

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 2023

(Amount in Rs.)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	2,500,000	2,500,000
(b) Surplus	4	376,556,632	363,717,589
(2) Non-current liabilities			
(a) Long-term provisions	5	2,964,093	2,771,092
(3) Current liabilities			
(a) Trade payables	6	1,738,723	378,688
(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	267,561	213,877
(c) Short-term provisions	8	677,532	64,950
		384,704,541	369,646,196
II ASSETS			
Non-current assets			
(1) (a) Property, Plant & Equipment and Intangible Assets			
(i) Property, Plant & Equipment	10	1,724,898	2,328,405
(ii) Intangible Assets			
(b) Non-current investments	11	56,458,717	34,326,072
(c) Deferred tax assets (net)	25	1,555,333	1,346,103
(d) Long-term loans and advances	13	7,614,223	4,405,752
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments	9	-	317,484,125
(b) Trade receivables	12	6,411,942	6,132,744
(c) Cash and cash equivalents	14	297,825,780	2,016,917
(d) Short-term loans and advances	15	889,781	1,506,120
(e) Other current assets	16	12,223,867	99,958
		384,704,541	369,646,196

Summary of significant accounting policies and other explanatory information

1 to 41

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

for **K S Ramkumar & Co.**

Chartered Accountants

FRN No.006167S

Brijmohan Sharma

Chairman

DIN: 09646943

Sanjay Kumar

Managing Director

DIN : 08805058

K S Ramkumar

Proprietor

Membership No 027484

UDIN :

B Panigrahi

Sr. Executive Vice President

K G Devaraju

Project Manager

Place: Bengaluru

Date: 18/04/2023



CANBANK VENTURE CAPITAL FUND LIMITED

No.29, II Floor, Dwarakanath Bhavan, K R Road, Basavanagudi,
BENGALURU - 560 004.
CIN : U85110KA1995PLC017248

Statement of Profit and Loss for the year ended 31 March 2023

(Amount in Rs.)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
I Revenue from operations	17	19,001,767	21,650,154
II Other Income	18	17,508,299	16,768,720
III Total Income (I+II)		36,510,066	38,418,874
IV Expenses			
Employee benefits expense	19	15,973,251	14,040,604
Depreciation and amortization expense	10	603,506	551,275
Other expenses	20	4,804,785	6,389,894
		21,381,542	20,981,773
V Profit before exceptional and extraordinary items and tax (III-IV)		15,128,524	17,437,101
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V-VI)		15,128,524	17,437,101
VIII Extraordinary items		-	-
IX Profit before tax		15,128,524	17,437,101
X Tax expense			
(1) Current tax		3,700,000	4,990,000
(2) (Excess)/Shortage of tax made for earlier years		(1,201,289)	1,446,599
(3) (Deferred tax Asset)/liability		(209,230)	(158,136)
Total tax expense		2,289,481	6,278,463
XI Profit after tax		12,839,043	11,158,638
XII Profit/(loss) for the period (IX-X)		12,839,043	11,158,638
XIII Earnings per equity share	24		
Basic & diluted		51.36	44.63
Summary of significant accounting policies and other explanatory information	1 to 41		

