

**CANBANK VENTURE CAPITAL FUND LIMITED**

No.29, II Floor, Dwarakanath Bhavan, K R Road, Basavanagudi,  
BENGALURU - 560 004.

CIN : U85110KA1995PLC017248

Balance Sheet as at 31 March 2021

(Amount in Rs.)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>I EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital	3	2,500,000	2,500,000
(b) Surplus	4	415,058,951	408,973,815
(2) Non-current liabilities			
(a) Long-term provisions	5	2,044,228	4,289,246
(3) Current liabilities			
(a) Trade payables	6	1,090,562	747,115
(b) Other current liabilities	7	240,696	332,172
(c) Short-term provisions	8	58,912	56,263
		<b>420,993,349</b>	<b>416,898,611</b>
<b>II ASSETS</b>			
<b>Non-current assets</b>			
(1) (a) Property, Plant & Equipment			
(i) Tangible assets	10	596,106	1,590,760
(ii) Intangible assets		-	-
(b) Non-current investments	11	22,912,529	14,801,851
(c) Deferred tax assets (net)	25	1,187,967	1,626,028
(d) Long-term loans and advances	13	2,500,459	2,008,134
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments	9	360,768,462	371,118,587
(b) Trade receivables	12	27,649,688	20,363,195
(c) Cash and cash equivalents	14	2,500,592	879,351
(d) Short-term loans and advances	15	2,840,524	4,214,636
(e) Other current assets	16	37,022	296,069
		<b>420,993,349</b>	<b>416,898,611</b>
Summary of significant accounting policies and other explanatory information	1 to 40		
<p>See accompanying notes forming part of Financial Statements In terms of our report attached <b>for S Janardhan &amp; Associates</b> Chartered Accountants FRN No.005310S</p> <p><b>Debashish Mukherjee</b> Chairman DIN: 08193978</p> <p><b>Sanjay Kumar</b> Managing Director DIN : 08805058</p> <p><b>Balakrishna S Bhat</b> Partner Membership No 202976 UDIN :</p> <p><b>R Chakravarthi</b> Sr. Executive Vice President</p> <p><b>K G Devaraju</b> Project Manager</p> <p>Place: Bengaluru Date: / 04/2021</p>			

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**Statement of Profit and Loss for the year ended 31 March 2021**

(Amount in Rs.)

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
I Revenue from operations	17	39,362,906	63,726,452
II Other Income	18	28,890,126	25,057,854
III Total Revenue (I+II)		<b>68,253,032</b>	<b>88,784,306</b>
<b>IV Expenses</b>			
Employee benefits expense	19	15,060,946	15,958,534
Depreciation and amortization expense	8	463,341	638,264
Other expenses	20	10,774,366	5,046,433
		<b>26,298,653</b>	<b>21,643,231</b>
V Profit before exceptional and extraordinary items and tax (III-IV)		41,954,379	67,141,075
VI Exceptional items		(531,312)	-
VII Profit before extraordinary items and tax (V-VI)		41,423,067	67,141,075
VIII Extraordinary items		-	-
IX Profit before tax		41,423,067	67,141,075
X Tax expense			
(1) Current tax		10,070,000	17,200,000
(2) (Excess)/Shortage of tax made for earlier years		(170,130)	111,673
(3) (Deferred tax Asset)/liability		438,061	(397,102)
XI Profit after tax		31,085,136	50,226,504
		<b>31,085,136</b>	<b>50,226,504</b>
XII Profit/(loss) for the period (IX-X)		31,085,136	50,226,504
XIII Earnings per equity share	21		
Basic & diluted		124.34	200.91
Summary of significant accounting policies and other explanatory information	1 to 40		
<p>See accompanying notes forming part of Financial Statements In terms of our report attached <b>for S Janardhan &amp; Associates</b> Chartered Accountants FRN No.005310S</p> <p><b>Debashish Mukherjee</b> Chairman DIN: 08193978</p> <p><b>Sanjay Kumar</b> Managing Director DIN : 08805058</p> <p><b>Balakrishna S Bhat</b> Partner Membership No 202976 UDIN :</p> <p><b>R Chakravarthi</b> Sr. Executive Vice President</p> <p><b>K/G Devaraju</b> Project Manager</p> <p>Place: Bengaluru Date: / 04/2021</p>			

