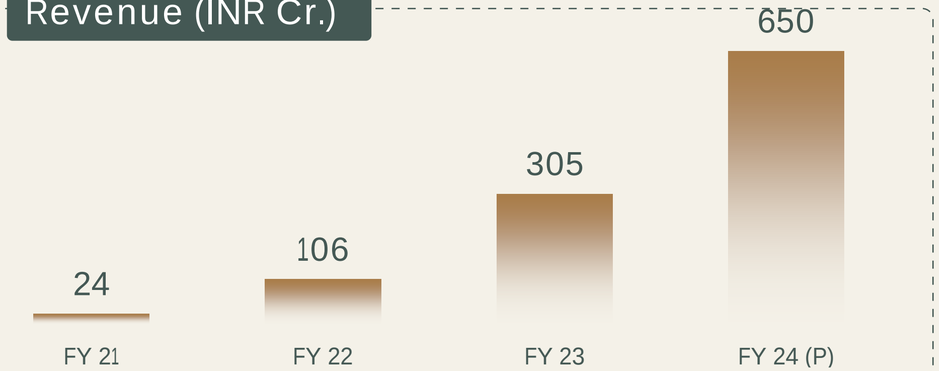
Source: Company, JM Financial

India's largest li-on battery recycling player

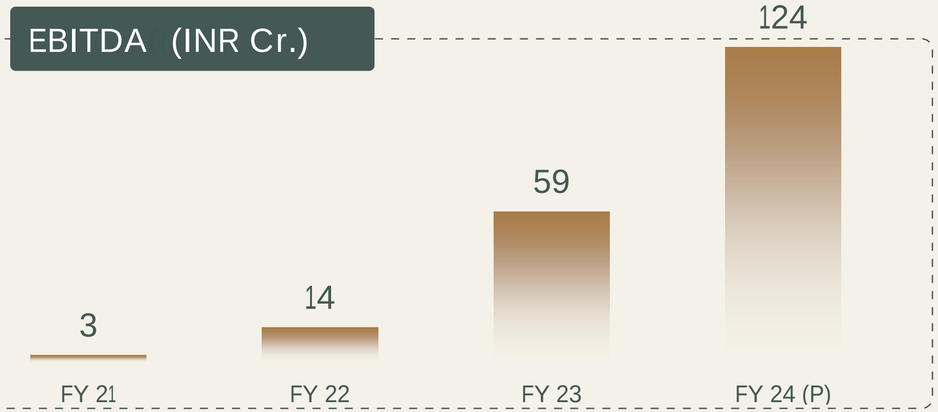
Sector	EV – Battery recycling	Stake	1.12%
Investment Amount	INR 22.7 Cr.	Investment Life (avg)	5 months
SGOF Board Representation	Board observer		

- Largest integrated Li-ion battery reuse and recycling company, globally.
- Design & manufacture - Li-ion batteries for mobility (2 & 3 wheelers) & stationary (telecom & solar)
- Reuse / 2nd life- Company takes used batteries from EVs / Consumer electronics and redeploys them into another use
- Recycling - For batteries with no useful life, Company extracts the valuable materials (cobalt, nickel, lithium, graphite, etc.) and sells those back into the battery supply chain

Revenue (INR Cr.)



EBITDA (INR Cr.)



Founder



Rajat Verma

Major Investors

Baring Private Equity Asia

VenturEast — We differentiate. You win.

2016	INR 305 Cr.	600+
Founded	FY23 Revenues	People

Office : India, North America — HQ in Noida with presence in US



India's largest li-on battery recycling player

Investment Rationale

- Transition to EV is multi decadal growth theme with $30bn TAM in next 15 years
- Battery materials (Lithium, cobalt, nickel) limited on earth and concentrated in select geographies. contribute ~30% of entire vehicle cost
- One of the largest integrated player globally in Reuse and Recycle
- Proprietary Chemical Extraction process with higher efficacy and 1/4th capex compared to global peers
- Only profitable company compared to peers globally

Business Scale

- Operational facility of Black mass and sulphates processing in Greater Noida; Recycling capacity to expand to 20k tons per annum by year end
- Partnerships with major OEMs in India with 48% market share in 2W and 86% in 4W with 100% wallet share.
- Partnership with Daimler, Stellates and 40+ other companies for reuse batteries; 300 MWH battery manufacturing
- 600+ employees, 10+ patents filed, proprietary in-house design R&D
- 50+ customers including giants like Glencore and Samsung

Technology

Reuse / 2nd Life

- Cell & module agnostic
- Proprietary cell testing & modeling using AI & heuristics
- Direct module or cell reuse
- Proprietary Battery Management System (BMS)

Recycling

- Mechanical + Hydrometallurgy Process
- Chemistry & form factor agnostic; 98% recovery yield
- Low capex, low temperature & low energy
- Zero waste; all byproducts sold

Key Customers

SAMSUNG | DELTA | TOYOTA | BSES | GLENCORE | JAKSON EMPOWERING PEOPLE Solar Energy Systems

Mercedes-Benz | OKINAWA Power the Change | EXICOM POWER SOLUTIONS | Panasonic | TATA

India's largest li-on battery recycling player

Risks and Mitigants

• **Company not able to source sufficient feedstock to grow in future due to more competition**	• Company set up entry into US and Europe and hired leadership team • Aggressively pursuing international expansion in these regions with OEMs and cell manufacturers • Plan to set up recycling plant in an African country to be close to US and Middle east w.r.t. feedstock pool
• **Competition**	• Ahead of competition in terms of unit economics and revenue scale • Largest live capacity (outside China) to process BM into sulphates • Only recycling player to crack battery grade purity in recycled materials and able to make CAM • Only player to crack Direct recycling for LFP batteries. • In India, 48% market share in 2W and 86% in 4W with 100% wallet share.
• **Drop in recycling yield due to higher mix of NMC chemistry sales going down and LFP going up**	• Company has cracked Direct Recycling Method of LFP batteries to directly produce Lithium Ferrophosphate. • Only player to have achieved this globally. Makes it possible to process lithium in economically viable manner.

Next 12 months milestones

- International expansion to US and Europe for feedstock sourcing
- Plant capacity to increase 3x from current capacity

India’s largest energy transition material’s company

Q3 FY2024 updates

Company is expected to achieve INR 130 cr of revenue in Q3 FY 24 at EBITDA of 17%. Company operates at close to 100% capacity utilisation. Plant capacity will become 2x in Jan 23 on back of new capacity going live.

Capacity expansion on track to hit the capacity target of 20k tons of battery scrap / annum for mechanical processing and 15k tons / annum for end to end processing. New Capacity to start in Jan 24 in Greater Noida and Panoli, Gujrat.

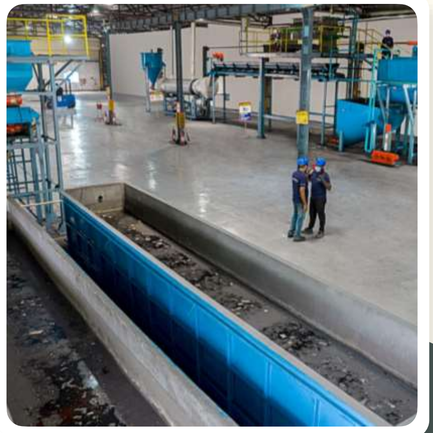
Company has cracked 42 strategic partnerships in India till date with OEMs. It has 48% market share in 2W OEMs and 86% In 4W OEMs with a 100% wallet share

Company has setup subsidiaries in US and Europe led by industry veterans and an aligned incentive structure. The leadership team in US has 120+ years collective experience and network in batteries, cell manufacturing and OEMs

Company has cracked a battery grade purity rate of 99.5% in its processing. It has been successful in making CAM material from the inhouse processed materials at lab scale and now intends to build a commercial scale CAM facility in future.

Company has been building its leadership team and hired VP-R&D, CFO, Head of Software.

Lohum’s reuse and recycling plants (existing and new)





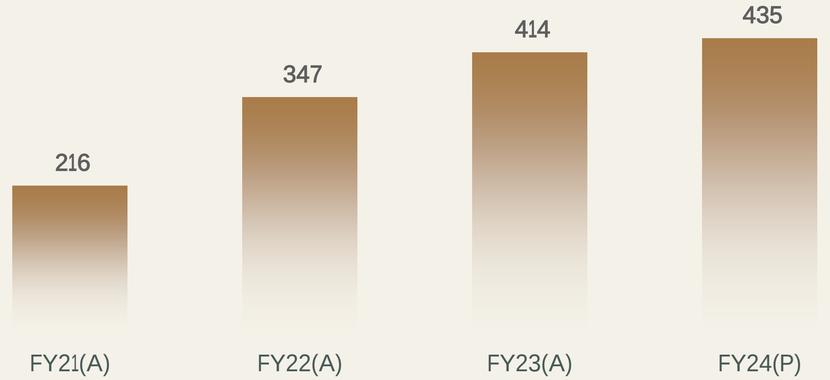


Leading provider of digital communications platform

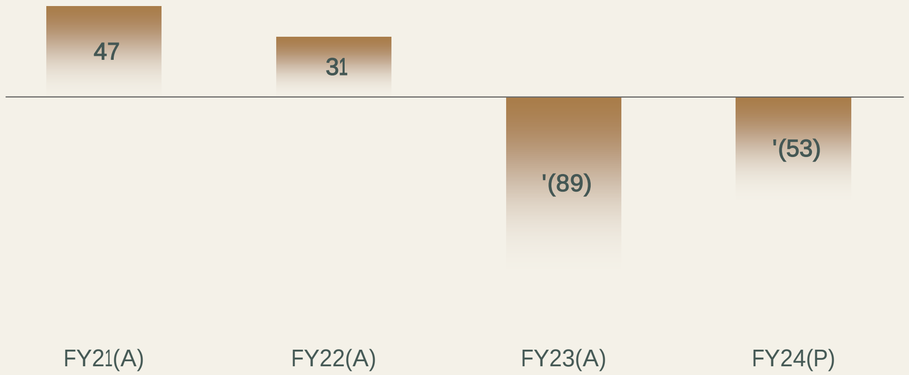
Sector	CPaaS	Stake	~0.6%
Investment Amount	INR 8.5 Cr	Investment Life (avg)	27 months
SGOF Board Representation	NA		

- Exotel is the leading provider of “Digital communications platforms” in India
- Company was founded with the mission of improving digital customer engagement for companies
- Company has scaled in revenue terms from ~INR 145 Cr. in FY19 to ~INR 414 Cr. in FY23 – CAGR of 40%

Revenue for Year ended (INR Cr.)

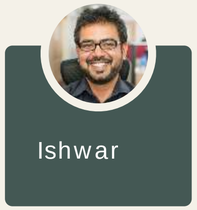


EBITDA for Year ended (INR Cr.)



Co-Founders


Shiv kumar


Ishwar

Other Investors

A91 Partners | BLUME | SISTEMA | CX partners

2011	INR 414 Cr	750
Founded	FY23 Revenues	People

Office : India UAE

Leading provider of digital communications platform

Investment Rationale

- Founder is a technology expert and recognised across the industry for his product expertise
- Best way to play the theme of “Digital customer communications platforms”, in India and Asia –
- Being a B2B provider of platforms and software, both on-premise and on-cloud
- The vision at Exotel is to be a single platform for all channels of digital communication – Voice, SMS, Email, WhatsApp, True Caller, Viber, etc

Business Scale

- Strong traction of annual revenue run-rate (ARR) growth – for FY2023 clocked INR 414 Cr. of revenue
- They currently service over 4,000 companies with their industry-leading Voice solutions and Call-center solutions in over 25 countries
- Company now has well diversified revenues streams across SMB and Enterprises
- 20% of revenue for Exotel comes international markets, balance 80% from India

Marquee Customers

Flipkart, zomato, gojek, BYJU'S The Learning App, CRED, ICICI Bank, RBL BANK, HDFC BANK, BAJAJ FINSERV, Uber

Leading provider of digital communications platform

Risks and Mitigants

• **Contract renegotiations and increased competition dampening GP margins**	• Multiple large players in this space have led to increased competition • Several course correction measures put in place to minimize COGS and SG&A spends • Sales team incentive realigned to ensure higher gross margin business is achieved rather than low gross margin business such as SMS and WA
• **Cross sell ability & company level NRR**	• Company has started bundling SMS and WA solutions with voice solutions thereby ensuring greater cross-sell • Large part of NRR loss has been because of dampened funding environment and ed-tech crisis leading to price renegotiation; company has not lost wallet share in terms of volume
• **Ability of company to crack Enterprise GTM**	• 2 new products launched to cater directly to enterprise clients • Leadership change in both domestic and international business • Company's brand launch is anticipated to generate strong traction and leads

Next 12 months milestones

- Enterprise GTM
- Performance w.r.t business plant; to track GP and EBITDA levels

Leading provider of digital communications platform

Q3 FY2024 updates

Performance
Company achieved a revenue of INR 113Cr in Q3 and has become EBITDA positive (+2% EBITDA) for last 2 months consecutively.

