



## Independent Auditor's Report on Financial Statements

To  
The Members,  
M/s. CANBANK VENTURE CAPITAL FUND LIMITED

### Opinion

We have audited the Standalone Financial Statements of **M/s. CANBANK VENTURE CAPITAL FUND LIMITED** ("the Company"), which comprise the balance sheet as at **31st March 2024**, and the statement of profit and loss for the year then ended, and statement of cash flows for the year then ended along with notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profits, and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 Standalone Financial Statements under the provisions of the Companies Act, 2013 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

Attention is invited to note no. 33 of notes to accounts forming part of the financial statement, wherein, as a matter of practice the company files Return of Income in respect of accrued income from investment based on Form No 64 and 64C issued by the venture capital funds. Although the Company does not recognize the accrued income from venture capital funds in the books of accounts as brought out in note no 2(c) of notes to accounts, the company is declaring the same in their Return of Income and paying taxes thereon





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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone 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 Standalone 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 in the 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 and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position and 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 Standalone Financial Statements, the Board of Directors 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 the Board of Directors 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standards on Auditing. As 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 Standalone 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





**Opinion**

In our opinion, the company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the ICAI.

For K S Ramkumar & Co.  
Chartered Accountants  
FRN: 006167S



*K S Ramkumar*  
Proprietor

Mem No.: 027484

UDIN: 24027484BKADXN7003

Place: Bangalore

Date: 17/04/2024



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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over financial reporting**

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

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

### **Inherent Limitations of Internal Financial Controls over financial reporting**

Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





**ANNEXURE-B**

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 over financial reporting of **M/s CANBANK VENTURE CAPITAL FUND LIMITED** ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

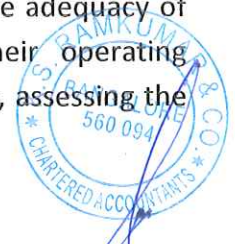
**Management's responsibility for Internal Financial Controls**

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

**Auditor's responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on 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 applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those standard 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 reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the





- 20) According to the information and explanation given to us and to the best our knowledge, with reference to point no. 35 and 39 of Notes forming part of Financial Statements provisions of Section 135 of The Companies Act, 2013 are not applicable to company. Hence, the provision of clause 3(xx) of the said Order is not applicable.
- 21) According to the information and explanation given to us and to the best our knowledge the provisions of preparation of Consolidated Financial Statement are not applicable to the company. Hence, the provision of clause 3(xxi) of the said Order is not applicable.

For K S Ramkumar & Co.  
Chartered Accountants  
FRN: 006167S



**K S Ramkumar**  
**Proprietor**  
**Mem No.: 027484**  
**UDIN: 24027484BKADXN7003**

**Place: Bangalore**  
**Date: 17/04/2024**



- 12) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the said Order are not applicable.
- 13) In our opinion and according to the information and explanation given to us and as represented to us by the management, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made private placement of shares during the year under review and the requirement of section 42 of the Companies Act, 2013.
- 15) As represented to us by the management and according to the information and explanation given to us by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3(xv) of the said Order are not applicable.
- 16) According to the information and explanation given to us, the company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act 1934. Hence, the provision of clause 3(xvi) of the said Order is not applicable.
- 17) The Company has not incurred any cash losses during the financial year and in the immediately preceding financial year;
- 18) According to the information and explanation given to us, there was no resignation of the statutory auditors during the year.
- 19) According to the information and explanation and 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, we opine that no material uncertainty exists as on the of Audit Report to meet the Company's liabilities existing as at the date of balance sheet.







- 6) According to the information and explanations given to us and to the best of our knowledge, the company has not been covered under the notification issued by the Central Government wrt. sub-section (1) to Section 148 of the Companies Act, 2013 prescribing maintenance of cost records. Accordingly, the provisions of Clause 3(vi) of the said Order are not applicable.
- 7)
- i) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
  - ii) According to the information and explanation provided to us, there were no undisputed dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable in respect of the above-mentioned.
  - iii) According to the information and explanation provided to us, the Company did not have any dues on account of Income tax, Sales tax, goods and services tax, service tax. Customs duty, Excise duty, value added tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.
- 8) According to the information and explanation given to us, the company has no dues to banks and financial institutions during the year. The company did not have any outstanding dues towards debenture-holders during the year. Accordingly, the provisions of Clause 3(viii) of the said Order are not applicable.
- 9) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- 10) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the company by its officers or employees has been noticed or reported during the year. Accordingly, the provisions of Clause 3(x) of the said Order are not applicable.
- 11) To the best of our knowledge and according to the information and explanation given to us, the company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of sec 197 read with schedule V to the Companies Act, 2013.





**ANNEXURE-A**

**REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF M/s. CANBANK VENTURE CAPITAL FUND LIMITED**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2024, we report that:

- 1)
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - b. The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner every six months. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. During the year the company carried out physical verification of its fixed assets and found no discrepancies.
  - c. According to the information and explanations given to us, the Company does not own any immovable properties.
- 2) The Company does not hold any inventories. Accordingly, paragraph 3(ii) of the Order is not applicable.
- 3) In our opinion and according to the information and explanations given to us, during the year the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, hence clause 3(iii) (a) to (c) of the Order is not applicable.
- 4) According to the information and explanation provided by the management of the Company, during the year, it has not advanced any loan, or made any investments or given any guarantee and security under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iv) of the said order is not applicable.
- 5) The Company has not accepted any deposits from public as applicable under the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other provisions of the Companies Act and rules framed thereunder. Accordingly, the provisions of clause 3(v) of the said Order are not applicable.





that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

- v. The final dividend for previous year and interim dividend paid by the Company during the current year is in accordance with section 123 of the Companies Act 2013.
  - vi. Company has implemented the Audit trail feature in their accounting software during the audit period as required by Rule 3 of companies (Accounts) Rules, 2014.
3. In terms of the direction received from Comptroller and Auditor General of India vide the letter no. AG (E&RSA)/CAW/CA-I/D/2018-19/355 as dated 6th March 2019, we further report that
- i. The company has a system in place to process all the accounting transactions through its Information Technology system. There were no instances where accounting transactions were processed outside the IT system.
  - ii. The Company has not made any borrowals, hence the question of borrowals undergoing restructuring or waiver/write off of debts/loans/interest etc. do not arise.
  - iii. No funds have been received from Central or State Government or its agencies for any schemes by the Company.