Cash Flow Statement

(Amount in Rs.)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>A Cash Flow from Operating Activities</b>		
Profit / (Loss) before extraordinary items and tax	41,423,067	67,141,075
<b>Adjustment for:</b>		
Depreciation	463,341	638,264
Interest income	(73,480)	(79,613)
(Profit)/loss on sale of mutual fund	(28,626,811)	(24,951,811)
(Profit) Loss on Sale of Property, Plant and Equipment (net)	-	-
	13,186,116	42,747,915
Operating profit before working capital changes		
<b>Adjustment for:</b>		
Decrease/(Increase) Trade receivables	(7,286,493)	(14,533,428)
Decrease/(Increase) Short-term loans and advances	1,374,111	(111,970)
Decrease/(Increase) Long-term loans and advances	-	-
Decrease/(Increase) Other current assets	-	-
(Decrease)/Increase Trade Payables	343,447	442,302
(Decrease)/Increase Other Current Liabilities	(91,476)	(274,798)
(Decrease)/Increase Long term Provisions	(2,245,018)	796,446
(Decrease)/Increase Short term Provisions	2,649	2,648
<b>Cash Generated from Operations</b>	<b>5,283,337</b>	<b>29,069,115</b>
Income taxes paid, net	(10,392,195)	(16,611,156)
<b>Net Cash Flow from Operating Activities</b>	<b>(5,108,858)</b>	<b>12,457,959</b>
<b>B Cash Flow from Investing Activities</b>		
(Purchase)/Sale of Property, Plant and Equipment (Net)	531,313	(82,973)
Interest received	333,792	7,961
Purchase of VC Fund	(8,500,000)	-
Purchase of Mutual Fund	(1,142,400,000)	(402,300,000)
Sale of Mutual Fund	1,181,376,936	419,300,482
Proceeds from AIF	388,059	269,653
(Increase)/Decrease in deposits maintained with bank- other bank balances	(326,444)	-
<b>Net Cash Flow from Investing Activities</b>	<b>31,403,655</b>	<b>17,195,123</b>
<b>C Cash Flow from Financing Activities</b>		
Dividend including dividend tax paid	(25,000,000)	(30,140,000)
<b>Net Cash Flow from Financing Activities</b>	<b>(25,000,000)</b>	<b>(30,140,000)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents ( A+B+C )</b>	<b>1,294,797</b>	<b>(486,917)</b>
<b>Increase / (Decrease) in Cash And Cash Equivalents</b>		
Cash and Cash Equivalents at the Beginning of the Year	129,351	616,268
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>1,424,148</b>	<b>129,351</b>

Note :

- The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2020 and the related Statement of Profit and Loss for the year ended on that date.
- 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 in Rs.)
Particulars	Year ended March 31, 2021	Year ended March 31, 2020	
Cash and Bank balances (Refer Note no. 14)	2,500,592	879,351	
Less: Other Bank balances (Refer Note no. 14)	1,076,444	750,000	
<b>Cash and cash equivalents at the end of the year</b>	<b>1,424,148</b>	<b>129,351</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 S Janardhan & Associates**  
Chartered Accountants  
FRN No.005310S

**Debashish Mukherjee**  
Chairman  
DIN: 08193978

**Sanjay Kumar**  
Managing Director  
DIN : 08805058

**Balakrishna S Bhat**  
Partner  
Membership No 202976  
UDIN : 9900250997

**R Chakravarthi**  
Sr. Executive Vice President

**K/G Devaraju**  
Project Manager

Place: Bengaluru  
Date: /04/2021

**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.

**b) Use of estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles in India 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) Revenue 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**

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

**d) Property, plant and equipment**

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 and interest on borrowings attributable to acquisition of qualifying assets up to the date the property, plant and equipment is ready for its intended use. The Company has adopted the provisions of Para 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable property, plant and equipment are adjusted to the cost of the respective property, plant and equipment and depreciated over the remaining useful life of such property, plant and equipment's.