Cost rationalisation
Company has reduced its workforce by ~20% primarily in sales and marketing slashing its overheads from 25Cr 9 months back to 18Cr now.

GM Improvement
Company has improved its gross margin to 52% in Q3 vs 48% in Q2 on back of GM improvement in Enterprise Contact Centre and voice business by changing vendors.

Exotel 3.0 strategy
Company has reoriented itself as **'Communications Solutions Provider'** 4 months back for large enterprises instead of a pure play communications platform where it has to compete on pricing only. It intends to focus more on old legacy enterprises and BFSI companies more (vs digital natives)

Team Restructuring
The company has restructured teams to prepare for the new strategy which has led to some voluntary and some involuntary churn from the company

Exotel team resumed work from office after remotely working for last 3 years





Leading specialized provider of education loans (B2C, B2B2C)

eduvanz
Making Education Accessible

Sector	Fintech	Stake	1.2%
Investment Amount	INR 7 Cr.	Investment Life (avg)	27 months

SGOF Board Representation No

- Top 2 education-focused fintech lender in India.
- Surrogate play on the massive growth in EdTech, in the overall education space across K-12, Test Prep, Engineering, MBA, and Upskilling.
- B2B2C model for lending whereby Company gets leads from over 100 well-regarded learning institutions, resulting in zero-cost customer acquisition and disburse zero interest loans for students, using subvention fee offered by the education institutes.
- Some of top learning institute partners are Scaler, Skillync, UpGrad, Great Learning and Amity.

Co-Founders


Varun Chopra


Raheel Shah

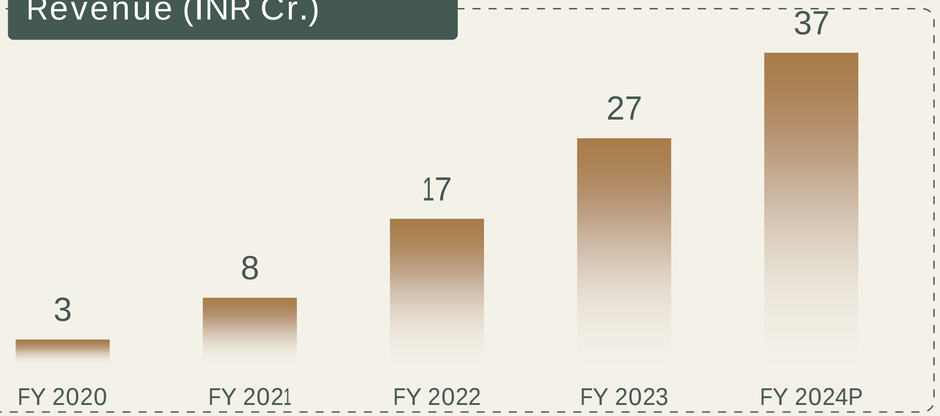
Other Investors

SEQUOIA | unitus ventures | [redacted]

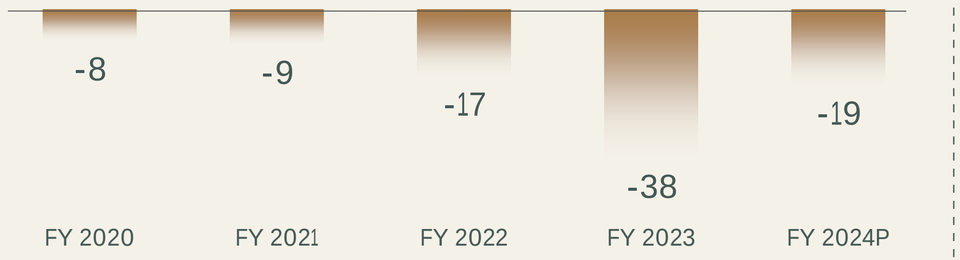
Founded	FY23 Net Revenues	People
2016	INR 27 Cr.	280

Office : Mumbai

Revenue (INR Cr.)



EBITDA (INR Cr.)



Reputed lending partners

NORTHERN ARC | Fullerton India | AU Small Finance Bank | Dhanvarsha | vivriti CAPITAL | InCred Borrow. With Confidence.

ADITYA BIRLA GROUP | caspian equity | IDFC FIRST Bank | Michael & Susan Dell FOUNDATION | HDFC BANK | In Progress

Leading specialized provider of education loans (B2C, B2B2C)

Investment Rationale

- Education Financing is a nascent space with an almost unlimited addressable market
- B2C approach not viable in higher-education lending due to very high digital CAC; B2B2C creates a moat
- Capital efficient approach only burned under INR 1 Cr per month while disbursing over INR 40 Cr. per month across thousands
- Only team in the segment that combined deep skills in credit and collections with the dynamism to build a tech-enabled business

Business Scale

- Provides education lending to 500+ education institutions across upskilling, K12 and test preparation. Disbursement run-rate 65 Cr. a month
- Works with ABFL, Fullerton, Piramal, Northern Arc for liability side financing
- AUM of 570 Cr. with 50-50% from on balance sheet and off-balance sheet loans
- 80% business comes from Upskilling with remaining from K12 and test prep. Company will scale the test prep segment going forward

Key Customers

Leading specialized provider of education loans (B2C, B2B2C)

Risks and Mitigants

• **AUM remains flat at INR 560 Cr. due to degrowth in upskilling business and limited off-BS disbursements.**	• With the introduction of Digital Lending Guidelines, multiple existing lending partners have reduced exposure due to a lack of integration capabilities. Eduvanz is in active conversations with new lenders to grow off-BS loan book. • Instead of FLDG backed lending, Eduvanz will start co-lending wherein 10-20% of the loan would be on-book and the remaining will be disbursed by co-lending partners.
• **Concentration risk as ABFL is the lending partner with most of the off-BS loan book**	• Existing co-lending partners have reduced exposure to digital lending, Including Fullerton. • SGOF team is working with the management to onboard new lenders that will lead to off-BS loan growth and de-risk concentration from ABFL.
• **Off-BS yields have declined in the last six months**	• Off-BS yields have declined from 6% to 2% in the last six months; however, management believes this is a short-term challenge with expectations of recovery in the next 6-12 months.

Next 12 months milestones

- Portfolio mix to favor off-balance sheet financing
- Asset quality to improve over the next six months
- Onboard co-lending partners for off-BS lending
- Tech-platform user growth and performance

Leading specialized provider of education loans (B2C, B2B2C)

Q3 FY2024 updates

Company's AUM has remained stagnant at Rs. 560 Cr. (over the last 3 quarters) due to structural challenges in the upskilling business.

Successfully started to disburse off-BS loans via a large lender (post change in Digital Lending Guidelines). Company is in talks with other large lenders to resume off-BS disbursements with a goal of 30% on-book and 70% off-book over the next 6 to 12 months.

Launched – 'WIZR' - a B2C Students / Professional portal. and has successfully onboarded 200 Learning Institutes covering 3,000 courses for the WIZR platform as of Nov'23.

Within the WIZR platform, company has generated 800 leads for partner institutes in 8 weeks of launching.

FY24 AOP
Expects to end the year with an AUM of Rs. 947 Cr. Expected cash burn of ~Rs. 20 Cr. at an EBITDA level.





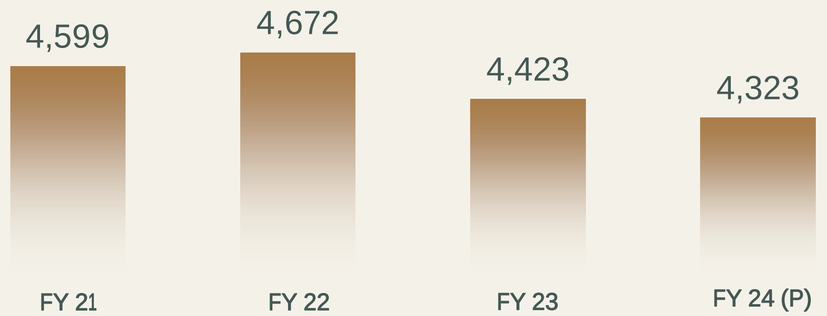
- Company closed INR 105 Cr Series B1 round led by Rethink Education in Jan 23 this year.
- This round was at 40% markup to our entry valuation.

Leading Indian Grocery Retail Business

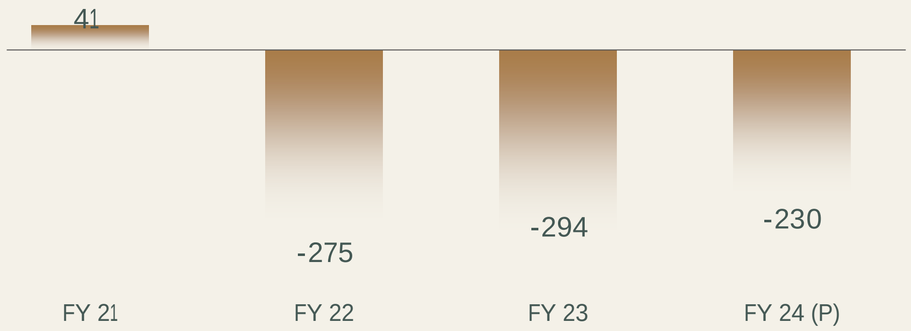
Sector	Grocery Retail	Stake	~0.04%
Investment Amount	INR 5.0 Cr + INR 5 Cr in follow on	Investment Life (avg)	7 month
SGOF Board Representation	No		

- More Retail is among the Top 3 Indian grocery retail business which operates both Supermarkets and Hypermarkets. It also has its own digital app for online customer deliveries. It is significantly scaling up its online presence and deliveries.
- More Retail was an Aditya Birla group company which was jointly acquired by Samara, a PE fund and Amazon in Sep 2018. A significant operational and management overhaul has been done post the acquisition. We have invested along with Samara and Amazon in the company.

Revenue (INR Cr.)



EBITDA (INR Cr.)



Co-Promoters

amazon | SAMARA CAPITAL

1988	INR 4,423Cr	12,000+
Founded	FY23 Revenues	People

Office : India — HQ in Mumbai, with 915 stores across India in March 2023

Leading Indian Grocery Retail Business

Investment Rationale

- Top 3 grocery retailers in India, rapidly scaling up its digital presence.
- Significant operational and management overhaul done post acquisition including hiring professional management team
- Store count increased from 645 in March 2020 to 945 stores in March 2023, but Covid had impacted store level revenue performance. Improvement in Indian consumer sentiment + Return of 'Work from Office'+ End of indiscriminate discounting by Online / Quick Commerce platforms will improve customer footfalls and revenues.
- Operational improvements with a focus on cost management have been initiated.
- Online delivery revenues to increase from 9% in FY23 to 20%+ of revenues in FY27.
- Exit visibility is very high due to brand recognition, revenue size and shareholder intent.

Business Scale

- 862 stores as on 30 June 23.
- The retail SPSF which had declined from ~1,900 in FY18 to ~1,400 in FY23. This is expected to increase with significant management efforts, reduced competitive intensity and improving consumer sentiment.
- Online delivery revenues have increased by ~8x from FY20 to FY23. We estimate them to increase by ~8x from FY23 to FY27.