For K S Ramkumar & Co.  
Chartered Accountants  
FRN: 006167S



**K S Ramkumar**  
Proprietor  
Mem No.: 027484  
UDIN: 24027484BKADXN7003

Place: Bangalore  
Date: 17/04/2024



disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to adequacy of 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) 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 in its standalone financial statements.
  - 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.
    - a. We have received representations from Management that, to the best of its knowledge and belief, as disclosed in note 39 of 'Notes forming part of the financial statements', 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 on behalf of the Ultimate Beneficiaries.
    - b. We have received representations from Management, to the best of its knowledge and belief, as disclosed in note 39 of 'Notes forming part of the financial statements', 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 Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - c. Based on the audit procedures performed which have been considered reasonable and appropriate in the circumstances, nothing has come to our notice





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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is



Balance Sheet as at 31 March 2024

(Amount Rs '00)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>I EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital	3	25,000	25,000
(b) Surplus	4	3,595,499	3,765,567
(2) Non-current liabilities			
(a) Long-term provisions	5	34,914	29,641
(3) Current liabilities			
(a) Trade payables	6	10,888	17,387
(A) Total Outstanding dues of Micro Enterprise and Small Enterprise		-	-
(B) Total Outstanding dues of Creditors Other than Micro Enterprise and Small Enterprise		-	-
(b) Other current liabilities	7	1,132	2,675
(c) Short-term provisions	8	465	6,775
		<b>3,667,898</b>	<b>3,847,045</b>
<b>II ASSETS</b>			
<b>Non-current assets</b>			
(1) (a) Property, Plant & Equipment and Intangible Assets			
(i) Property, Plant & Equipment	10	12,896	17,249
(ii) Intangible Assets			
(b) Non-current investments	11	521,403	564,587
(c) Deferred tax assets (net)	25	15,145	15,553
(d) Long-term loans and advances	13	25,584	76,142
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments	9	-	-
(b) Trade receivables	12	60,506	64,119
(c) Cash and cash equivalents	14	2,884,242	2,978,258
(d) Short-term loans and advances	15	7,173	8,898
(e) Other current assets	16	140,949	122,239
		<b>3,667,898</b>	<b>3,847,045</b>

Summary of significant accounting policies and other explanatory information

1 to 40

See accompanying notes forming part of Financial Statements  
 In terms of our report attached

for K S Ramkumar & Co.  
 Chartered Accountants  
 FRN No.006167S



K S Ramkumar  
 Proprietor  
 Membership No 027484  
 UDIN :

*Ashok Chandra*  
 Ashok Chandra  
 Chairman  
 DIN: 09322823

*Puneet Kumar Sharma*  
 Puneet Kumar Sharma  
 Sr. Executive Vice President

*Sanjeev Kumar Shrivastava*  
 Sanjeev Kumar Shrivastava  
 Managing Director  
 DIN : 10132026



Place: Bengaluru  
 Date: 17 /04/2024

Statement of Profit and Loss for the year ended 31 March 2024

(Amount Rs '00)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
I Revenue from operations	17	177,727	190,018
II Other Income	18	234,447	175,083
III Total Income (I+II)		412,174	365,101
IV Expenses			
Employee benefits expense	19	171,587	159,733
Depreciation and amortization expense	10	4,468	6,035
Other expenses	20	59,363	48,048
		235,418	213,816
V Profit before exceptional and extraordinary items and tax (III-IV)		176,756	151,285
VI Exceptional items		(7)	-
VII Profit before extraordinary items and tax (V-VI)		176,749	151,285
VIII Extraordinary items		-	-
IX Profit before tax		176,749	151,285
X Tax expense			
(1) Current tax		43,650	37,000
(2) (Excess)/Shortage of tax made for earlier years		2,758	(12,013)
(3) (Deferred tax Asset)/liability		408	(2,092)
Total tax expense		46,816	22,895
XI Profit after tax		129,933	128,390
XII Profit/(loss) for the period (IX-X)		129,933	128,390
XIII Earnings per equity share Basic & diluted	24	51.97	51.36
Summary of significant accounting policies and other explanatory information	1 to 40		

See accompanying notes forming part of Financial Statements  
 In terms of our report attached

for K S Ramkumar & Co.  
 Chartered Accountants  
 FRN No.006167S

K S Ramkumar  
 Proprietor  
 Membership No 027484  
 UDIN :

Place: Bengaluru  
 Date: 17 /04/2024

*Ashok Chandra*  
 Ashok Chandra  
 Chairman  
 DIN: 09322823

*Puneet Kumar Sharma*  
 Puneet Kumar Sharma  
 Sr. Executive Vice President

*Sanjeev Kumar Shrivastava*  
 Sanjeev Kumar Shrivastava  
 Managing Director  
 DIN : 10132026