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 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.

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

**e) Investments:**

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

**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 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**

Gratuity in respect of company employees is based on premium paid to LIC, which is computed on actuarial valuation method, and the same is charged to Profit and Loss Account. Leave encashment to company employees is based on actuarial valuation method.

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

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

the extent that reasonable certainty exists that sufficient future taxable income will be available 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 realisable.

**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 value in use.

**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:**

GST Input Tax Credit is accounted in the books, wherever the Company is eligible, in the period in which the underlying service received and when there is reasonable certainty in availing /utilizing the credits.



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

Note

No.

3 Share capital :

(Amount in Rs.)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Rs.	Number	Rs.
<b>Authorised Share Capital</b> Equity Shares of Rs.10/- each (P.Y : Rs.10/- each) with voting rights	1,000,000	10,000,000	1,000,000	10,000,000
<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	2,500,000	250,000	2,500,000

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Rs.	Number	Rs.
<b>Equity Shares with voting rights</b>				
Shares outstanding at the beginning of the year	250,000	2,500,000	250,000	2,500,000
Add : Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	250,000	2,500,000	250,000	2,500,000

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 2021		As at 31 March 2020	
	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

CANBANK VENTURE CAPITAL FUND LIMITED  
Notes forming part of financial statements

Note No.	Particulars	As at	As at
		31 March 2021	31 March 2020
		(Amount in Rs.)	
4	<b>Surplus :</b>		
	<b>General Reserve:</b>		
	Balance at the beginning of the year	61,988,000	56,888,000
	Transferred from Statement of Profit & Loss	3,200,000	5,100,000
	<b>Balance at the end of the year</b>	<b>65,188,000</b>	<b>61,988,000</b>
	<b>Surplus in Statement of Profit and Loss</b>		
	Balance at the beginning of the year	346,985,815	301,859,311
	<b>Add:</b> Profit for the year	27,885,136	45,126,504
	<b>Less:</b> Dividend paid for FY 2019-20	(25,000,000)	-
	<b>Balance at the end of the year</b>	<b>349,870,951</b>	<b>346,985,815</b>
		<b>415,058,951</b>	<b>408,973,815</b>
5	<b>Long-term provisions</b>		
	<b>Provision for employee benefits</b>		
	Gratuity & Leave Salary to deputed employees	178,422	2,466,385
	Leave Salary to Company staff	1,865,806	1,822,861
		<b>2,044,228</b>	<b>4,289,246</b>
6	<b>Trade payables</b>		
	Trade Payables -Others	1,090,562	747,115
		<b>1,090,562</b>	<b>747,115</b>
7	<b>Other current liabilities</b>		
	Statutory remittances (TDS, GST, PF and PT)	240,696	332,172
		<b>240,696</b>	<b>332,172</b>
8	<b>Short-term provisions</b>		
	Leave Salary for Company Staff	58,912	56,263
		<b>58,912</b>	<b>56,263</b>
9	<b>Current Investments (At lower of cost or market value, unless otherwise stated)</b>		
	(1) Trade investments	-	-
	(2) Other investments - Short Term (Quoted)		
	(a) Canara Robeco Savings Fund -Direct Growth	360,768,462	8,772,317
	(b) Canara Robeco Liquid Fund -Direct Growth	-	7,346,270
	(c) Canara Robeco short duration Fund - Direct Growth	-	355,000,000
		<b>360,768,462</b>	<b>371,118,587</b>
	<b>Aggregate market value of quoted investments</b>	<b>363,252,697</b>	<b>373,980,814</b>

CANBANK VENTURE CAPITAL FUND LIMITED  
Notes forming part of financial statements