	Super Market count by state	Hyper Market count by state
Karnataka	204	12
Telangana	121	6
Andhra Pradesh	107	2
West Bengal	98	5
Kerala	82	-
Punjab	72	-
Tamil Nadu	68	-
NCR	41	11
Maharashtra	27	-
East UP	0	3
Odisha	0	3
Total	820	42

Leading Indian Grocery Retail Business

Investment Risks and Mitigants

- **Top 2 retail players have 70% market share of organized retail which allows them more bargaining power + supply chain efficiencies**
  - More has achieved price parity between its super and hyper markets
  - It has very successfully controlled both store level and corporate level costs
- **Dependence of upside on Online growth**
  - It is scaling up home delivery using More App while keeping profitability in mind
  - Amazon to use More HMs as hyperlocal delivery hubs
- **Improvement in weak Hyper Markets business depends on Amazon's involvement**
  - HMs with weaker operating performance are being right sized or shut down
- **Our shareholding is very small. We have quarterly information rights**
  - Amazon is ~49% shareholder and deeply interested in More's success
  - Good relationship with Samara enables interactions beyond standard information
  - Right to a simultaneous full exit along if Samara sells more than 10%

Next 12-month milestones

- SPSF to increase 5%-7% q/q
- Online sales has to grow 12%-15% q/q
- Store level profitabilityy in Q3FY24 and Company level EBITDA profitability in Q1FY25

Leading Indian Grocery Retail Business

Q2FY24 updates

Improvement in Total Commercial Income (TCI) without loss in competitiveness through multiple actions

- Better tiering of prices
- Significantly improved availability

Management has been taking strong and decisive cost reduction actions. This includes, strong control on operating costs

- Store level
- Corporate level

Internally developed Tech has replaced external Tech like Oracle and SAP. Expected to provide more customization as well as lower costs

Shutting down unprofitable Super Market stores as well as Hyper Markets to further sharpen focus on profitability

Waiting for the delivery unit economics to improve before they push growth on home deliveries through More App

Other highlights

Management believes that competitive intensity has been reducing

- Conventional retails

Online sales are already

~15% Of total gross sale

Management expects that Store level profitability will be achieved during

Q3FY24

Also helped by the festive season in India



SINGULARITY AMC

Thank You

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STAKEBOAT CAPITAL
NAVIGATING LEVEL NEXT

STAKEBOAT CAPITAL FUND II
QUARTERLY REPORT



Q4 FY 2023-24

Jan – Mar 2024

Bengaluru, India

IR@stakeboat.com

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On behalf of the Board of Trustees, we present to you the activities of Stakeboat Capital Fund II ("**the Fund**") for the quarter ended 31st March, 2024. The Fund is a trust organized in India and registered with Securities and Exchange Board of India ("SEBI") as an Alternative Investment Fund ("AIF") registered under Category II having registration number IN/AIF2/20-21/0837. The Fund is managed by Stakeboat India Capital LLP. IDBI Trustee Services Limited (ITSL) is the Trustee for the Fund.

1. MACROECONOMIC OUTLOOK

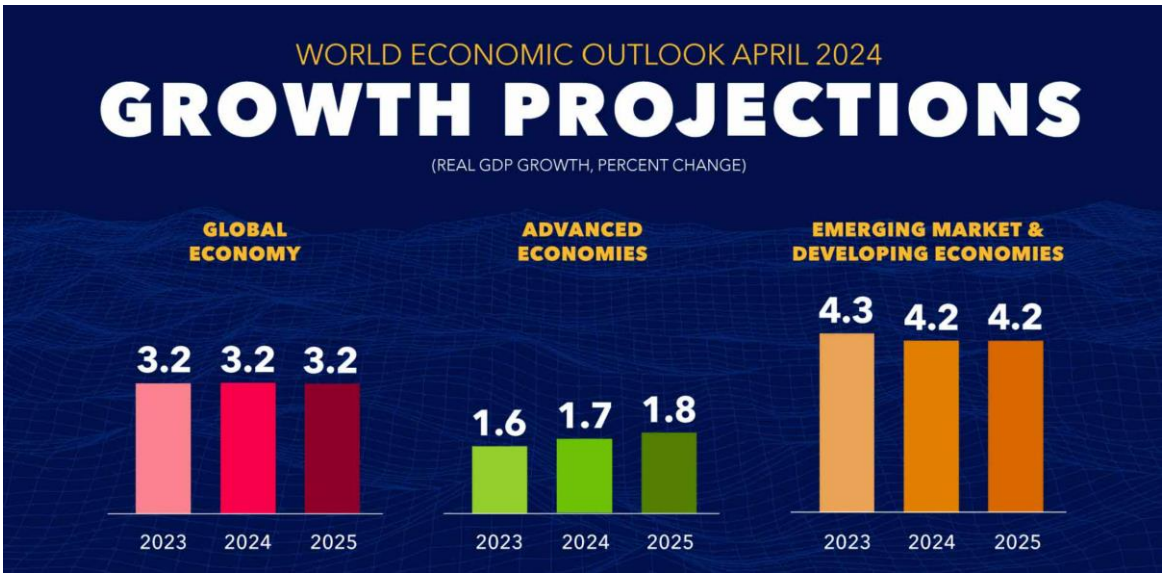
1.1. GLOBAL OVERVIEW

The International Monetary Fund (IMF), per the World Economic Outlook, Apr'24 (WEO), projects that Global growth is expected to remain flat at 3.2% in CY 2024 and in CY 2025. While the GDP of advanced economies is projected to grow from 1.6% in CY 2023 to 1.7% in CY 2024 and 1.8% in CY 2025, the GDP of emerging markets and developing economies is projected to marginally decline from 4.3 % in CY 2023 to 4.2% in CY 2024 and 4.2% in CY 2025.

The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability. Changes in mortgage and housing markets over the pre-pandemic decade of low interest rates moderated the near-term impact of policy rate hikes. Spillovers from shocks in G20 emerging markets—particularly China—have increased and are now comparable in size to those from shocks in advanced economies. Trade, notably through global value chains, is a key propagation channel. Spillovers generate a reallocation of economic activity across firms and sectors in other countries. Looking ahead, a plausible growth acceleration in G20 emerging markets, even excluding China, could support global growth over the medium term and spill over to other countries.

Global inflation is forecast to decline steadily, from 6.8% in CY 2023 to 5.9% in CY 2024 and 4.5% in CY 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually.

Real GDP for CY 2023, along with forecasts for CY 2024 and CY 2025



Source: IMF Forecasts Apr'24

1.2. INDIA OVERVIEW

The IMF projects that India would see real GDP growth of 6.8% in FY 2024 and 6.5% FY 2025 (down from FY 2023 growth rate of 7.8%).

As per RBI's (Reserve Bank of India) monetary policy meeting held in Apr'24, real GDP growth was forecasted at 7.6% for FY 2024. Further, real GDP forecast is 7.0% for FY 2025 with forecast of 7.1% in Q1'FY 2025, 6.9% in Q2'FY 2025, 7.0% in Q3'FY 2025 and 7.0% in Q4'FY 2025.

Expected normal south-west monsoon should support agricultural activity. Manufacturing is expected to maintain its momentum on the back of sustained profitability. Services activity is likely to grow above the pre-pandemic trend. Private consumption should gain steam with further pick-up in rural activity and steady urban demand. Headwinds from geopolitical tensions, volatility in international financial markets, geoeconomic fragmentation, rising Red Sea disruptions, and extreme weather events, however, pose risks to the outlook.

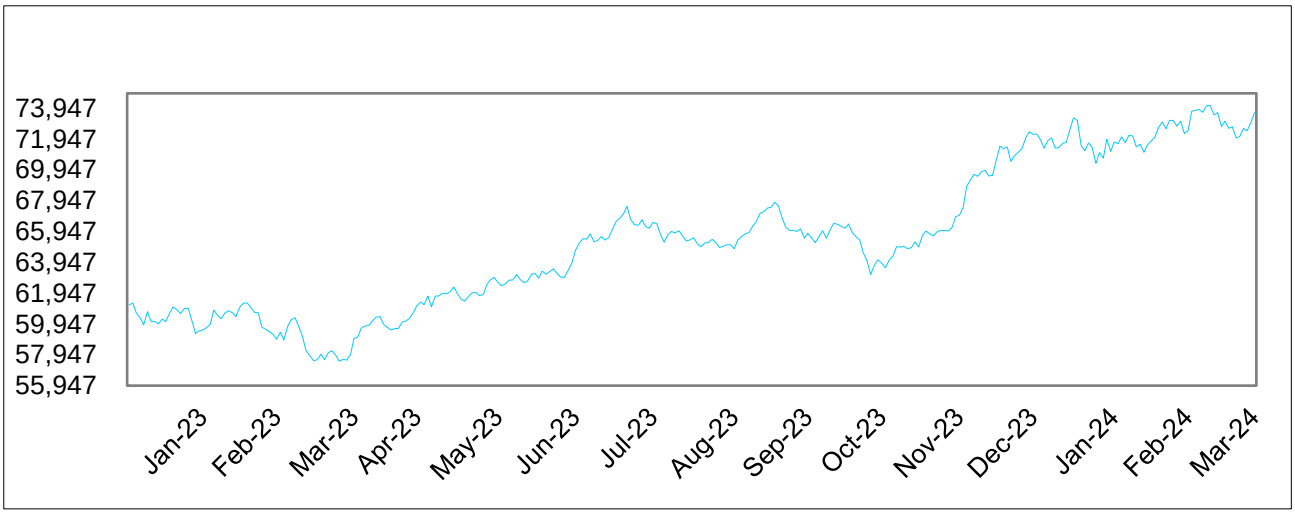
Record rabi wheat production, expected in 2023-24, will help contain cereal prices. Early indications of a normal monsoon also augur well for the kharif season. On the other hand, the increasing incidence of climate shocks remains a key upside risk to food prices. Low reservoir levels, especially in the southern states and outlook of above normal temperatures during April-June, also pose concern. Fuel price deflation is likely to deepen in the near term following the recent cut in LPG prices. RBI has projected a CPI inflation of 4.5% for FY 2025.

As of 29-Mar-2024, India had foreign exchange reserves of USD 645.5 bn.

In India, twenty-two companies raised USD 1.86 bn through initial public offerings (IPO) in Q4 FY 2024 via mainboard IPO and forty-eight companies raised USD 212.8 mn via SME IPO.

India's public market stock index, Sensex in Mar'24 reached around 73,651 points which is roughly 13,000 points higher as compared to Q4 FY 2023 levels on account of reasons discussed above.

India's Public Market Stock Index Performance



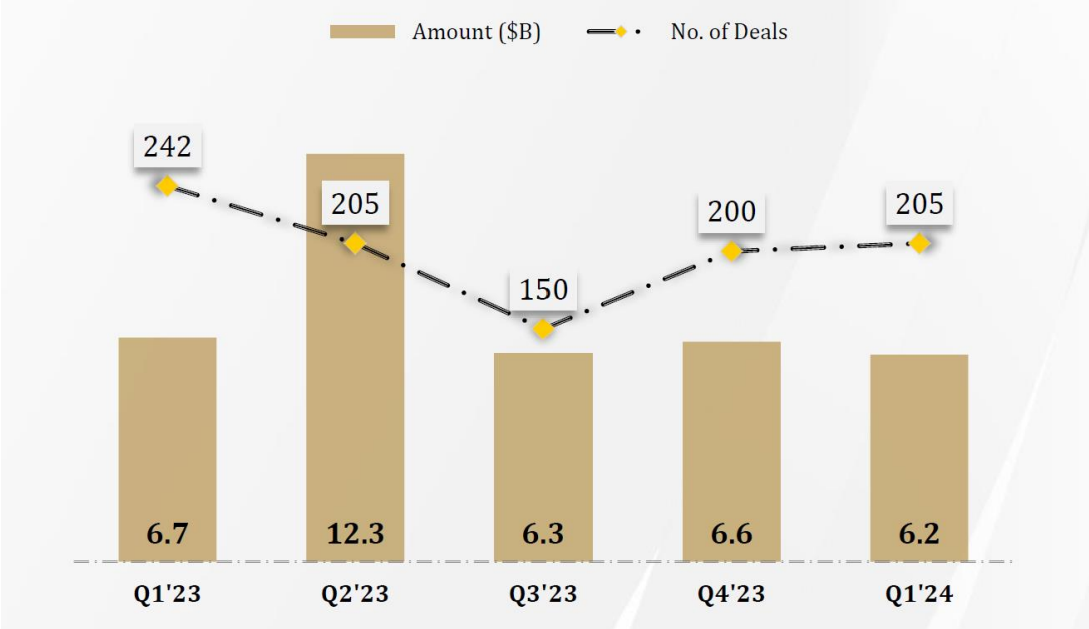
Source: S&P Global Market Intelligence

2. PRIVATE EQUITY INDUSTRY

Private Equity and Venture Capital firms invested USD 6.2 bn (across 205 deals) in Q1 CY 2024. The investment value decreased by 8% compared to the same period in CY 2023 (USD 6.7 bn investments across 242 transactions) and fell 7% compared to the immediate previous quarter (which had witnessed USD 6.6 bn, invested across 200 transactions)

Q1 CY 2024 witnessed 8 investments worth USD 100 mn or more, compared to 17 such investments in Q1 CY 2023. Investments worth 100 mn or more accounted for 62 % of the total investments in Q1 CY 2024. The median investment size was USD 6.0 mn in Q1 CY 2024 as compared to USD 6.0 mn in Q1 CY 2023.