Cash Flow Statement

(Amount Rs '00)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>A Cash Flow from Operating Activities</b>		
Profit / (Loss) before extraordinary items and tax	176,749	151,285
<b>Adjustment for:</b>		
Depreciation	4,468	6,035
Interest income	(224,777)	(135,382)
(Profit)/loss on sale of mutual fund	(1,357)	(37,982)
Excess provision reversed	3,903	-
(Profit) Loss on Sale of Property, Plant and Equipment (net)	7	-
	(41,007)	(16,044)
Operating profit before working capital changes		
Adjustment for:		
Decrease/(Increase) Trade receivables	3,613	(2,792)
Decrease/(Increase) Short-term loans and advances	1,725	6,163
Decrease/(Increase) Long-term loans and advances	100	-
Decrease/(Increase) Other current assets	(18,710)	-
(Decrease)/Increase Trade Payables	(6,499)	13,600
(Decrease)/Increase Other Current Liabilities	(1,544)	537
(Decrease)/Increase Long term Provisions	5,273	1,930
(Decrease)/Increase Short term Provisions	(6,310)	6,126
<b>Cash Generated from Operations</b>	<b>(63,359)</b>	<b>9,520</b>
Income taxes paid, net	69,125	(47,659)
<b>Net Cash Flow from Operating Activities</b>	<b>5,766</b>	<b>(38,139)</b>
<b>B Cash Flow from Investing Activities</b>		
(Purchase)/Sale of Property, Plant and Equipment (Net)	115	-
Interest received	83,828	13,143
Purchase of VC Fund	43,184	(221,327)
Purchase of Mutual Fund	(107,500)	(4,965,000)
Sale of Mutual Fund	180,044	8,168,048
Proceeds from AIF	547	1,363
(Increase)/Decrease in deposits maintained with bank- other bank balances	100,001	(2,959,000)
<b>Net Cash Flow from Investing Activities</b>	<b>300,219</b>	<b>37,227</b>
<b>C Cash Flow from Financing Activities</b>		
Dividend including dividend tax paid	(300,000)	-
<b>Net Cash Flow from Financing Activities</b>	<b>(300,000)</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>5,985</b>	<b>(911)</b>
<b>Increase / (Decrease) in Cash And Cash Equivalents</b>		
Cash and Cash Equivalents at the Beginning of the Year	8,493	9,404
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>14,478</b>	<b>8,493</b>

Note :

i) The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2024 and the related Statement of Profit and Loss for the year ended on that date.

ii) Above Cash Flow Statement has been prepared under indirect method in accordance with the Accounting Standard 3 on Cash Flow Statement prescribed under the Companies (Accounts) Rules, 2014

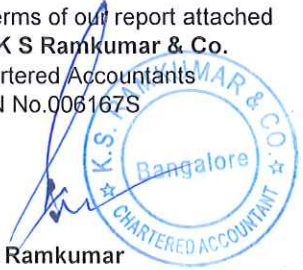




iii) Reconciliation of cash & cash equivalents with the balance sheet: (Amount Rs '00)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash and Bank balances (Refer Note no. 14)	2,884,242	2,978,258
Less: Other Bank balances (Refer Note no. 14)	2,869,764	2,969,764
<b>Cash and cash equivalents at the end of the year</b>	<b>14,478</b>	<b>8,493</b>

iv) Previous year's figures have been regrouped wherever necessary to confirm to current year's presentation.

In terms of our report attached  
for **K S Ramkumar & Co.**  
Chartered Accountants  
FRN No.006167S



**K S Ramkumar**  
Proprietor  
Membership No 027484  
UDIN :

Place: Bengaluru  
Date: 17/04/2024

  
**Ashok Chandra**  
Chairman  
DIN: 09322823

  
**Sanjeev Kumar Shrivastava**  
Managing Director  
DIN : 10132026

  
**Puneet Kumar Sharma**  
Sr. Executive Vice President



## CANBANK VENTURE CAPITAL FUND LIMITED

### Notes forming part of financial statements

#### 1. Corporate Information

Canbank Venture Capital Fund Ltd ("the company") was incorporated in February 1995 as a Ltd Company under the Companies Act, 1956. The registered office of the company is in Bangalore, India.

The company is an Asset Management Company, presently managing the Venture Capital funds. The activities of the company revolve around this business and the operations are only in India. The company is a wholly owned subsidiary of Canara Bank.

#### 2. Significant Accounting Policies

##### a) Basis of Preparation of Financial Statements:

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards as prescribed in Section 133 of the Companies Act, 2013, to the extent applicable. The financial statements have been prepared and presented in Indian rupees (rounded off to nearest hundred)).

##### b) Use of estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles in India that requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Difference if any, between the actual results and the estimates are recognized in the period in which the results are known/materialized.

##### c) Income Recognition:

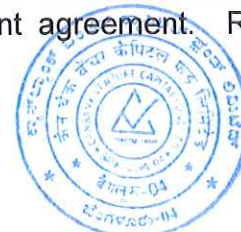
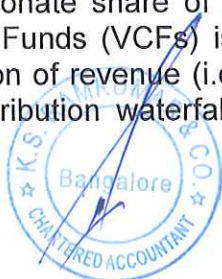
Accounting Standard-9 deals with the bases for recognition of revenue in the statement of profit and loss of an enterprise. The Standard is concerned with the recognition of revenue arising in the course of the ordinary activities of the enterprise.

Accordingly, Annual Management and Trusteeship fee for managing the Venture Capital Funds is recognized as per the terms of the Agreement with the respective Funds

Interest income arising from deployment of surplus funds is recognized on a time proportionate basis using transactional interest rates.

Profit or loss on sale of investments is determined on the basis of simple average carrying amount of investments disposed.