FY 2020-21

Note No.10 - Property, Plant and Equipment

Sr.N o.	Description of Assets	Gross Block					Depreciation				Net Block	
		As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	For the year	Disposals	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	
1	Furniture & Fixtures	3,015,311	-	2,413,811	601,500	2,356,801	164,146	2,017,704	503,243	98,257	658,510	
2	Vehicles	1,021,562	-	-	1,021,562	393,569	196,122	-	589,691	431,871	627,993	
3	Office Equipments	1,203,805	-	827,571	376,234	1,096,423	61,363	796,562	361,224	15,010	107,382	
4	Electrical Equipments	645,576	-	636,277	9,299	499,779	36,079	532,080	3,778	5,521	145,797	
5	Computers Servers & Networks	102,142	-	-	102,142	92,664	2,709	-	95,373	6,769	9,478	
	End user devices	924,824	-	-	924,824	883,224	2,922	-	886,146	38,678	41,600	
	<b>Total</b>	<b>6,913,220</b>	<b>-</b>	<b>3,877,659</b>	<b>3,035,561</b>	<b>5,322,460</b>	<b>463,341</b>	<b>3,346,346</b>	<b>2,439,455</b>	<b>596,106</b>	<b>1,590,760</b>	
	Previous year	6,832,581	82,978	2,339	6,913,220	4,686,530	638,264	2,334	5,322,460	1,590,760	2,146,051	

(Amount in Rs.)

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

Note No.	Particulars	As at 31 March 2021	As at 31 March 2020
		(Amount in Rs.)	
11	<b>Non-current investments (At cost)</b>		
	<b>(1) Other investments - Long Term</b>		
	<b>Quoted</b>		
	(a) Canara Robeco Fixed Maturity Plan Series 8 - Direct Growth 500000 Units of Rs.10 each (Previous period : 500000 of Rs.10 each)	5,000,000	5,000,000
	<b>Unquoted</b>		
	(b) Emerging India Growth Fund 247 units of Rs.100/- per unit. (Previous period: 2914 units of Rs.100/- per unit)	24,700	291,400
	(c) Electronics Development Fund 93.87829 units of Rs.100000/- per unit. (Previous period: 95.10451 units)	9,387,829	9,510,451
	(d) Empower India Fund 8500000 units of Rs.1/- per unit. (Previous period : Nil)	8,500,000	-
		<b>22,912,529</b>	<b>14,801,851</b>
	<b>Aggregate market value of quoted investments</b>	<b>6,209,150</b>	<b>5,787,050</b>
12	<b>Trade Receivables</b>		
	<b>Unsecured, considered good</b>		
	Electronics Development Fund (Outstanding for a period exceeding six months : Rs. Nil)	27,649,688	7,354,599
	Empower India Fund (Outstanding for a period exceeding six months : Rs. Nil)	-	2,074,673
	Emerging India Growth Fund (Outstanding for a period exceeding six months : Rs. Nil)	-	10,933,923
		<b>27,649,688</b>	<b>20,363,195</b>
13	<b>Long-term loans and advances</b>		
	<b>Unsecured, considered good</b>		
	(f) Advance income tax (net of provisions Rs.1,00,35,000 (As at 31 March, 2020 Rs.1,72,00,000)	2,479,459	1,987,134
	Security Deposits	21,000	21,000
		<b>2,500,459</b>	<b>2,008,134</b>
14	<b>Cash and Cash Equivalents</b>		
	(a) Balances with Bank - in current account	1,418,960	118,591
	(b) Cash on hand	5,188	10,760
	(c) Other Bank balance - Refer note below	1,076,444	750,000
		<b>2,500,592</b>	<b>879,351</b>
	Note - The bank deposit is without lien and having a maturity period more than 12 months		
15	<b>Short Term Loans and Advances</b>		
	<b>Unsecured, considered good</b>		
	Empower India Fund	-	3,740,094
	GST Input Credit	1,141,475	232,525
	Prepaid expenses	321,694	211,595
	Advance -Others	1,377,355	30,422
		<b>2,840,524</b>	<b>4,214,636</b>
16	<b>Other Current Assets</b>		
	<b>Unsecured, considered good</b>		
	Interest accrued but not due on bank deposits	37,022	296,069
		<b>37,022</b>	<b>296,069</b>