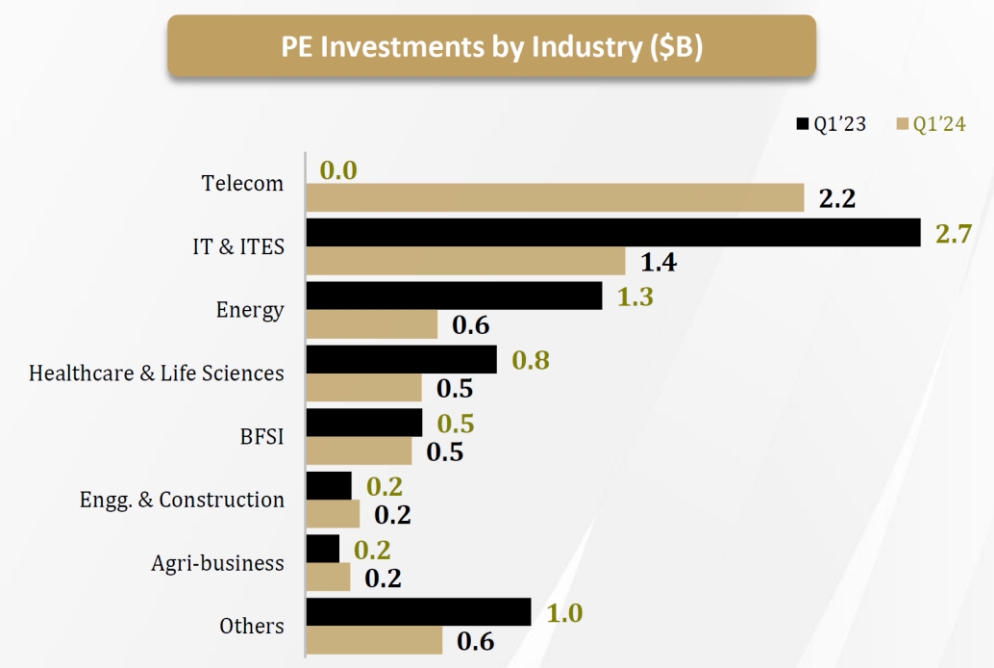
PE/VC Investments by Quarter (USD bn and Number of Deals)



Source: Venture Intelligence

The largest PE-VC investment announced during Q1 CY 2024 was the USD 2 bn acquisition of the Indian business of telecom infrastructure provider American Tower Corporation (ATC) by Brookfield. The second largest investment during Q1 CY 2024 was investment of USD 500 mn in the power transmission firm Sterlite Power Transmission by GIC. The third largest investment was USD 233 mn in the microfinance firm Svatantra Microfin by Advent Internation and multiple other PEs.

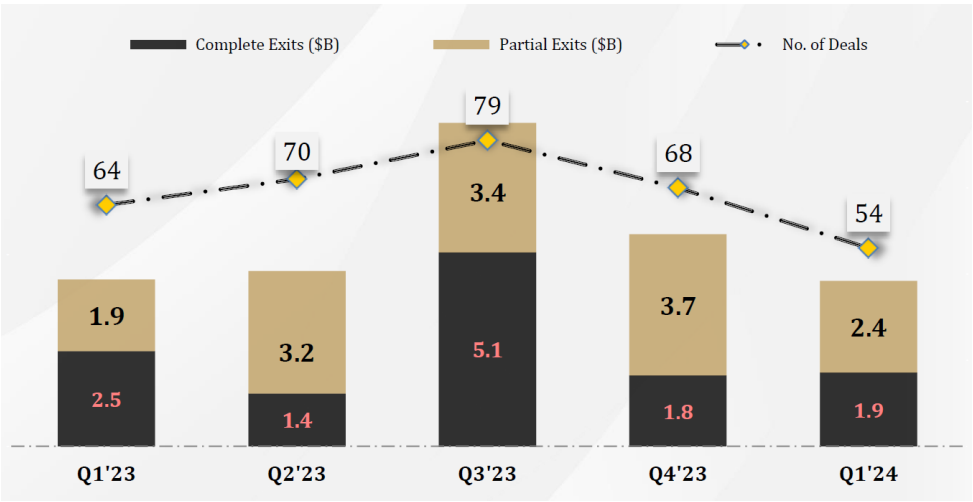
PE/VC Investments by Industry (USD bn)



Source: Venture Intelligence

Private Equity firms made 54 exits from Indian companies, realizing USD 4.3 bn during Q1 CY 2024. The exit value in Q1 CY 2024 reduced by 0.7% compared to Q1 CY 2023 (which saw 64 exits with realization of USD 4.4 bn).

PE/VC Exits by Quarter (USD Mn)

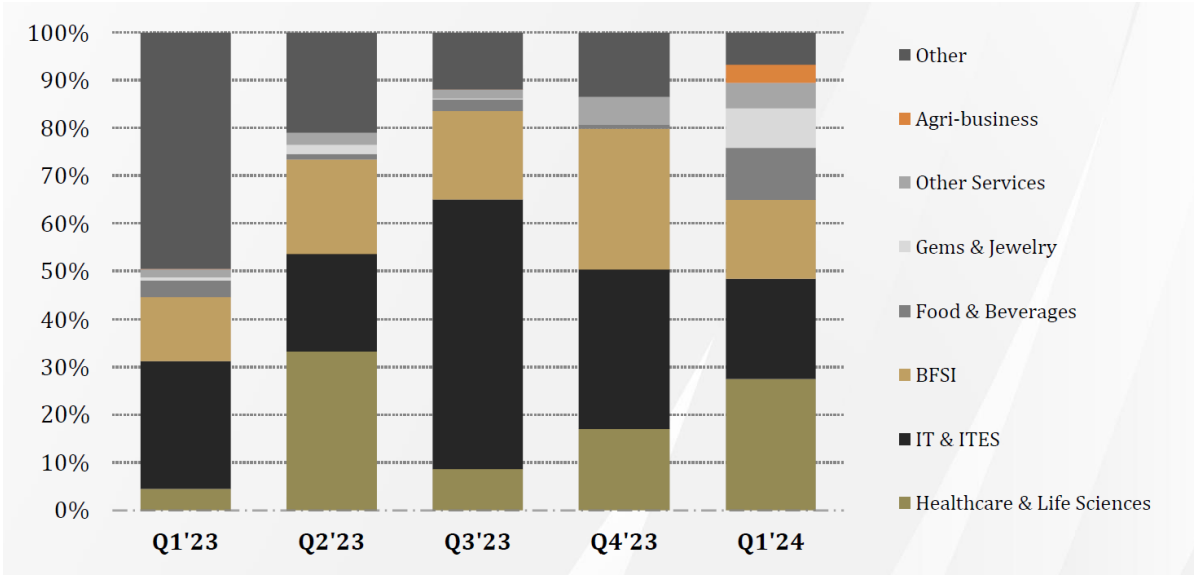


Source: Venture Intelligence

The largest exit by value during Q1 CY 2024 was the exit of global private equity firm General Atlantic and Invus Group, selling their stake in Capital Foods for USD 462 mn to Tata Consumer Products.

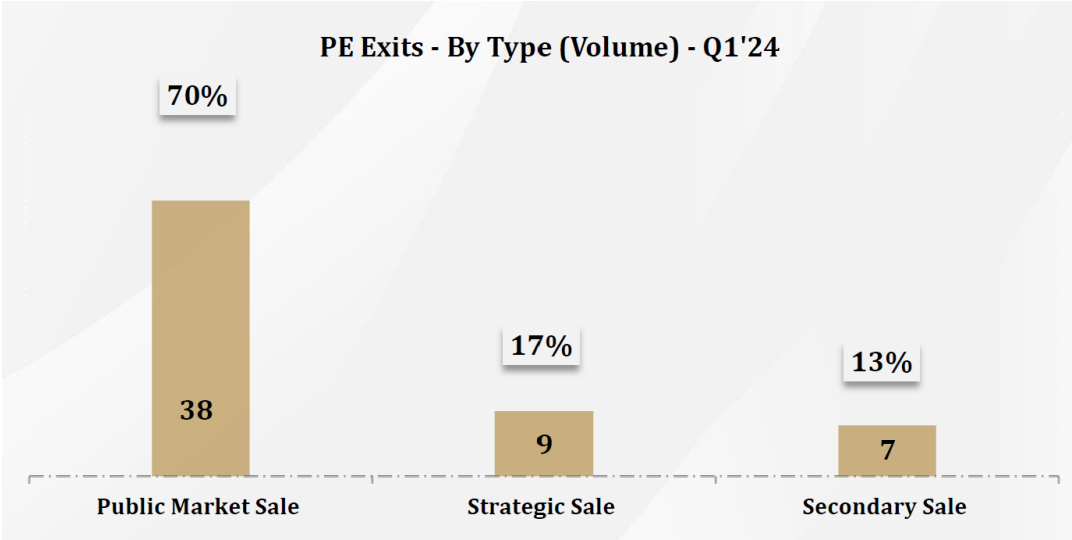
Healthcare & Life Sciences was the leading sector in terms of exit deal value during Q1 CY 2024 with 10 exits worth USD 1.2 bn, followed by IT / ITES and BFSI sectors, with exits worth USD 902 mn (via 11 exits) and USD 476 mn (via 12 exits) respectively, in Q1 CY 2024.

PE/VC Exits by Industry



Source: Venture Intelligence

PE/VC Exits by Type



Source: Venture Intelligence

3. KEY REGULATORY DEVELOPMENTS IN INDIA

- **Foreign investment in Alternative Investment Funds (AIFs) -** SEBI issued a circular on January 11, 2024, addressing foreign investment in Alternative Investment Funds (AIFs). Amendments to the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, revised thresholds for determining beneficial ownership. Consequently, SEBI modified Chapter 4 of its Master Circular No. SEBI/HO/AFD/PoD1/P/CIR/2023/130, ensuring that investors and beneficial owners comply with anti-money laundering measures. If an existing investor fails to meet the revised conditions, AIF managers are prohibited from drawing further capital contributions until compliance is achieved. The circular is effective immediately. (Source SEBI | Foreign investment in Alternative Investment Funds (AIFs))

- **Guidelines for AIFs with respect to holding their investments in dematerialised form and appointment of custodian -** The circular issued by SEBI on January 12, 2024, outlines guidelines for Alternative Investment Funds (AIFs) regarding the dematerialization of investments and the appointment of custodians. It mandates that AIFs hold investments in dematerialized form, with exceptions specified by the Board. A deadline of October 1, 2024, is set for new investments to comply, while existing investments have until January 31, 2025. Custodians must be appointed before the first investment of a scheme, with existing schemes needing custodians by January 31, 2025. The circular aims to regulate and protect investor interests in the securities market. (Source SEBI | Guidelines for AIFs with respect to holding their investments in dematerialised form and appointment of custodian).

- **Accredited Investors in IFSC -** The circular dated January 25, 2024, from the IFSCA addresses the concept of Accredited Investors in International Financial Services Centres (IFSCs). It highlights that Accredited Investors, as per the IFSCA (Fund Management) Regulations, 2022, are those better equipped to handle investment risks. The circular details eligibility criteria for Accredited Investors, including income and net asset thresholds, joint investment criteria, and criteria for various entities like partnerships, trusts, and corporates. It specifies entities deemed Accredited Investors, responsibilities of regulated entities in onboarding and maintaining records of Accredited Investors, and the delegation of verification tasks. (Source accredited-investors-in-ifsc25012024021313.pdf (ifsca.gov.in))

- **Reserve Bank of India modifies AIF norms -** Circular no. RBI/2023-24/140 dated 27th March 2024 The circular aims to standardize implementation among Regulated Entities (RE) and resolve stakeholder issues. Key directives include excluding equity shares of the RE's debtor company from downstream investments, provisioning only on the RE's investment in the AIF scheme subsequently invested in the debtor company and applying Paragraph 3 of the Circular only in specific scenarios. Notably, capital deduction under Paragraph 3 occurs equally from both Tier-1 and Tier-2 capital, encompassing all forms of subordinated exposures. Investments in AIFs through intermediaries like fund of funds or mutual funds are outside the Circular's scope. (Source Reserve Bank of India - Index to RBI Circulars)

4. STAKEBOAT CAPITAL HIGHLIGHTS

i. Stakeboat Capital Fund II ("Fund") hosted its maiden Annual Investor Conference, in Bengaluru, India, on March 18th 2024. The event witnessed active participation from both domestic and international investors, marking it a resounding success.

ii. Guided by the Private Placement Memorandum ("PPM"), the Fund established its Investor Advisory Committee ("IAC"). Consisting of five members, who represent all the contributors, the formation of IAC aligns with the terms and conditions outlined in the Trust Documents .

iii. The Fund conducted its first IAC Meeting on March 18th 2024. The Committee members were apprised of Fund operations, financial statements, portfolio company updates, deals under evaluation, conflicts of interest along with all disclosures.

iv. Stakeboat Capital successfully concluded its fourth investment in March' 2024 in DiFacto Robotics and Automation Private Limited - a leading robotic automation solutions provider catering to the Indian manufacturing landscape. The Company offers turnkey industrial automation systems and solutions using industrial robots and enjoys a stelar track record.

v. The Fund signed non-binding term sheets with three companies:-

- Target company 1 is a manufacturer and supplier of process equipment, vacuum systems and specialized food and beverages equipment to a wide set of industries including specialty chemicals, pharmaceuticals, waste management etc.