Proportionate share of Income (under pass through status) from Investment in Venture Capital Funds (VCFs) is not recognized in the year VCFs generate income, as ultimate collection of revenue (i.e. distribution of income by the VCFs) is unascertainable in lieu of the distribution waterfall in the contribution cum management agreement. Revenue is



**CANBANK VENTURE CAPITAL FUND LIMITED**  
**Notes forming part of financial statements**

**f) Employee Benefits:**

**Defined contribution plans**

The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**Short term employee benefits**

All employee benefits falling due wholly within 12 months of rendering the service are classified as short term employee benefit. The benefits like salaries, wages, provident fund & short term compensation for absence etc. and the expected cost of bonus, ex-gratia are charged to the profit & loss account of the year in which the employee renders the related service.

**Long-term employee benefits**

The debits to the profit and loss account being charged relating to the liability recognized pertaining to the sums which the Company may be liable contingently in the future is done on the following bases

- a. Company employees = On the basis of actuarial valuation.
- b. Deputed employees = ascertained on the bases of applying a standard multiplication factor to debit of employee costs.

The gratuity & leave salary provision for deputed staff from Canara Bank are shown under long term employee benefits.

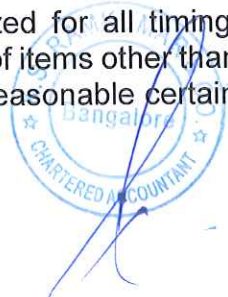
**g) Tax on Income:**

**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 provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available



**CANBANK VENTURE CAPITAL FUND LIMITED**  
**Notes forming part of financial statements**

recognized in the year VCFs distribute the income, in line with the terms of agreements with the VCFs.

**d) Property, plant & equipment and Intangible Assets**

Property, plant and equipment are stated at cost, less accumulated depreciation/amortization and impairment loss, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities) any directly attributable expenditure on making the property, plant and equipment ready for its intended use, other incidental expenses. However, the GST incurred on the acquisition of the fixed assets have also been capitalised Interest on borrowings attributable to acquisition of qualifying assets up to the date the property, plant and equipment is ready for its intended use.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company depreciates property, plant and equipment over their estimated useful lives using the Written down value method of depreciation as per the useful life prescribed in Schedule II to the Companies Act, 2013

Electrical Equipment's	10 years
Office equipment	5 years
Computers:	
Servers & Networks	6 years
End user devices	3 years
Furnitures and Fixtures	10 years
Vehicles	8 years

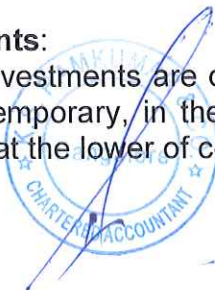
Pro-rata depreciation is provided from/up to the date of purchase or disposal, for assets purchased or sold during the year.

Intangible Assets (Software) - 3 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

**e) Investments:**

Long-term investments are carried individually at cost less provision for diminution, if any, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value.



## CANBANK VENTURE CAPITAL FUND LIMITED

### Notes forming part of financial statements

against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

#### **h) Cash flow statement**

Cash flow statement is reported using indirect method whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated based on the available information.

#### **i) Earning/ (loss) per share**

The basic earnings/(loss) per share is computed by dividing the net profit/loss attributable to equity shareholders for the year by the weighted average number of equity share outstanding during the year.

#### **j) Impairment of assets**

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the statement of profit & loss in the year in which an asset is identified as impaired. The recoverable amount is greater of the assets' net selling price and written down value.

#### **k) Provisions and contingencies**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made

#### **l) GST input credit and GST Returns:**

GST Input Tax Credit is accounted in the books, wherever the Company is eligible, in the period in which the underlying services and goods received, used and when there is reasonable certainty in availing /utilizing the credits. However, during the year, the Company has followed the practice of aligning the availment of the input tax credit as mentioned under section 16(2) of CGST Act,2017 read with rule 36 of GST rules (2017) on the basis of amounts reported in GSTR 2B by reconciling with books Any deviations or reconciliation would be incorporated at the time of finalizing the GST annual returns.



**CANBANK VENTURE CAPITAL FUND LIMITED**  
Notes forming part of financial statements

Note No.

**3 Share capital :**

(Amount Rs '00)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Rs.	Number	Rs.
<b>Authorised Share Capital</b>				
Equity Shares of Rs.10/- each (P.Y : Rs.10/- each) with voting	1,000,000	100,000	1,000,000	100,000
<b>Issued, subscribed and fully paid-up shares</b>				
Equity share of Rs.10/- each fully paid up (P.Y : Rs.10/- each) with voting rights	250,000	25,000	250,000	25,000

**a Reconciliation of the number of shares outstanding at the beginning and at the end of the year**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Rs.	Number	Rs.
<b>Equity Shares with voting rights</b>				
Shares outstanding at the beginning of the year	250,000	25,000	250,000	25,000
Add : Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	250,000	25,000	250,000	25,000

**b Terms/ rights attached to equity shares**

i) The Company has only one class of equity shares having a par value of Rs.10 per share. No transfer of any shares shall be made or registered without the permission of parent bank, Canara Bank. Each holder of equity shares is entitled to one vote per share.

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

**c Disclosure of shares holders holding more than 5% of the aggregate shares in the company**

Name of Shareholder	As at 31 March 2024		As at 31 March 2023	
	No.of shares held	% of holding	No.of shares held	% of holding
Canara Bank and its Nominees	250,000	100	250,000	100
	250,000	100	250,000	100

**d As on the date of Balance Sheet,**

(i) The Company did not issue any equity shares as fully paid equity shares pursuant to contract(s) without payment being received in cash

(ii) The Company has not issued bonus shares and did not buy back any equity shares as on the balance sheet date.

(iii) The Company has not issued any securities like Convertible Preference Shares, Convertible Debentures etc. which are Convertible into equity / Preference Shares

**e Disclosure of shares held by 'Promoters' at the end of the year**

Promoter Name	As at 31 March 2024		As at 31 March 2022	
	No.of shares (Equity)	% of total shares	No.of shares held	% of holding
Canara Bank	250,000	100	250,000	100
	250,000	100	250,000	100

'Promoter' here means promoter as defined in Section 9 of the Companies Act, 2013.