CANBANK VENTURE CAPITAL FUND LIMITED  
Notes forming part of financial statements

Note No.	Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
		(Amount in Rs.)	
17	<b>Revenue From Operations</b>		
	Management fee	39,362,906	61,851,452
	Trusteeship fee	-	1,875,000
		<b>39,362,906</b>	<b>63,726,452</b>
18	<b>Other income</b>		
	Interest on bank deposits	73,480	79,613
	Profit on sale of investments	28,626,811	24,951,811
	Excess provision made in PY written back	101,665	-
	Miscellaneous Income	88,170	26,430
		<b>28,890,126</b>	<b>25,057,854</b>
19	<b>Employee benefits expense</b>		
	Salaries, wages and allowances	13,920,232	14,353,452
	Contribution to Provident and other Funds	407,659	448,368
	Gratuity expense	404,721	387,913
	Leave encashment	256,141	631,378
	Staff Training /Seminar	-	51,000
	Staff welfare expenses	72,193	86,423
		<b>15,060,946</b>	<b>15,958,534</b>
20	<b>Other expenses</b>		
	Power & Fuel	131,830	166,904
	Rent	1,052,231	993,252
	Vehicle Running Expenditure	323,210	643,955
	Repairs & Maintenance - Premises	97,820	100,240
	Repairs & Maintenance - Others	157,537	185,472
	Travelling expenses	129,129	349,838
	Printing & Stationery	106,613	138,146
	Subscription	213,175	288,295
	Legal and professional charges	956,200	796,900
	( Includes payment to Auditors - Refer Note No. 20.1)		
	Bank Charges	454,222	920
	Rates and taxes	58,313	17,188
	Insurance	9,963	27,298
	Telephone charges	53,054	67,792
	Corporate Social Responsibility (CSR)	5,750,000	-
	Trusteeship fee -CBVDT (Canara Bank)	400,000	400,000
	Donation	-	15,000
	Miscellaneous expenses	881,069	855,233
		<b>10,774,366</b>	<b>5,046,433</b>

20.1 Payment to Auditors

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
	(Amount in Rs.)	
Payment to Statutory Auditors		
For Statutory Audit - S Janardhan & Associates ( PY: JAA & Associates)	50,000	50,000
For Tax Audit - MSSV & Co	14,000	14,000
For EDF Statutory & Tax Audit - MSSV & Co	40,000	30,000
<b>Total</b>	<b>104,000</b>	<b>94,000</b>

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

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

The Company makes Provident Fund which is defined contribution plans 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.4,07,659 (Previous year Rs.4,48,368) for Provident Fund Contribution. 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 2021</b>	<b>As at 31 March 2020</b>
Discount Rate (% p.a.)	6.85%	6.7%
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

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.

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

**23. Related Party Disclosures:**

- (i) Related Parties:  
 Canara Bank – Parent Bank  
 Canara Robeco – Associate Company

(ii) Material transactions with Related Parties: (Amount in Rs.)

Nature of Transactions	Volume of Transactions during the year		Year End Balance	
	2020-21	2019-20	2020-21	2019-20
<b>a) Canara Bank:</b>				
Equity Contribution: All the shares are held by Canara Bank and its nominees	-	-	25,00,000	25,00,000
Lease Rent for the company's RO premises	10,52,231	9,93,252	1,31,118	1,48,988
Quarters' Rent to deputed staff	5,97,333	10,12,901	0	47,500
Bank Deposit with Canara Bank branch	3,26,444	-	10,76,444	7,50,000
Interest accrued but not due on bank deposits	35,120	79,613	37,022	2,96,069
Salary & other allowances to deputed staff (including arrears paid in FY 20-21)	88,77,789	75,49,966	6,53,327	4,32,922
Premises maintenance	2,29,650	2,67,144	18,000	25,633
Final Dividend	-	2,50,00,000	-	-
Canara Robeco – Purchase of Mutual Fund (including switchover)	1,14,24,00,000	40,23,00,000	36,57,68,462	37,61,18,587
Canara Robeco – Sale of Mutual Fund	1,18,13,76,936	41,93,00,482	-	-
Profit on sale of Mutual Fund investments	2,86,26,811	2,49,51,811	-	-
Canbank Computer Services Ltd. (CCSL) - R&T Agents for handling CVCFL shares with NSDL.	20,901	20,080	5,000	5,000

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

(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.