- Target company 2 is a manufacturer of herbal extracts with a focus on innovating active ingredients for use in healthcare and nutritional segments.

- Target company 3 is a provider of end-to-end solutions for supply of value-added metals to industries such as Aerospace, Defence, Space, Power etc.

5. PORTFOLIO COMPANIES

5.1. SUKINO HEALTHCARE SOLUTIONS PRIVATE LIMITED – (SUKINO)

All figures are in USD mn, unless mentioned, the conversion rate is assumed at INR 83 per USD. Sukino follows April to March as their Financial Year. Consequently, this report describes the highlights for Q4 FY 2024

A. Business

Sukino operates a chain of inpatient rehabilitation centres, to provide continuum care services to patients who suffer from chronic ailments like stroke and other neurological impairments including debility, spinal cord injuries, cardiac conditions, respiratory distress, renal diseases and cancer. The services provided at a centre include physical therapy, occupational therapy, speech and swallow therapy, clinical psychologist support, nursing care and dietary interventions. The company currently operates in six locations across Bengaluru and Kochi. The company also operates a Managed Care division where care management plans are provided to patients which include nursing, physiotherapy and other customized offerings, at the convenience of the patient's home.

Stakeboat Capital invested USD 6.0 mn (INR 500.0 mn) in Sukino across two tranches (Feb'23 and Jun'23). Stakeboat Capital will hold 28.6% of the company, based on estimated company's performance in FY 2025.

B. Quarterly Performance Actual vs. Budget:

Particulars (USD mn)	Q4 FY23 (Actual)*	Q4 FY24 (Budget)	Q4 FY24 (Actual)	Variance (vs. Q4 FY23)	Variance (vs. Budget)
Revenue**	1.18	2.94	1.43	*20.3%*	*(51.7%)*
EBITDA	(0.31)	0.10	(0.33)***	*NA*	*NA*
PBT	(0.41)	(0.04)	(0.43)	*NA*	*NA*
EBITDA %	*(26.3%)*	*3.4%*	*(23.1%)*	*NA*	*NA*
PBT %	*(34.7%)*	*(1.4%)*	*(30.1%)*	*NA*	*NA*

**Q4 FY23 numbers have been restated considering the prevailing exchange rate of INR 83 per USD.*

*** Revenue presented above includes other income and is lower than budget due to delay in opening of new centers*

**** EBITDA loss was due to increase in salary expenses on account of hiring of new personnel (corporate as well centre employees) and one-time cost pertaining to setting up of new centres including license and brokerage costs*

Note – All the figures presented in the table above have been rounded off to the nearest decimal place.

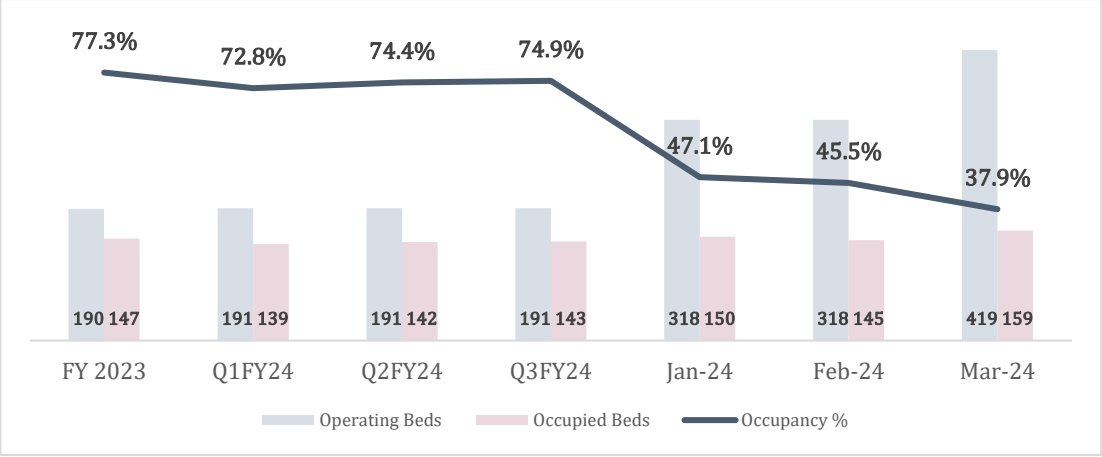
The company reported a revenue growth of 20.3% compared to the same period last year. The revenue growth was largely driven by increasing realization per patient through extended service offerings like specialized nursing and advanced caretaker services and the improved occupancy. During Q4 FY 2024, the company reported an Average Revenue per Occupied Bed (ARPOB) of USD 79.5 (INR 6,595) as compared to ARPOB of (i) USD 77.3 (INR 6,413) in Q3 FY 2024 and (ii) USD 67.4 (INR 5,592) in Q4 FY 2023, registering a growth of (i) 2.8% over Q3 FY 2024 and (ii) 18.0% over Q4 FY 2023.

C. Commentary:

Continuum Care Services:

Bed Capacity and Occupancy: The company has an operating bed capacity of 419 beds and its occupancy has hovered in the range of 139-143 occupied beds during the first nine months of FY Mar 24. However, Sukino picked up traction in Q4 FY 2024 and closed Mar-24 with highest ever occupancy of 159 beds.

Operating Beds and Occupancy



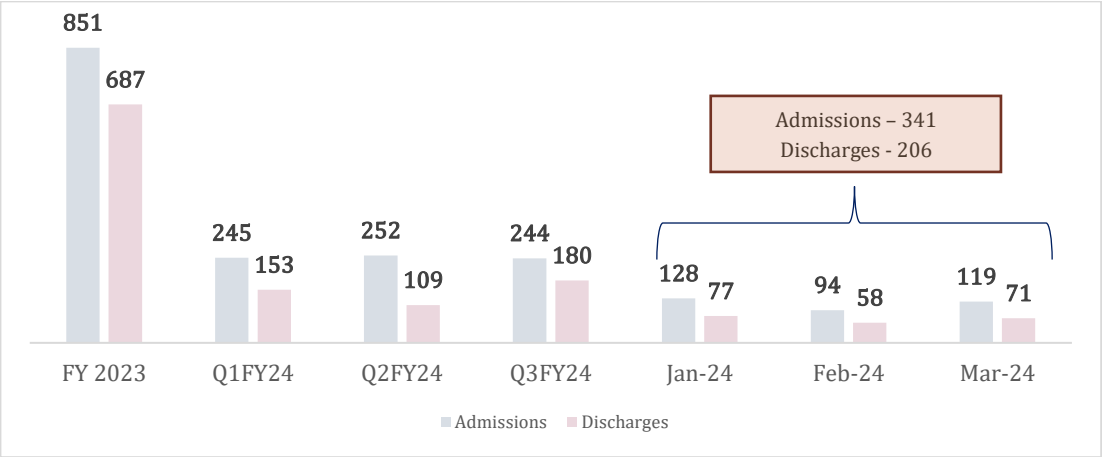
** Conversion rate is assumed at INR 83 per USD*

New Centres: The company commenced operations in 2 new centres – Bannerghatta Road, Bengaluru and Thanisandra, Bengaluru in Jan'24. The two centres have added more than 150 operational beds to the existing set-up. Further, the new Kochi unit commenced operations in Mar'24 adding another ~99 beds. The company is in the process of identifying locations in Chennai, Trivandrum, Hyderabad, Calicut etc. for expanding geographical presence.

Outpatient Services and Camps: The company has started providing Outpatient (OP) physio services in a few locations. The company conducted more than 1,100 OP physio sessions in Q4 FY 2024 as compared to 600 OP physio sessions in Q3 FY 2024, registering a growth of 83%. This is expected to increase footfall and a possibility of conversion of OP to IP services. This is in addition to conducting camps with (i) corporates (including SBI, Intel, ABB etc.) and (ii) in residential communities.

Admission and Discharge Trend: On average, the company admitted 114 patients per month in Q4 FY 2024 as compared to (i) 81 patients per month in Q3 FY 2024 and (ii) 73 patients per month in Q4 FY 2023, registering a growth of (i) 40.7% over Q3 FY 2024 and (ii) 56.2% over Q4 FY 2023. Further, 91% of discharged patients have returned to their homes in Q4 FY 2024 as compared to 79% in Q4 FY 2023.

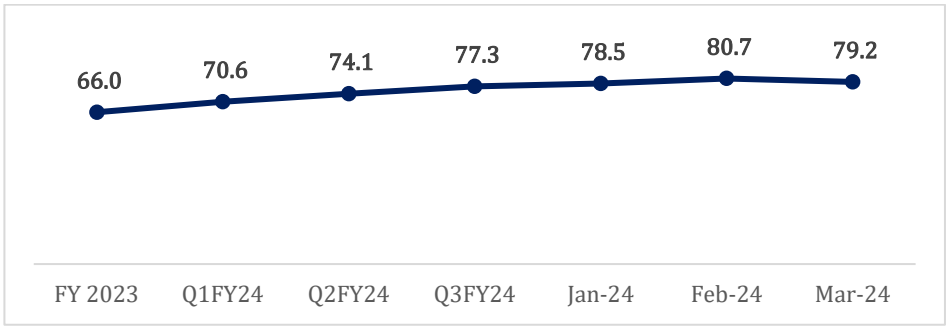
Admission and Discharge Trends



** Conversion rate is assumed at INR 83 per USD*

Average Revenue per Occupied Bed (ARPOB): The ARPOB per day has gradually increased from an average of USD 67.4 (INR 5,592) in Q4 FY 2023 to USD 79.5 (INR 6,595) in Q4 FY 2024, registering an 18% y-o-y growth. This has largely been due to higher realizations driven by (i) the company expanding its service offerings through various packages specific to ailment and (ii) tariff revisions at the existing centres.

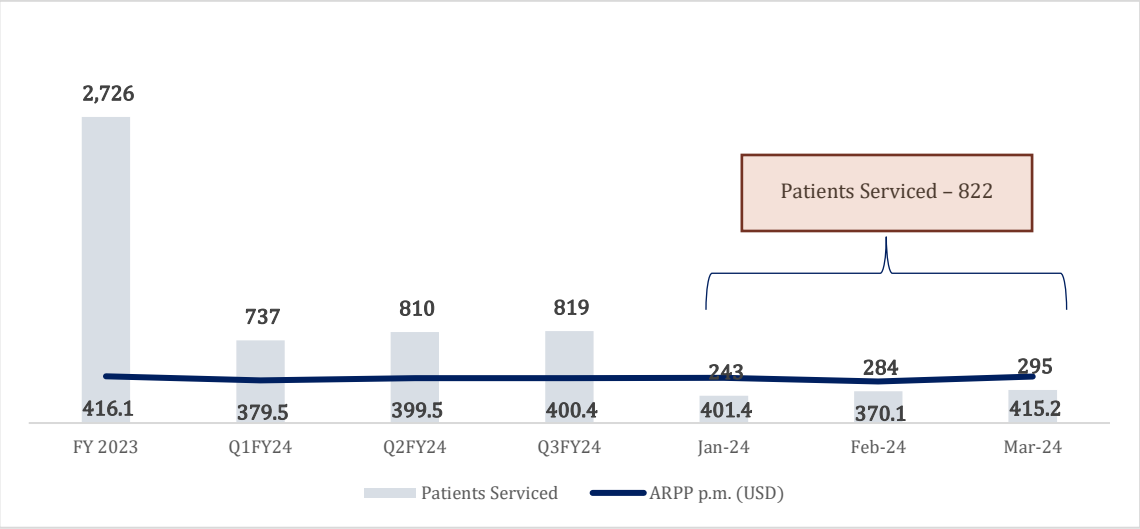
ARPOB Trends (USD)



** Conversion rate is assumed at INR 83 per USD*

Managed Care Services:

The company's managed care division has grown to USD 0.33 mn in Q4 FY 2024 from USD 0.28 mn in Q4 FY 2023, registering a 17.9% growth over same period last year. The growth was largely due to improved volumes of 822 patients serviced in Q4 FY 2024 as compared to 714 patients in Q4 FY 2023.