There is no change in % of holding of the promoter during the year FY 2023-24



**CANBANK VENTURE CAPITAL FUND LIMITED**  
**Notes forming part of financial statements**

(Amount Rs '00)

Note No.	Particulars	As at 31 March 2024	As at 31 March 2023
4	<b>Surplus :</b>		
	<b>General Reserve:</b>		
	Balance at the beginning of the year	676,880	663,880
	Transferred from Statement of Profit & Loss	12,993	13,000
	Balance at the end of the year	689,873	676,880
	<b>Surplus in Statement of Profit and Loss</b>		
	Balance at the beginning of the year	3,088,686	2,973,296
	<b>Add:</b> Profit for the year	116,940	115,390
	<b>Less:</b> Dividend paid for FY 2022-23	(50,000)	-
	Less: Interim Dividend paid for FY 2023-24	(250,000)	-
Balance at the end of the year	2,905,626	3,088,686	
	<b>3,595,499</b>	<b>3,765,566</b>	
5	<b>Long-term provisions</b>		
	<b>Provision for employee benefits</b>		
	Gratuity & Leave Salary to deputed employees	20,217	16,321
	Leave Salary to Company staff	14,697	13,320
	<b>34,914</b>	<b>29,641</b>	
6	<b>Trade payables</b>		
	<b>Others</b>		
	(a) Outstanding dues of micro enterprises and small enterprises (MSME)	-	-
	(b) Outstanding dues of creditors other than MSME Note: Disputed & Undisputed dues to MSME - NIL (Other than MSME -Outstanding less than 1 year)	10,888	17,387
	<b>10,888</b>	<b>17,387</b>	
7	<b>Other current liabilities</b>		
	<b>Others payables</b>		
	Statutory remittances (TDS, GST, PF and PT)	1,132	2,676
	<b>1,132</b>	<b>2,676</b>	
8	<b>Short-term provisions</b>		
	Leave Salary for Company Staff	465	6,775
		<b>465</b>	<b>6,775</b>
9	<b>Current Investments (At lowr of cost of market value, unless otherwise stated)</b>		
	(i) Trade Investments	-	-
	(ii) Other Investments	-	-
		-	-



**CANBANK VENTURE CAPITAL FUND LIMITED**  
Notes forming part of financial statements

**Note No.10 - Property, Plant & Equipment and Intangible Assets**

(Amount Rs '00)

Sr.No.	Description of Assets	Gross Block				Depreciation			Net Block	
		As at 1 April 2023	Additions	Disposals	As at 31.03.2024	As at 1 April 2023	For the period	Disposals	As at 31.03.2024	As at 31.03.2023
<b>(A)</b>	<b>Property, Plant &amp; Equipment</b>									
1	Furniture & Fixtures	25,418	-	(193)	25,225	13,018	3,210	(179)	16,049	12,400
2	Vehicles	10,216	-	-	10,216	8,173	638	-	8,811	2,042
3	Office Equipments	3,762	155	(540)	3,377	3,613	45	(514)	3,144	149
4	Electrical Equipments	3,526	-	-	3,526	1,306	575	-	1,882	2,220
5	Computers Servers & Networks	1,021	-	-	1,021	970	-	-	970	51
	End user devices	9,248	-	-	9,248	8,862	-	-	8,862	387
<b>(B)</b>	<b>Intangible Assets</b>									
	Computer Software	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>53,191</b>	<b>155</b>	<b>(733)</b>	<b>52,613</b>	<b>35,942</b>	<b>4,468</b>	<b>(693)</b>	<b>39,717</b>	<b>17,249</b>
	Previous year	53,191	-	-	53,191	29,907	6,035	-	35,942	17,249





**CANBANK VENTURE CAPITAL FUND LIMITED**  
**Notes forming part of financial statements**

(Amount Rs '00)

Note No.	Particulars	As at 31 March 2024	As at 31 March 2023
11	<b>Non-current investments (At cost)</b>		
	<b>(1) Other investments - Long Term</b>		
	<b>Quoted</b>	-	-
	<b>Unquoted</b>		
	<b>(a) Electronics Development Fund</b> 90.773 units of Rs.100000/- per unit. (Previous period: 91.995 units)	90,773	91,917
11	<b>(b) Empower India Fund</b> 43063000 units of Rs.1/- per unit. (Previous period : 47267000 units)	430,630	472,670
		<b>521,403</b>	<b>564,587</b>
	<b>Aggregate market value of quoted investments</b>	-	-
	<b>Aggregate amount of unquoted investments</b>	<b>521,403</b>	<b>564,587</b>
12	<b>Trade Receivables</b>		
	<b>(a) Unsecured, Undisputed, considered good</b> Electronics Development Fund (Outstanding for a period less than six months)	60,506	64,119
	<b>(b) Disputed Trade Receivables considered good /doubtful</b>	-	-
		<b>60,506</b>	<b>64,119</b>
13	<b>Long Term Loans &amp; Advances</b>		
	<b>Unsecured, considered good</b> Advance income tax (net of provisions Rs.43650) (As at 31 March, 2023 Rs.75932)	25,474	75,932
	Other loans & advances	110	210
		<b>25,584</b>	<b>76,142</b>
14	<b>Cash and Cash Equivalent</b>		
	(a) Balances with Bank - in current account	14,386	8,378
	(b) Cash on hand	92	115
	(c) Other Bank balance - Refer note below	2,869,764	2,969,765
		<b>2,884,242</b>	<b>2,978,258</b>
	<b>Note - The bank deposit is without lien and having a maturity period more than 12 months, Rs.2859000 (PY Rs.2959001). Less than 12 months, Rs.NIL (PY Rs.Nil)</b>		
15	<b>Short Term Loans and Advances</b>		
	<b>Unsecured, considered good</b> GST Input Credit	5,047	7,682
	Prepaid expenses	1,134	1,216
	Advance -Others	992	-
		<b>7,173</b>	<b>8,898</b>
16	<b>Other Current Assets</b>		
	<b>Unsecured, considered good</b> Interest accrued but not due on bank deposits	140,949	122,239
		<b>140,949</b>	<b>122,239</b>