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

(Amount in Rs.)

	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Profit After Tax	3,10,85,137	5,02,26,504
Weighted average number of equity shares	2,50,000	2,50,000
Earnings Per Share (Basic and Diluted)	124.34	200.91
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 Rs.)

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</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	6,58,649	5,32,350
Disallowances under Section 43B of the Income Tax Act, 1961	5,29,318	10,93,678
<b>Deferred tax (liabilities) / assets (net)</b>	<b>11,87,967</b>	<b>16,26,028</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.



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

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.16,405 lakhs (Previous year: Rs. 19343.54 lakhs).

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, 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 lakhs is given by the Company for EDF for which Rs.10.76 lakhs has been kept as deposit with Canara Bank as margin money.

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.3,38,62,906.

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 Cr by declaring the first close of the fund on 06.12.2019. 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 Cr only. As such, the Management fee earned by CVCFL during the current financial year is Rs. 55,00,000/-.

**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. The company is following up with the Contributors for extension of Management fee and Trusteeship agreement till 30.06.2021.

**29.** EDF has paid Rs.1,22,622/-towards partial redemption of corpus for FY 2020-21. Accordingly, the investments in EDF has been reduced in line with the distribution waterfall of EDF.

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

**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. 100 lacs in Electronics Development Fund (EDF) and the outstanding corpus as on 31.03.2021 stands at Rs.93.88 lakhs.

**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 during the year by CVCFL for which it has contributed Rs.85.00 lakhs during the year, FY 20-21 as first tranche of corpus of its committed corpus of Rs.10.00 Cr and the same has been shown under Investments.

**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) (erstwhile Venture Capital Fund registered under SEBI VCF Regulations 1996) is accorded tax pass through status, i.e., income of the AIF shall be chargeable to tax directly in the hands of its investors. However, where the income of the investment fund (registered under SEBI AIF Regulations 2012) is characterized as income under the head "Profits and gains of business or profession", the investment fund would be taxable in respect of such income at the maximum marginal rate of tax.

These amounts have been offered to Income Tax in line with the Form 64 received from the investee AIF funds in the year in which such form is received (received for FY 2019-20, Rs. 2,81,163). 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. Similarly for Emerging India Growth Fund, Rs.6,210/-.

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

(Amount in Rs.)

	As at 31 March 2021	As at 31 March 2020
(a) Contingent liability (Performance guarantee given to Deity for EDF)	50,00,000	50,00,000
(b) Commitments	-	-

**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. Since the financial year 2014-15, the earmarked CSR amount has been accumulating and as on 31.03.2020, a sum of Rs. 103.17 lakh is outstanding. Subsequently, the company has entered into an memorandum of understanding with Birla Institute of Technology & Science, Pilani funded by the central government and other private agencies/individuals to fund their incubation centre. Birla Institute of Technology & Science, Pilani is eligible to receive CSR money as per section 135 of the Companies Act, 2013. During the year, Company has incurred a sum of Rs.57.50 lakhs out of the committed CSR amount of Rs.75.00 lacs. Further the company is in the process of finding suitable opportunities for balance CSR expenditure. The CSR amount for FY 2020-21, is Rs.13.51 lacs.

**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.** The Company, w.e.f 15<sup>th</sup> March 2021 has shifted its Registered Office within the local limits of Bengaluru i.e from M G Road to Basavanagudi on the advice of Canara Bank, the Parent -Promoter Bank of the Company.

**38.** The exceptional item reported in the statement of profit and loss includes the unrealized amount on dismantling / leftover items of fixed asset while shifting of Registered Office.

**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 rupee.

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