** Conversion rate is assumed at INR 83 per USD*

Performance for FY March 31, 2024 and outlook for FY March 31, 2025:

Particulars (USD mn)	FY Mar 2023 (Actual)*	FY Mar 2024 (Budget)	YTD Mar 2024 (Actual)	FY Mar 2025 (IC Est.)*	FY Mar 2025 (AOP)
Revenue	4.67	8.72	5.24	9.73	12.40
EBITDA	(0.25)	0.36	(0.72)	0.03	1.13
PBT	(0.65)	(0.08)	(1.11)	(0.41)	0.66
EBITDA %	*(5.3%)*	*4.1%*	*(13.7%)*	*0.3%*	*9.1%*
PBT %	*(13.9%)*	*(0.9%)*	*(21.2%)*	*(4.2%)*	*5.3%*

Note – All the figures presented in the table above have been rounded off to the nearest decimal place.
** FY Mar 2023 (Actual), FY Mar 2025 (IC Est.) and FY Mar 2025 (AOP) numbers have been restated considering prevailing exchange rate of INR 83 per USD.*

During FY 2025, as per our IC estimates, the Company is targeting a revenue growth of 86% over FY 2024, though Company is projecting a 137% growth. Also, with increasing operating leverage, the Company expects to significantly improve its operating metrices including post group cost EBITDA of 9% in FY 2025, though we have assumed breakeven The Company will continue to focus on expanding

through new centres in different cities, which will be the major growth driver for its continuum care (inpatient rehabilitation centres) as well as the managed care division. Sukino intends to add more than 400+ beds in FY 2025 which will take them to an operating capacity of 850 beds by end of FY 2025. The Company believes that once cashless insurance is offered by various insurance firms, the potential for centers would significantly increase (currently reimbursements are provided on a limited basis).

Other Updates:

- Sukino's Whitefield Centre (Bengaluru) was accredited with NABH Certification, which further demonstrates Sukino's commitment to clinical excellence and patient safety. The Company plans to apply for other new centers as well.
- Sukino launched Hydrotherapy services, i.e., rehabilitation using therapeutic application of water, in its Bannerghatta centre, with an objective to move towards higher end of value chain.

D. Investment Strategy (How we plan to make this as a good investment):

The Board will be focused on driving the following key projects over the next 18-24 months at Sukino and build the company to make it attractive for the next round of capital infusion. Some of the key projects include:

(a) Increasing the ARPOB to about INR 8,000 (USD 96) in the next 18 months, by providing additional services
(b) Expansion into various cities of South India through de novo centres and inorganic acquisitions
(c) Entering the B2B segment through tie-ups with Corporates and empanelment with insurance providers
(d) Strategies to move up the value chain in terms of clinical service offerings.
(e) Enter adjacent and newer segments like Injury Prevention/ Management Care, Occupational Rehabilitation, Physical Recovery Education / Return to Work Solutions, Comprehensive Health/ Injury Management and Recovery Session etc.

Path to Exit: The management is confident of achieving revenue of USD 32.6 mn by FY 2027. At this scale, Sukino will be an attractive asset for healthcare focused private equity funds who have expressed keen interest in building portfolio of healthcare investments. Given that the company is trying to differentiate itself by targeting the niche rehabilitation segment, strategic players including large hospital chains like Apollo, Manipal, Max etc. are expected to show interest in this space. Apollo's joint venture with Kos Group (Italy) to form Apokos Rehabilitation Centre in Hyderabad is an example of interest shown by hospital chains to enter this market. The 55 bedded hospital is operating at 100% capacity at an ARPOB of about INR 15,000+ (USD 183). Aster DM has also set up a 50 bedded rehabilitation centre at Aster Medcity, Kochi, where the occupancy is almost 100% at an ARPOB of about INR 15,000+ (USD 183).

5.2. NEWGEN DIGITALWORKS PRIVATE LIMITED (Newgen)

All figures are in USD mn, unless mentioned, the conversion rate is assumed at INR 83 per USD. Newgen follows April to March as their Financial Year. Consequently, this report describes the highlights for Q4 FY 2024

A. Business

Newgen is a leading provider of publishing, digital services and technology solutions for publishers worldwide. The Company has 6 subsidiaries and 6 steps down subsidiaries located in India, USA and Europe.

The company's portfolio of services includes end-to-end e-publishing, software development and maintenance services for companies engaged in publishing, e-Learning solutions, digital solutions (web and application development) and UI/UX training. Newgen also provides a SaaS platform for mutual fund companies / AMCs to cater to documentation requirements, compliances and related services. E-publishing is the core business of Newgen, and free cash flows generated from publishing business have been deployed to diversify its service portfolio to other segments.

Newgen focuses on legal, taxation, education (K-12, ELT, and higher education), academic, and STM publishing by providing end-to-end publishing services for Books and Journals. Services provided by the e-publishing business unit include editorial, composition, design and illustration, project management, data conversion, manufacturing services, accessibility, audiobooks, technical documentation, and language services.

Stakeboat Capital invested USD 7.35 mn (INR 610.0 mn) in Newgen in October 2023, in the form of Optionally Convertible Debentures (OCDs) and 100 equity shares.

B. Quarterly Performance Actual vs. Budget:

Particulars (USD mn)	Q4 FY23 (Actual)*	Q4 FY24 (Budget)	Q4 FY24 (Actual)	Variance (vs. Q3 FY23)	Variance (vs. Budget)
Revenue**	10.39	10.13	9.36	*(9.9)%*	*(7.6)%*
EBITDA	4.02	2.62	2.51	*(37.6)%*	*(4.3)%*
PBT	3.70	2.30	2.38	*(35.5)%*	*3.4%*
EBITDA %	*38.7%*	*25.9%*	*26.8%*	*(11.9)%*	*0.9%*
PBT %	*35.6%*	*22.7%*	*25.5%*	*(10.1)%*	*2.7%*

Note – All the figures presented in the table above have been rounded off to the nearest decimal place.

**Q4 FY23 numbers have been restated considering the prevailing exchange rate of INR 83 per USD*

*** Revenue presented above includes other income.*

While the company's performance for Q4 FY'24 was lower than the estimates, multiple business units outperformed in March of this quarter. The company is currently working towards restructuring certain business units to consolidate the operations and realize synergies.

C. Commentary:

e-Publishing Services

The Education and ELT business were initiated 4 years ago and have now reached maturity. The ELT market has low penetration and hence provides new areas of growth for the unit. The unit has also been able to open discussions with marquee academic publishers which it was not serving currently.

The unit's underperformance vis-a-vis last year is on account of i) Reduction in revenue from a key client due to reduced volumes, ii) Business issues at a big client's end iii) Reduced educational business and pipeline in UK, iv) Contractual issues with Contract Publishing business in India

GPSL

A new CTO has been hired by one of their largest clients and the Company has begun an active campaign to re-engage to improve revenue and determine pipelines.

The 'specialist' nature of these services leads to variability of income against a high base staff cost. To address business volatility, the unit is re-appraising its service business, planning to reduce staffing costs and is intensifying efforts to productize their intellectual property and generate recurring revenue. Expectations are for further growth in recurring revenue in the upcoming quarters as interest in their products continues to rise.

Other Businesses

Newgen's web and app development business unit (Newgen Digital) has exceeded budgeted metrics, driven by increased revenue from its Development and Social Media Management verticals. This additional revenue also contributed to improved EBITDA margins. The unit is also trying to expand its offerings to geographies outside India.

Newgen's training segment (HFI) faced problems with conversions and corporate spending initially this year but performed better than budget for most parts of this quarter. Revenue from Newgen's corporate learning segment (Newgen Enterprise) dipped vis-à-vis last year due to reduced corporate spending and lack of urgency on clients' behalf.

Newgen's financial reconciliation business unit (FastFacts) is undergoing restructuring to transition from a licensing fee model to a subscription-based model, aiming to enhance revenue visibility. Additionally, they are planning to introduce new products in the upcoming quarters.

Performance for YTD March 31, 2023:

Particulars	FY Mar 2023*	FY Mar 2024	FY Mar 2024	FY Mar 2025	FY Mar 2025
(USD mn)	(Actual)**	(Budget)	(Actual)	(IC Est.)*	(AOP)**
Revenue***	39.37	40.53	37.67	39.34	36.66
EBITDA	8.58	10.48	8.66	7.81	9.28
PBT	6.75	9.22	7.54	5.57	8.35
EBITDA %	*21.8%*	*25.9%*	*23.0%*	*19.9%*	*25.3%*
PBT %	*17.2%*	*22.7%*	*20.0%*	*14.2%*	*22.8%*

Note – All the figures presented in the table above have been rounded off to the nearest decimal place.

**FY Mar 2023 numbers have been restated considering the prevailing exchange rate of INR 83 per USD*

***FY Mar 2023 and FY Mar 2025 (IC Est.) numbers as basis audited financial statements while FY Mar 2024 and FY Mar 2025 (AOP) numbers are basis MIS. There is a difference between the MIS and audited financial numbers as pass-through costs are not reported in the MIS, while they are accounted for in the audited financial statements.*

****Revenue presented above includes other income*

Newgen has been able to enhance its profitability by investing heavily in automation and managing employee and vendor costs effectively. Company also plans to significantly reduce employee costs for a few of its business units and pivot to more deterministic streams of revenues.

Other Developments

Newgen paid out dividends in Q4 FY'24 at INR 29.50/ share. The Company is planning to expand the Board by inducting external independent directors.

D. Investment Strategy (How we plan to make this as a good investment):

The Board will be focused on enhancing Newgen's performance by:-

(a) Focusing on their core capabilities of e-publishing services and mining the current big clients.
(b) Finding synergistic businesses in the e-publishing and KPO/BPO space which will help the company cross and upsell the offerings.
(c) Strengthening senior level management to provide a better direction to the business
(d) Finding divestment opportunities for the non-core and lower profitability businesses
(e) Exploring strategies to increase their share in the journals, which will provide higher margin opportunities for the business
(f) Enhancing the Newgen's tracking and reporting systems

Path to Exit: Stakeboat's investment will help the company grow their publishing business segment in a focused manner. The company has been an attractive asset for bulge-bracket PEs like Carlyle and an asset of interest to strategic investors like Infosys and MPS in the past. It is a cash rich business which gives access to the largest publishing houses. Stakeboat's capital will also be used to strengthen the senior management and improve the internal controls for a good exit.

Stakeboat is also actively assisting Newgen in identifying merger and acquisition opportunities to bolster revenue potential and introduce more robust levers for profitability growth in the business. A diversified strategy will facilitate greater traction at the time of Stakeboat's exit.

For an unrelated strategic investor, it is an interesting buy, since they can cross-sell and can become a provider of technological infrastructure solutions to the clients of Newgen. For a related strategic investor like MPS, they can enable vertical integration and benefit from value chain synergies. For a financial investor, it is a cash rich business with healthy EBITDA margins and funds like Baring Private Equity Asia, Carlyle Group, Kedaraa Capital, Chrys Capital, CVC Capital Partners Asia, etc. may be interested. These funds have been looking at acquiring good cash flow businesses in the IT industry and hence Newgen may fit very well in their strategy. Players like MPS, Thomson Reuters, and Elsevier can find Newgen an attractive related acquisition since Newgen is a large player in the books category and has a well-established niche in legal publishing. In the recent past, large publishers have been doing related acquisitions like Wolters Kluwer acquisition of IJS Publishing Group, Wiley's acquisition of E-Journal Press and J&J Editorial, etc. Informa (Holding Company of Taylor and Francis) has made multiple types of related acquisitions in the e-publishing sector.

5.3. SBCDC SOFTWARE PRIVATE LIMITED (SBCDC)

All figures are in USD mn, unless mentioned, the conversion rate is assumed at INR 83 per USD. SBCDC follows April to March as their Financial Year. Consequently, this report describes the highlights for Q4 FY 2024

A. Business

Given the growth and opportunities in the software engineering design and services space, Stakeboat invested in a new operating platform company, SBCDC Software Private Limited ("SBCDC"), based out of Bengaluru, India. Towards this, SBCDC will be establishing a 100-member team and hire a CEO/ senior leadership team to build and grow the business, both organically and inorganically. SBCDC would be focused on providing IT outsourcing services to clients in the automobile and healthcare segments. The Company will target clients in the developed markets, primarily in the Americas and Australian region. As part of the inorganic growth strategy, SBCDC plans to complete two to three acquisitions , to create a company of substantial scale and value, before Stakeboat's exit. These acquisitions will span across high-end IT and engineering design segments providing niche services.

As a first step to the inorganic growth strategy, SBCDC acquired Interra Information Technologies ("Interra IT"). Interra IT provides application development and maintenance, product engineering and IT infrastructure management services to clients based out of the United States, Canada and Australia. It has delivery centers in Noida and Kolkata, India, Irvine in the United States and Ontario in Canada. It provides services across Automobile, Healthcare and Information Technology clients.

Stakeboat Capital invested USD 7.4 mn (INR 614.2 mn) to acquire about 91.9% of the company.