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: 18/04/2023



Brijmohan Sharma
Chairman
DIN: 09646943

B Panigrahi
Sr. Executive Vice President

Sanjay Kumar
Managing Director
DIN : 08805058

K G Devaraju
Project Manager



Cash Flow Statement

(Amount in Rs.)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
A Cash Flow from Operating Activities		
Profit / (Loss) before extraordinary items and tax	15,128,524	17,437,101
Adjustment for:		
Depreciation	603,506	551,275
Interest income	(13,538,177)	(79,621)
(Profit)/loss on sale of mutual fund	(3,798,258)	(16,687,927)
(Profit) Loss on Sale of Property, Plant and Equipment (net)	-	-
	(1,604,405)	1,220,828
Operating profit before working capital changes		
Adjustment for:		
Decrease/(Increase) Trade receivables	(279,198)	21,516,944
Decrease/(Increase) Short-term loans and advances	616,339	1,334,404
Decrease/(Increase) Long-term loans and advances	-	-
Decrease/(Increase) Other current assets	-	-
(Decrease)/Increase Trade Payables	1,360,035	(711,874)
(Decrease)/Increase Other Current Liabilities	53,684	(26,819)
(Decrease)/Increase Long term Provisions	193,001	726,864
(Decrease)/Increase Short term Provisions	612,582	6,038
Cash Generated from Operations	952,038	24,066,385
Income taxes paid, net	(4,765,922)	(8,341,892)
Net Cash Flow from Operating Activities	(3,813,884)	15,724,493
B Cash Flow from Investing Activities		
(Purchase)/Sale of Property, Plant and Equipment (Net)	-	(2,283,574)
Interest received	1,314,310	16,685
Purchase of VC Fund	(22,132,645)	(16,473,000)
Purchase of Mutual Fund	(496,500,000)	(1,576,700,000)
Sale of Mutual Fund	816,804,818	1,641,672,264
Proceeds from AIF	136,264	59,457
(Increase)/Decrease in deposits maintained with bank- other bank balances	(295,900,000)	-
Net Cash Flow from Investing Activities	3,722,747	46,291,832
C Cash Flow from Financing Activities		
Dividend including dividend tax paid	-	(62,500,000)
Net Cash Flow from Financing Activities	-	(62,500,000)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(91,137)	(483,675)
Increase / (Decrease) in Cash And Cash Equivalents		
Cash and Cash Equivalents at the Beginning of the Year	940,473	1,424,148
Cash and Cash Equivalents at the End of the Year	849,336	940,473

Note :

i) The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2023 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 in Rs.)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash and Bank balances (Refer Note no. 14)	297,825,780	2,016,917
Less: Other Bank balances (Refer Note no. 14)	296,976,444	1,076,444
Cash and cash equivalents at the end of the year	849,336	940,473

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: 18/04/2023

Brijmohan Sharma
 Chairman
 DIN: 09646943

B Panigrahi
 Sr. Executive Vice President

Sanjay Kumar
 Managing Director
 DIN : 08805058

K G Devaraju
 Project Manager



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



CANBANK VENTURE CAPITAL FUND LIMITED
Notes forming part of financial statements

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

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 recognised pertaining to the sums which the Company may be liable contingently in the future is done on the following bases

- a. Company employees = ascertained on the bases of applying a standard multiplication factor to debit of employee costs.
- b. Deputed employees = On the bases of relevant proportion of the period served by deputed employees in the service of this Company.

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

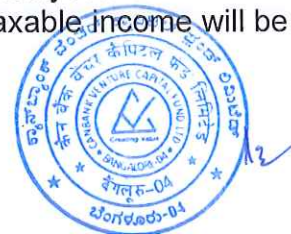
g) Tax on Income:

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

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 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 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 finalising the GST annual returns.



CANBANK VENTURE CAPITAL FUND LIMITED
Notes forming part of financial statements

Note No.

3 Share capital :

(Amount in Rs.)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Rs.	Number	Rs.
Authorised Share Capital Equity Shares of Rs.10/- each (P.Y : Rs.10/- each) with voting	1,000,000	10,000,000	1,000,000	10,000,000
Issued, subscribed and fully paid-up shares 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 2023		As at 31 March 2022	
	Number	Rs.	Number	Rs.
Equity Shares with voting rights 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 2023		As at 31 March 2022	
	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 2023		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 2022-23



CANBANK VENTURE CAPITAL FUND LIMITED
Notes forming part of financial statements

Note No.	Particulars	As at 31 March 2023	As at 31 March 2022
		(Amount in Rs.)	
4	Surplus :		
	General Reserve:		
	Balance at the beginning of the year	66,388,000	65,188,000
	Transferred from Statement of Profit & Loss	1,300,000	1,200,000
	Balance at the end of the year	67,688,000	66,388,000
	Surplus in Statement of Profit and Loss		
	Balance at the beginning of the year	297,329,589	349,870,951
	Add: Profit for the year	11,539,043	9,958,638
	Less: Dividend paid for FY 2020-21	-	(12,500,000)
	Less: Interim Dividend paid for FY 2021-22	-	(50,000,000)
	Balance at the end of the year	308,868,632	297,329,589
		376,556,632	363,717,589
5	Long-term provisions		
	Provision for employee benefits		
	Gratuity & Leave Salary to deputed employees	1,632,089	828,350
	Leave Salary to Company staff	1,332,004	1,942,742
		2,964,093	2,771,092
6	Trade payables		
	Others		
	(a) Outstanding dues of micro enterprises and small enterprises (MSME)	-	-
	(b) Outstanding dues of creditors other than MSME	1,738,723	378,688
	Note: Disputed & Undisputed dues to MSME - NIL (Other than MSME -Outstanding less than 1 year)		
		1,738,723	378,688
7	Other current liabilities		
	Others payables		
	Statutory remittances (TDS, GST, PF and PT)	267,561	213,877
		267,561	213,877
8	Short-term provisions		
	Leave Salary for Company Staff	677,532	64,950
		677,532	64,950
9	Current Investments (At lower of cost or market value, unless otherwise stated)		
	(1) Trade investments	-	-
	(2) Other investments - Short Term (Quoted)		
	(a) Canara Robeco Liquid Fund -Direct Growth	-	129,993,500
	(b) HDFC Low duration Direct Growth Fund	-	99,995,000
	(c) HDFC Ultra Short Term Fund	-	87,495,625
		-	317,484,125
	Aggregate market value of quoted investments	-	317,582,460
	Aggregate amount of unquoted investments	-	-