(Amount Rs '00)

Note No.	Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>17</b>	<b>Revenue from Operations</b>		
	Management fee	177,727	190,018
		<b>177,727</b>	<b>190,018</b>
<b>18</b>	<b>Other income</b>		
	Interest on bank deposits	224,777	135,382
	Profit on sale of investments	1,357	37,983
	Pass through income from Emergng India Growth Fund	547	1,363
	Miscellaneous Income	7,766	355
		<b>234,447</b>	<b>175,083</b>
<b>19</b>	<b>Employee benefits expense</b>		
	Salaries, wages and allowances	161,721	141,432
	Contribution to Provident and other Funds	5,821	4,088
	Gratuity expense	4	4,924
	Leave encashment	3,063	8,357
	Staff welfare expenses	978	932
		<b>171,587</b>	<b>159,733</b>
<b>20</b>	<b>Other expenses</b>		
	Rent	21,263	21,263
	Vehicle Running Expenditure	4,781	4,089
	Repairs & Maintenance - Others	2,177	2,056
	Travelling expenses	1,637	280
	Printing & Stationery	1,036	664
	Subscription	1,078	1,074
	Legal and professional charges ( Includes payment to Auditors - Refer Note No. 20.1)	7,735	6,368
	Goods & Service Tax (GST)	5,294	-
	Bank Charges	39	24
	Rates and taxes	751	307
	Insurance	274	270
	Telephone charges	342	145
	Publicity/ Advertisement	-	745
	Trusteeship fee -CBVDT (Canara Bank)	4,000	4,000
	Miscellaneous expenses	8,956	6,763
		<b>59,363</b>	<b>48,048</b>

**20.1 Payment to Auditors**

(Amount Rs '00)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Payment to Statutory Auditors		
1. Statutory Audit -K S Ramkumar & Co (PY : KS Ramkumar & Co)	700	600
2. Tax Audit - MSSV & Co	200	200
3. EDF Statutory & Tax Audit - MSSV & Co	400	400
<b>Total</b>	<b>1,300</b>	<b>1,200</b>



**CANBANK VENTURE CAPITAL FUND LIMITED**  
**Notes forming part of financial statements**

**21. Employee benefits**  
**Defined Contribution Plans**

The Company makes contribution to Provident Fund which is a defined contribution plan for qualifying employees. Under the scheme, the Company is required to contribute a specific percentage of the payroll cost to fund the benefits. The Company recognize Rs.5821 (Previous year Rs.4088) for Provident Fund Contribution. (Amount in '00). The contribution payable to this plan by the Company is at rates specified in the rules of the scheme.

**Defined Benefit Plan:**  
**Leave Encashment- Principal Assumptions**

	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Discount Rate (% p.a.)	7.25%	7.55%
Expected rate of salary increase (% p.a.)	7.25%	7.25%
Mortality rate	IALM 2012-14 Ult table	IALM 2012-14 Ult table
Normal retirement age	60	60
IALM : Indian Assured Lives Mortality		

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**22. Segment Reporting:**

The Company is an Asset Management Company, presently managing three 'Venture Capital Funds' and one 'Fund of Funds' as at the end of this financial year. The activities of the company revolve around this business and the operations are only in India. As such there is no other reportable segment as defined by the Accounting Standard 17 - Segment Reporting prescribed by the Companies ( Accounting Standards) Rules,2006.

**23. Related Party Disclosures:**

(i) Related Parties:

- Canara Bank – Parent Bank
- Canara Robeco – Associate Company
- Canbank Computer Services Ltd – Associate Company
- Canbank Securities Ltd. – Associate Company

(ii) Transactions with Related Parties: (Amount in '00)

Nature of Transactions	Volume of Transactions during the year		Year End Balance	
	2023-24	2022-23	2023-24	2022-23



**CANBANK VENTURE CAPITAL FUND LIMITED**  
**Notes forming part of financial statements**

<b>a) Canara Bank:</b>				
Equity Contribution: All the shares are held by Canara Bank and its nominees	-	-	25,000	25,000
Lease Rent for the company's RO premises	21,263	21,263	1,595	1,595
Quarters' Rent to deputed staff	13,522	11,123	909	3,236
Bank Deposit with Canara Bank branch	63,40,000	31,13,000	28,59,000	29,69,764
Interest accrued but not due on bank deposits	2,24,776	1,35,388	1,40,949	1,22,239
Salary, Gratuity & Leave Salary to deputed staff	83,145	98,983	26,214	16,321
Interim Dividend FY 23-24	2,50,000	-	-	-
Final Dividend FY 22-23	50,000	-	-	-
<b>b) Group Entities:</b>				
Canara Robeco – Purchase of Mutual Fund (including switchover)	1,07,500	1,12,29,935	-	-
Canara Robeco – Sale of Mutual Fund	1,08,857	112,29,935	-	-
Profit on sale of Mutual Fund investments	1,357	35,117	-	-
Canbank Computer Services Ltd. (CCSL) - R&T Agents	200	201	50	50
Canbank Securities Ltd (for demat account)	12	-	-	-

(iii) Participation in Management including deputation of employees:

(a) Members of the Board of Directors.