B. Quarterly Performance Actual vs. Budget (including Interra):

Particulars (USD mn)	Q4 FY23 (Actual)	Q4 FY24 (Budget)	Q4 FY24 (Actual)	Variance (vs. Q4 FY23)	Variance (vs. Budget)
Revenue*	3.37	3.01	3.25	(3.6%)	8.0%
EBITDA**	0.39	(0.17)	0.23	(41.0%)	NA
PBT***	0.36	(0.20)	0.20	(44.4%)	NA
EBITDA %	*11.6%*	*(5.8%)*	*7.1%*	*(4.5%)*	*NA*
PBT %	*10.7%*	*(6.6%)*	*6.2%*	*(4.5%)*	*NA*

**Revenue includes other income.*

***EBITDA and PBT are calculated before DD expenses incurred by sellers on the transaction.*

Note – All the figures presented in the table above have been rounded off to the nearest decimal place.

During Q4 FY24, the Company's revenue was lower than the previous year by 3.6% due to decrease in business from 2 clients. However, the Company outperformed the budgeted revenue by 8.0% on the back of strong performance by the automotive team. . The team also utilized its bench strength effectively, resulting in higher gross and EBITDA margins than budgeted estimates.

Employee costs for the overall company were still high as the Company maintained resources on the bench in anticipation of new orders. As a result, gross margins declined from 41.9% in Q4 FY23 to 39.2% in Q4 FY24. In April 2024, the Company took corrective steps to reduce the employee headcount by 26 people in the life sciences team, resulting in minimal bench to maintain existing clients and only high visible opportunities. The annual savings from such a reduction in force are expected to be about USD 0.45 Mn. We expect increase in revenue from the automotive team along with such corrective actions to result in improvement in margins in the coming quarters.

C. Commentary:

Client concentration

The Company's biggest challenge is single client concentration, which forms more than 60% of the revenue. The Company's focus going forward will be to add more clients in the automotive and healthcare sectors, reducing the proportion of largest client in overall revenue.

Attrition

The voluntary attrition (employees leaving voluntarily) in the Company for Q4 FY24 period was 7.3% and involuntary attrition (employee termination) was 22%, resulting in total attrition of the Company at 29.3%. The Company's aim will be to keep the voluntary attrition below 20% in the coming period.

Performance for YTD March 31, 2024, and outlook for FY March 31, 2025:

Particulars (USD mn)	FY Mar 2023 (Actual)	FY Mar 2024 (Budget)*	FY Mar 2024 (Actual)	FY Mar 2024 (IC Est.)**	FY Mar 2025 (AOP)
Revenue	13.21	NA	12.94	14.05	16.7
EBITDA***	2.14	NA	0.94	1.48	2.1
PBT***	2.05	NA	0.82	1.27	1.8
EBITDA %	*16.2%*	*NA*	*7.3%*	*10.5%*	*12.6%*
PBT %	*15.5%*	*NA*	*6.3%*	*9.1%*	*10.8%*

Note – All the figures presented in the table above have been rounded off to the nearest decimal place.

** SBCDC invested in the Company in Jan 5, 2024 and hence, budget was not prepared for FY 2024*

*** IC estimates were prepared in September 2023 anticipating closure in September, which got delayed by 3 months*

****EBITDA and PBT are calculated before DD expenses incurred by sellers on the transaction.*

SBCDC would be investing in the growth of the company, including hiring of sales professionals in the US and building domain expertise in high growth areas. Such actions are expected to reduce the EBITDA margins for FY 24 and FY 25 temporarily. However, these investments are expected to pay off in the coming years.

D. Investment Strategy (How we plan to make this as a good investment):

The Board will be focused on enhancing SBCDC's performance by the following initiatives:

(g) We have restructured the Company into two business units (BU): (i) Automotive and Manufacturing and (ii) Life Science and Retail. The heads of these BUs have been given responsibility to scale their businesses while achieving profitability targets. These business units have formed the Centre of Excellence that are focused on developing new offerings and hiring domain consultants. The Automotive team is actively working towards forming Artificial Intelligence/ Business Intelligence and Salesforce/ SAP partnerships. The Life Science BU is developing capabilities around Veeva Implementation Services. There are a number of such other offerings in various stages of development.

(h) Strengthening senior level management to provide better direction for the business. We have hired a new CFO from Wipro who joined the Company in April 2024. We have also hired a senior salesperson in the US who comes with strong experience in robotics/ automobile and has worked at Suzuki. The salesperson has already started generating leads from various marketing events and we expect new accounts to close in the next one quarter. We plan to hire a new Managing Director in the next 6 months, to head India operations

(i) Acquisitions: While we believe the Company can organically grow to $30-35mn in the next 4 years, major value add will happen if the Company acquires a brownfield opportunity in high-end services such as Automotive focused Engineering Research and Design Services or healthcare analytics. We are actively looking for such acquisition candidates to add to the existing platform.

(j) Cross-selling to portfolio companies such as Newgen and DiFacto: While SBCDC mostly works with the automotive clients to provide back-end support such as infrastructure and application maintenance, Newgen provides front end support such as Search Engine Optimization and E-Commerce capabilities. DiFacto provides shop floor automation primarily to automotive clients. SBCDC provides software solutions to a similar set of clients. As such, the opportunity exists for cross-sell services.

(k) Reducing client concentration: As highlighted earlier, the biggest risk to the business is single client concentration. We will focus actively on growing other accounts either organically or inorganically.

(l) Automotive BU has recently hired a new account manager to manage their largest client, potentially alleviating the concern of high dependence on a single person to manage such a large account. This would also help the existing team to expand to other customers in the automotive domain.

(m) Active management of resources by forming a Resource Management Group. The primary role of this group will be to evaluate the billing of resources in both units on a monthly basis

and taking appropriate actions to reduce the overall bench (unbillable employees) costs. This function will also work actively with the sales heads, delivery heads, finance and HR functions on predicting requirements and accordingly hiring at least three months in advance. As mentioned above, RMG team reduced the team strength by 26 employees in April 2024 reducing the employee costs by USD 0.45 Mn per annum. The group is actively monitoring the performance of the rest of the employees and will continue to take action as and when necessary.

(n) Focus on improving the service offerings: The average current billing rates in the offshore team are about $25/ hour. The focus will be to expand the service offerings to increase the average billing rates.

(o) At present, Offshore revenue as a proportion of total revenue is about 67%. The plan is to increase the offshore revenue to about 75% which will result in increase in margins.

Path to Exit: We expect SBCDC to generate revenue of $30-35mn in about 4 years, organically. With additional acquisitions, we expect the Company to achieve revenue of $50 mn - $60 mn by the time of exit. At this scale, SBCDC will be an attractive asset for global as well as Indian private equity funds such as Kedaara Capital, Multiples PE, Samara Capital, Gaja Capital etc. who have expressed keen interest in building a portfolio of IT Services investments.

We are trying to create a differentiated company in the auto ER&D and healthcare segment. We seek to build a professionally run organization with clear systems and processes that create value. Strategic players focused on providing niche ER&D services such as Tata Elxsi, Tata Technologies, KPIT Technologies, Persistent Systems, Cyient Technologies, Quest Global or L&T Technology Services could be interested in adding clients from this domain. Besides large horizontal players such as TCS, Infosys, HCL, Wipro, Tech Mahindra, Mphasis, Hexaware, Happiest Minds, Zensar, etc. to add/ expand capabilities related to ER&D services. In Jan'23, Happiest Minds acquired product engineering services player Sri Mookambika Infosolutions in a deal valued at USD 13.4 Mn (EV/ EBITDA multiple of 10.9x). L&T Infotech and Coforge have carried out similar transactions in the last two years.

5.4. DIFACTO ROBOTICS AND AUTOMATION PRIVATE LIMITE (DiFacto)

All figures are in USD mn, unless mentioned, the conversion rate is assumed at INR 83 per USD. DiFacto follows April to March as their Financial Year. Consequently, this report describes the highlights for Q4 FY 2024 (3-month period ended March 31, 2024)

A. Business

DiFacto is a project engineering company that offers turnkey industrial automation systems/solutions using industrial robots across different industry segments. The Company has delivered more than 1,000 projects to over 300 customers in more than 15 countries over the past 17 years. DiFacto has 3 manufacturing facilities in Bengaluru and engineering branch offices in Pune and Gurgaon for execution of projects. In addition, the Company has a 100% subsidiary in the USA to serve the US market with a sales office located in Michigan.

DiFacto currently specializes on four specific robotic solutions which it provides to different industries, viz:

a. Welding Systems (WS): Solutions for automating custom welding. This is largely focused towards automotive parts including BIW assembly lines of passenger / commercial vehicle bodies, motorcycle frames, train coach welding, etc.
b. Foundry and Machine Tending (FMT): Solutions for automating processes related to casting, forging, and load / unload such as molten metal ladling and die spraying, casting extraction and inspection, quenching, fettling and insert placement; and gate and runner removal
c. Material Handling Systems (MHS): Automation solutions for a variety of applications across industries, including processes such as assembly of battery packs, fan motors, generators, etc., press tending and stamping stacking automation and mobile robot solutions (Autonomous Mobile Robots (or AMRs) and Automated Guided Vehicles (or AGVs))
d. Fluid Dispensing Systems (FDS): Applications for automating functions such as sealing and waxing, glass gluing and spray painting

These applications are focused on automating activities that involve handling of complex activities that involve non-ambient working environment, often coupled with hot and toxic materials, while improving overall efficiency, quality and throughput. Once the Company receives a problem statement from a customer, it simulates 3D design of the proposed shop floor automation solution; its main capability lies in design and execution (integration). DiFacto designs leverage standard off the shelf robots, procured from global majors, and bought out parts and components, such as grippers, moulds, etc., procured from local precision manufacturers. It then installs the complete solution at its own factory and gets the same working to pre-defined parameters for customer approvals. Once approved the solution is dismantled and shipped to the customer site where it is reassembled.

Stakeboat Capital invested USD 4.8 mn (INR 400.0 mn) in DiFacto in Mar 2024. Stakeboat Capital will hold 15.5% - 27.8% of the company, based on audited FY 2024 EBITDA performance.

B. Quarterly Performance Actual vs. Budget:

Particulars (USD mn)	Q4 FY23 (Actual)	Q4 FY24 (Budget)*	Q4 FY24 (Actual)	Variance (vs. Q4 FY23)	Variance (vs. Budget)
Revenue**	5.0	NA	8.2	63.5%	NA
EBITDA***	1.0	NA	1.8	73.3%	NA
PBT	0.6	NA	1.3	123.8%	NA
EBITDA %	20.3%	*NA*	21.6%	1.3%	*NA*
PBT %	11.7%	*NA*	16.0%	4.2%	*NA*

**Stakeboat invested in the Company in Mar 2024. Company had not prepared a quarter-wise budget for FY24 period.*

***Revenue includes other income*

****EBITDA is calculated before DD expenses related to Stakeboat's investment.*

Note – All figures presented in the above table have been rounded to the nearest decimal place.

During Q4FY24, the company reported a revenue growth of 63.5% compared to the same period last year. Revenue growth is largely from an uptick in capex in the automotive sector and identification of new areas for automation in conventional manufacturing industries.

The Company's revenues are inherently seasonal as they are linked to customers' capex cycles.

- Historically H1 contributes less to the overall revenue and even within H2, last quarter forms a large percentage.
- The skew in EBITDA is even higher as final billings to clients in H2 are higher, while the Company continues to execute projects throughout the year. It often secures advances from customers to fund expenses.

Growth will gradually help the Company improve its EBITDA margins due to operating leverage. Given the abundance of opportunities from the Indian and global manufacturing sector, the Company has raised capital to expand its capacity to undertake larger and simultaneous executions, and to enhance its long-term working capital.

C. Commentary:

a. India Operations:

India operations constituted 87% of overall FY24 revenue. The Company has reported a robust growth of 63% in revenue from Indian operations compared to the same period last year. The strong momentum in brownfield and greenfield expansion projects in the automotive sector has led to revenue growth across all the business segments. In addition, the Company has automated a product line for a consumer appliances brand which was hitherto manual. The Company is expected to register healthy growth in FY25 as well.

b. US Subsidiary:

US operations constituted 13% of overall FY24 revenue. The Company has reported a strong revenue growth of 79% from its US operations compared to the same period last year, an outcome of increased focus on US business which inherently has higher margins. The Company has hired senior personnel to drive US growth. The Company plans to further increase its focus on US in the coming years.

Performance for March 31, 2024, and outlook for FY March 31, 2025:

Particulars (USD mn)	FY Mar 2023 (Actual)	Mar FY 2024 (Budget)	Mar FY 2024 (Actual)	FY Mar 2025 (IC Est.)	FY Mar 2025 (AOP)
Revenue*	12.6	19.7	20.7	23.6	28.2
EBITDA**	0.9	2.2	1.7	2.4	3.1
PBT	0.5	1.7	1.1	1.9	2.5
EBITDA %	7.5%	10.9%	8.4%	10.2%	10.8%
PBT %	4.0%	8.6%	5.3%	7.9%	8.8%

Note – All figures presented in the above table have been rounded to the nearest decimal place.

**Revenue includes other income*

***EBITDA is calculated before considering DD expenses related to Stakeboat's investment.*

To support high growth, DiFacto is:

- consolidating its operations from 3 units in Bengaluru to a single unit with twice its existing capacity
- planning to set up operations in Europe
- identifying opportunities and automation solutions for industries that predominantly employ manual processes

These initiatives are expected to help the Company achieve its AOP for FY25.

D. Investment Strategy (How we plan to generate returns from this investment):

Focus on enhancing DiFacto's performance through the following initiatives:

a. Investments in R&D for product innovations and building business adjacencies to its core offerings and working on expansion of existing product/service portfolio through marketing efforts and participation in business fares to augment outbound efforts.
b. Acquisition of small companies to diversify product portfolio (for example, warehouse automation/intra-logistics) and acquisition of companies with strong machining capabilities and tool rooms.
c. Hiring of key management team members (such as CFO) to implement systems, processes and streamline operations.
d. Creation of repository of designs/drawings used in past projects to improve knowledge access and productivity. Institution of training modules to build technical skills to stay updated with key industry trends
e. Set up operations in Europe
f. Increase presence across value chain
g. Work on larger projects that provide better contribution margins

E. Path to Exit:

DiFacto's management is confident of scaling revenue to USD 51.4 mn by March 31, 2028. At this scale, DiFacto will be an attractive asset for both strategic and PE funds actively seeking opportunities in the robotics system integration space either as a standalone investment or to create a platform for consolidation in this highly fragmented sector. Strategics have shown interest in acquiring businesses with complimentary product portfolio and/or to achieve better operating efficiencies.

- ATS Automation Tooling Systems Inc. ("ATS"), an industry-leading automation solutions provider, is a good example of a consolidation driver and has emerged over the past 10 years to be one of the most relevant players in the space (18.6% sales CAGR FY2018-2021, 13% EBITDA-margin and valued at 16x EBITDA), having concluded more than 21 acquisitions. ATS believes that the market continues to provide substantial opportunities for further consolidation over the years to come.
- Within India , Wipro Infrastructure (Wipro) acquired PARI to become a complete industrial automation company capable of serving customers globally and drive growth. We believe that within India, the Company will be an attractive asset for companies such as Wipro, Titan Engineering and Automation Limited (TATA Group), Addverb Technologies (Reliance Group), Delhivery and other such players looking to broaden their offerings.

PE funds have demonstrated their interest in this segment and have pursued buy and build strategies. Out of 500+ deals in this segment over the last 4 years, 30% of the transactions were undertaken by PE players such as Triton, Quadriga Capital, Deutsche Beteiligungs AG, CGS Management, Nimbus, EQT, Paragon Partners and BPE. We believe that PE firms' interest will continue to grow in this space, as indicated earlier, due to the presence of a large number of small players presenting a continued opportunity to consolidate.

6. DEALS UNDER DILIGENCE

6.1 EQUIPMENT DESIGN, ENGINEERING & MANUFACTURING

The Fund executed a non-binding term sheet in April 2024 with a company that manufactures and supplies process equipment, vacuum systems, and specialized food & beverages equipment to a wide set of industries, including pharma, specialty chemicals, waste management, F&B and agro chemicals. This company is estimated to have achieved revenue of ~USD 18 mn with an EBITDA margin of ~24% during FY24. Around half of its revenue was generated through exports. Due diligence by external vendors including finance & tax and legal are under progress. The transaction is expected to conclude by July 2024.

6.2 BOTANICAL EXTRACTS

The Fund executed a non-binding term sheet in February 2024 with a botanical and herbal extracts manufacturer which also has a focus on innovating active ingredients in healthcare and nutritional segments. The company caters to product categories such as vitamins, essential oil, personal care, and natural colors. It serves MNCs in nutraceutical, pharmaceutical and F&B sectors, predominately in regulated markets. The company is expected to register a revenue of USD 34 Mn with 28% EBITDA margin in FY24. Due diligence by external vendors including finance and tax, and legal are under progress. The transaction is expected to conclude by June 2024.

6.3 SPECIALIZED METAL PROCESSING CENTRE

The Fund executed a non-binding term Sheet in March 2024 with a company that provides end to end solutions for supply of value-added metals. The company has in-house capabilities to perform value-addition (like bandsaw cutting, turning, milling, etc.) and specialized testing (both DT and NDT). It caters to industries such as Aerospace, Defence, Power etc. The Company is expected to register a revenue of USD ~16 Mn with 19% EBITDA margin in FY24. Due diligence by external vendors including finance and tax, and legal are under progress. The transaction is expected to conclude by July 2024.

7. DRAFT FINANCIAL STATEMENTS

7.1. PROVISIONAL BALANCE SHEET

Particulars (in INR)	As at March 31, 2023 (Audited)	As at March 31, 2024 (Provisional - Unaudited)
Unit holder's fund		
(a) Unit holders' funds	1,14,71,31,534	3,13,38,22,522
(b) Units pending allotment	80,01,200	-
(c) Reserves and surplus	(28,31,49,749)	(61,20,78,556)
Liabilities		
Other current liabilities	3,60,29,201	11,54,22,082
Total unit capital and liabilities	**90,80,12,186**	**2,63,71,66,048**
Non-current assets		
(a) Portfolio Investments	30,00,93,741	2,12,43,62,222
Current assets		
(a) Cash and bank balance	60,60,44,876	50,71,55,288
(b) Other current assets	18,73,569	56,48,537
Total assets	**90,80,12,186**	**2,63,71,66,048**

7.2. PROVISIONAL INCOME STATEMENT

Particulars (in INR)	For FY 2023 (Audited)	For FY 2024 (Provisional - Unaudited)
Revenue from operations	-	-
Interest income on fixed deposits	57,61,758	1,28,05,525
Total Income	**57,61,758**	**1,28,05,525**
Expenses		
Investment management fees	13,58,91,857	24,30,07,785
Set-up fee	15,10,99,004	3,34,92,734
Opex re-imbursement	-	6,12,12,642
Professional charges	9,94,347	33,87,938
Trusteeship fee	2,36,000	2,36,000
Valuation fee	1,00,300	1,02,235
Auditors' remuneration	5,90,000	2,95,000
Total Expenses	**28,89,11,507**	**34,17,34,334**
Profit / (loss) for the period	**(28,31,49,749)**	**(32,89,28,809)**

8. NOTES TO THE QUARTERLY REPORT

8.1. BACKGROUND

Stakeboat Capital Fund II ("the Trust") has been registered under the Indian Trust Act, 1882 by the way of Indenture of Trust dated June 26th, 2020. The Trust has been registered with the Securities and Exchange Board of India ("SEBI") as an Alternative Investment Fund ("AIF") under the SEBI (Alternative Investments funds) Regulation,2012. IDBI Trusteeship Services Limited (ITSL) is the Trustee for the Trust and Stakeboat India Capital LLP is the Investment Manager.

The objective and purpose of the Fund is to carry on the activity of a Category II Alternative Investment Fund and for this purpose to arrange, make, manage and dispose of investments with the view to providing returns to the Contributors in accordance with Applicable Laws and the Trust Documents. The Fund will focus on Control and Co-Control deals of unlisted SMEs across the entire country which can be termed as "White Spaces" based on their characteristics in revenue and profitability, leadership, lower valuation, and out-of-favor sectors. The primary objective of the Fund is to generate attractive risk-adjusted returns by providing long term capital appreciation to its Contributors by investment in equity, equity linked capital, structured debt securities, debt securities and/or other permissible securities/instruments (including warrants) in privately held Portfolio Entities. The Fund will seek to maximize returns to its Contributors over the life of the Fund in a tax efficient manner in accordance with Applicable Laws and the Trust Documents.

8.2. MATERIAL RISKS AND THEIR MANAGEMENT

i. Market Risk

It refers to the possibility of fluctuations that can arise in the market value of financial instruments. Market risk can result from several factors, including but not limited to macroeconomic factors, industry-specific factors, geopolitical risks, changes in market sentiments. The Fund does not have any investments in listed entities, it may be indirectly exposed to change in the market environment. However, the Fund has plans in place to mitigate market risks through diversification and other risk management techniques.

ii. Currency Risk

It refers to risk arising due to fluctuations in exchange rates which can impact the value of a fund's investments in its portfolio companies, which have operations outside India. The Fund may be exposed to currency risk due to the possibility of unfavorable exchange rates at the time of transaction.

iii. Concentration Risk

It refers to the potential danger or vulnerability that arises when a significant portion of the fund's investments are allocated to a specific asset, sector, industry, or a small number of investments. The Fund seeks to manage concentration risk by making investments such as to ensure diversification of investments stages, sectors, holding periods and companies.

iv. Liquidity Risk

It refers to the possibility of financial losses that can arise due to the difficulty of selling investments quickly and at fair prices. The Fund invests in private companies which may take years to realise their full value and run risks like forced selling, price volatility, opportunity cost etc. The Fund attempts to mitigate liquidity risk through various strategies such as managing cash flows, diversifying investments, and establishing appropriate redemption policies.

v. Leverage Risk

It refers to the possibility of financial losses that can arise due to the use of debt or leverage. The Fund does not make any borrowings and hence is not exposed to leverage risk at the fund level.
The portfolio companies may resort to borrowing for their growth/operational strategies. The Fund seeks to actively engage to mitigate leverage risk by managing debt-to-equity ratio, diversifying their investments, and establishing appropriate risk management policies.

vi. Realization Risk

It refers to the uncertainty or potential downside associated with converting investments into cash or liquid assets. Realization risk emerges when the market conditions, economic factors, or the performance of the invested companies make it challenging to exit the investments as planned. The Fund seeks to actively manage realization risk by assessing market conditions, optimizing the timing of exits, and improving the performance of portfolio companies to maximize returns upon exit.

vii. Strategy Risk

It refers to the uncertainty associated with the strategic direction, decisions, or execution of plans within a specific company in the fund's portfolio. The Fund seeks to manage the risks that may arise due to changes or divergence from business strategies at the investee company level by providing strategic guidance, operational support to improving company's execution of strategy, regular monitoring and evaluation, seeking affirmative rights in the investment agreements which necessitate the Fund's consent (approval) to any changes in the business or key managerial personnel of the investee companies.

viii. Reputation Risk

It refers to the potential threat to the company's standing, or brand, which could adversely impact its relationships with stakeholders, customers, and the market at large. The Fund seeks to manage this risk by instituting ethical guidelines, strengthening governance, actively engaging with investee companies in their marketing and promotional activities.

ix. Economic, Regulatory and Operational Risk

- Economic Risk refers to the possible scenario of economic recessions, inflation, and changes in trade policies that can have an adverse impact on the performance of a fund's investment.

- Regulatory Risk refers to the changes in law and regulation that can possibly impact the Fund's investments and operations, as well as the overall performance of the Fund.

- Operational Risks include risks associated with the operations of the Fund's portfolio companies, such as supply chain disruptions, cyberattacks, and legal disputes.

The Fund stays actively engaged with its portfolio companies to help them navigate through the above-mentioned extrinsic risks through the life of the investment.

x. Other than Financial Risks (ESG etc.)

ESG Risk is an 'other than financial risk' that can arise due to the negative impact of a company's environmental, social, or governance practices which could have a financial implication. The Fund is not exposed to environmental or social risks at the fund level, given the nature of its business. The Fund adheres to high standards of corporate governance and compliance. ESG risk at the portfolio company level is managed through various strategies such as conducting rigorous due diligence and engaging to improve their ESG practices.

8.3. DISCLOSURES

i. Conflicts of interest

- No conflicts of interest have arisen till the quarter ended 31st March 2024

ii. Other Disclosures

- No material liabilities have arisen on the Fund till the quarter ended 31st March 2024
- The Fund is not in breach of any provision of the private placement memorandum (PPM) or any other fund documents.
- There has been no change in control of the Sponsor or Investment Manager.
- The Fund has not had any change in the key investment team till the quarter ended 31st March 2024.
- There are NIL uploads of any complaints or feedback against the Fund on SCORES
- The Fund intimated SEBI vide letter dated 18th September 2023 on increase of green shoe option from INR 200 crore to INR 300 crore. Thereby the aggregate target corpus stands increased from INR 1000 crore to INR 1100 crore.
- The Fund had announced its Final Close on 18th September 2023.

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