(b) The Managing Director deputed from Canara Bank (Parent Bank) is the key Managerial personnel of the company.



**CANBANK VENTURE CAPITAL FUND LIMITED**  
**Notes forming part of financial statements**

**24. Earnings Per Share (EPS)**

(Amount in '00)

	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Profit After Tax	1,29,933	1,28,390
Weighted average number of equity shares	2,500	2,500
Earnings Per Share (Basic and Diluted)	51.97	51.36
Face Value per share	10	10

**25. Deferred Tax Assets/Liabilities:**

Pursuant to Accounting Standard 22 on Accounting for Taxed on Income prescribed under the Companies (Accounts) Rules, 2014, the components of deferred tax assets/(Liabilities) is as under:

(Amount in '00)

<b>Particulars</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<b>Deferred tax (liabilities) / assets</b>		
<u>Tax effect of items constituting deferred tax assets</u>		
On difference between book balance and tax balance of fixed assets	6,241	6,388
Disallowances under Section 43B of the Income Tax Act, 1961	8,904	9,165
<b>Deferred tax (liabilities) / assets (net)</b>	<b>15,145</b>	<b>15,553</b>
The Company has recognized deferred tax assets on the difference between the book balance and the written down value of fixed assets under Income Tax and on disallowances under section 43B on the Income Tax Act, 1961.		

**26.** The Company is also a Trustee, which facilitates transactions on behalf of Canbank Venture Capital Fund (CVCF) and the transactions of the funds are not accounted in the books of the Company. Further, all the investments in the shares of the investee companies made on behalf of CVCF which is a Trust continue to be held in the name of the company as a trustee due to requirement of Section 88 of the Companies Act, 2013.

The value of equity investments (including preference shares) held by the Company on behalf of CVCF as at the end of financial year is Rs.37,68,180 (Previous year:Rs.141,18,180). (Amount in '00).

Further any amount received by the company in respect of the fund/employee along with TDS is transferred to the respective funds/employees as the same pertains to them.

**27.** Ministry of Electronics and Information Technology (MeitY), Government of India ( GOI) has formulated the Electronics Development Fund (EDF) policy for setting up of 'Fund of Funds' to invest in other Private Equity / Venture Capital Funds (Daughter Funds) for providing risk capital to companies developing new technologies in the area of Electronics,



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Nano-electronics and IT. CVCFL has been assigned the mandate by Meity, GOI for managing the Electronics Development Fund. The Performance Guarantee of Rs.50,000 is given by the Company for EDF for which Rs.10,764 has been kept as deposit with Canara Bank as margin money. (Amount in '00).

CVCFL is eligible for the management fee based on the commitments issued to the daughter funds. The rates of management fee have been brought out in the EDF's Contribution Agreement. The management fee has been so charged by CVCFL at the agreed rates in the EDF's Contribution Agreement only after the agreements with the Daughter Funds have been executed. Thus, the Management Fee earned by CVCFL during the current financial year is Rs.1,22,727 ( Previous Year :1,35,018). (Amount in '00).

CVCFL, being the investment manager to Canara Bank Venture Development Trust has launched a scheme of CBVD Trust i.e. Empower India Fund (EIF) with the commitment of Rs.235,00,000 by declaring the first close of the fund on 06.12.2019 and final close on 05.12.2021. Though the management fee payable to the investment manager is at 2% on aggregate capital commitments from the first /initial closing, due to the percentage restriction tagged to the contribution commitment and the management fee shall not be chargeable on the contributions made by CVCFL as one of the contributor, the total investible corpus works out to Rs.27,50,000 only. As such, the Management fee earned by CVCFL during the current financial year is Rs. 55,000/- (Previous Year: Rs.55,000). (Amount in '00).

**28.** The tenure of Emerging India Growth Fund (EIGF), the Fifth Fund of Canbank Venture Capital Fund was ended on 31.12.2019. As such, the Management fee and Trusteeship fee from EIGF have been collected till 31.12.2019 only as per the terms of Contribution cum Management Agreement.

**29.** EDF has paid Rs.1,144 towards partial redemption of corpus for FY 2023-24. Accordingly, the investments in EDF has been reduced in line with the distribution waterfall of EDF. (Amount in '00).

**30.** Canara Bank Venture Development Trust (CBVDT) was formed and registered under SEBI (AIF) Regulations, 2012 with Canara Bank as Settlor & Trustee. CVCFL is appointed as the Investment Manager for all the schemes floated under this Trust. EDF is the first scheme under this Trust. The Contribution cum Management Agreement with Meity for EDF was executed on 21.02.2017. In terms of the said CMA, CVCFL, so far, has invested its commitment of Rs.1,00,000 in Electronics Development Fund (EDF) and the outstanding corpus as on 31.03.2024 stands at Rs.90,773. (Amount in '00).

**31.** Canara Bank Venture Development Trust (CBVDT) was formed and registered under SEBI (AIF) Regulations, 2012 with Canara Bank as Settlor & Trustee. CVCFL is appointed as the Investment Manager for all the schemes floated under this Trust. CBVDT has so far setup two funds viz., Electronics Development Fund (the Funds of Funds) and Empower India Fund (EIF).

**32.** Empower India Fund (EIF) was set up by CVCFL for which it has contributed Rs.5,59,800 so far towards the corpus of its committed corpus of Rs.10,00,000. Partial redemption of corpus has been made to the extent of Rs.1,29,170. The net outstanding has been shown under Investments. (Amount in '00).





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33. Under the provisions of the Income-tax Act, 1961 an investment fund established or incorporated in India and registered with the Securities and Exchange Board of India (SEBI) as a Category I or a Category II Alternative Investment Fund (AIF) and erstwhile Venture Capital Fund registered under SEBI VCF Regulations 1996 is accorded tax pass through status, i.e., income shall be chargeable to tax directly in the hands of its investors.

These amounts have been offered to Income Tax during the year in the tax assessments under the specific provisions of the Income tax Act, 1961 applicable to a Venture Capital Fund/Alternative Investment Fund in line with the Form 64 received from the investee funds in the year in which such form is received as under (received for FY 2022-23).

Pass through income from' (Amount Rs '00)

VCF/AIF	STCG	LTCG	Other Income	Total
EDF	362	11721	86	12169
EIGF	-	537	1	538
EIF	-	-	(11858)	(11858)
Total	362	12258	(11771)	849

(Net amount in PY, Rs.(1536). However, they have not been recognized in the books of account as the collection of revenues is unascertainable in lieu of the distribution waterfall in the fund management agreement. Such revenues will be recognized in the year of distribution. (Amount in '00).

**34. Contingent liabilities and commitments (to the extent not provided for)**

(Amount in'00)

	As at 31 March 2024	As at 31 March 2023
(a) Contingent liability		
(i) Performance guarantee given to Meity for EDF)	50,000	50,000
(ii) GST appeals for FY 2017-18 for availing excess ITC during the transitional period	14,865	14,865
(b) Commitments	-	-

The Company has received a notice of demand from the GST authorities, demanding Rs 21,898 (Amount in '00) as tabulated below:

(Amount in '00)

Financial Year	Demand
FY 2017-18	15,607
FY 2018-19	5,482
FY 2019-20	809

Out of the above sums, the company has filed an appeal with JCCT (Appeals) on 20.01.2024 for the FY 2017-18 by remitting Rs.742 on the basic tax demand. The Company is therefore contingently liable as on date for Rs.14865, the net demand. Company has discharged its liability for the remaining years.(Amount in '00).



## CANBANK VENTURE CAPITAL FUND LIMITED

### Notes forming part of financial statements

35. As per Section 135 of the Companies Act, 2013, CVCFL is subject to spend 2% of its average profit on CSR activities. The CSR amount for FY 2023-24 is Rs.NIL as the average Net profit of the Company is Rs.2,46,629 for Previous three years is below the thresholding limit of Rs.5,00,000 (Amount in'00).

36.Canbank Computer Services Ltd. (CCSL) are the Registrar & Transfer Agents for handling CVCFL's dematerialized shares with NSDL, appointed as per MCA notification 'Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018' dated 10.09.2018.

### 37. Ratio Analysis:

PARTICULARS	31.03.2023	31.03.2024	Explanation for computing ratios
Current Ratio	56.19	65.25	Current assets / Current liabilities
Debt Equity Ratio	0.01	0.01	Total liabilities / Shareholder's equity
Debt Service Coverage Ratio	NA	NA	EBITDA/Interest + Principal
ROE %	3.39%	3.59%	Net income / Shareholder's equity
Inventory turnover Ratio	2117%	3196%	Cost of goods sold / Average inventory
Trade receivables turnover Ratio	569%	681%	Net credit sales / Average accounts receivable
Trade payables turnover Ratio	2100%	3786%	Net credit sales / Average accounts payable
Net Capital turnover Ratio	11.71%	13.53%	Net revenue/WC (CA-CL)
Net Profit Ratio	35.17%	31.52%	Net Profit/Net sales
Return on capital employed	4.85%	5.80%	PBT/(current assets-current liabilities)
Return on Investment	3.39%	3.59%	Net Income / Cost of Investment

The change in ratios by more than 25% as compared to the preceding year is due to decline /increase in income and slight increase /decrease in expenditure for the year.

### 38. Other Additional Regulatory information / disclosures: discrepancies

- Company is the lessee and the lease agreement is executed with lessor, Canara Bank for the RO of the Company. There are no Immovable properties held by the Company.
- Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person that are (i) repayable on demand or (ii) without specifying any terms or period of payment during the year is Nil.





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**Notes forming part of financial statements**

- (c) Company is not covered under section 135 of the Companies Act 2013 for FY 2023-24 as the profit for the year is below the threshold limit of Rs.5,00,000. Hence, disclosure with regard to CSR activities as per the amended act does not arise. (Amount in '00).
- (d) Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year. Hence, disclosure as per the amended act does not arise.
- (e) Capital Work in Progress (CWIP) whose completion is overdue or has extended its cost compared to its original plan, following CWIP completion is : NIL.
- (f) There are no intangible assets under development.
- (g) Company do not have any vigilance cases (complaints received, disposed & balance outstanding, departmental enquiries, prosecution, punishments imposed etc.,) and pending corrective action and RTI matters during FY 2023-24 and for previous years.
- (h) Company do not hold any Benami property under the Benami Transactions (prohibition) Act, 1988 (45 of 1988) and the rules thereunder.
- (i) Company has no working capital/borrowings from Banks or financial institutions on the basis of security of current assets. As such, declaration of willful defaulter by any bank or financial institution or other lender and disclosure of un utilization of borrowings does not arise.
- (j) Company has not granted/provided or received any advance, loan to/from any other persons or entity/entities including foreign entities.
- (k) Company do not have any transactions with companies struck off U/s 248 of the Company's Act 2013 or section 560 of Companies Act, 1956.
- (l) There are no charges or satisfaction yet to be registered with ROC beyond statutory period.
- (m) Compliance with number of layers of Companies prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction on no.of layers) Rules, 2017 – NIL.
- (n) Compliance with approved scheme(s) of arrangements approved by the competent authority in terms of section 230 to 237 (Corporate restructuring) of the Companies Act, 2013 – NIL.
- 39.** Previous year's figures have been re-grouped/ re-classified wherever necessary to correspond with the current year's classification/disclosure.

**40.** Figures are rounded off to the nearest hundred..



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