CANBANK VENTURE CAPITAL FUND LIMITED
Notes forming part of financial statements

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

(Amount in Rs.)

Sr.No.	Description of Assets	Gross Block				Depreciation				Net Block	
		As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	For the year	Disposals	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
(A)	Property, Plant & Equipment										
1	Furniture & Fixtures	2,541,790	-	-	2,541,790	868,622	433,183	-	1,301,805	1,239,985	1,673,168
2	Vehicles	1,021,562	-	-	1,021,562	724,564	92,752	-	817,316	204,246	296,998
3	Office Equipments	376,234	-	-	376,234	361,345	-	-	361,345	14,889	14,889
4	Electrical Equipments	352,583	-	-	352,583	53,037	77,553	-	130,591	221,992	299,546
5	Computers Servers & Networks	102,142	-	-	102,142	97,017	18	-	97,035	5,107	5,125
	End user devices	924,824	-	-	924,824	886,146	-	-	886,146	38,678	38,678
(B)	Intangible Assets										
	Computer Software	-	-	-	-	-	-	-	-	-	-
	Total	5,319,135	2,283,574	-	5,319,135	2,990,730	603,506	-	3,594,237	1,724,898	2,328,405
	Previous year	3,035,561			5,319,135	2,439,455	551,275		2,990,730	2,328,405	596,106



CANBANK VENTURE CAPITAL FUND LIMITED

Notes forming part of financial statements

Note No.	Particulars	As at 31 March 2023	As at 31 March 2022
(Amount in Rs.)			
11	Non-current investments (At cost)		
	(1) Other investments - Long Term		
	Quoted	-	-
	Unquoted		
	(a) Emerging India Growth Fund		
	NIL units of Rs.100/- per unit. (Previous period: 156 units)	-	15,600
	(b) Electronics Development Fund		
	91.995 units of Rs.100000/- per unit. (Previous period: 93.37472 units)	9,191,717	9,337,472
	(c) Empower India Fund		
	47267000 units of Rs.1/- per unit. (Previous period :24973000 units)	47,267,000	24,973,000
		56,458,717	34,326,072
	Aggregate market value of quoted investments	-	-
	Aggregate amount of unquoted investments	56,458,717	34,326,072
12	Trade Receivables		
	(a) Unsecured, Undisputed, considered good		
	Electronics Development Fund	6,411,942	6,132,744
	(Outstanding for a period less than six months)		
	(b) Disputed Trade Receivables considered good /doubtful	-	-
		6,411,942	6,132,744
13	Long Term Loans & Advances		
	Unsecured, considered good		
	Advance income tax (net of provisions Rs.3700000) (As at 31 March, 2022 Rs.49,90,000)	7,593,223	4,384,752
	Other loans & advances	21,000	21,000
		7,614,223	4,405,752
14	Cash and Cash Equivalents		
	(a) Balances with Bank - in current account	837,793	934,965
	(b) Cash on hand	11,543	5,508
	(c) Other Bank balance - Refer note below	296,976,444	1,076,444
		297,825,780	2,016,917
	Note - The bank deposit is without lien and having a maturity period more than 12 months, Rs.2976444 (PY Rs.1076444). Less than 12 months, Rs.294000000 (PY Rs.Nil)		
15	Short Term Loans and Advances		
	Unsecured, considered good		
	Empower India Fund	-	542,500
	GST Input Credit	768,207	858,331
	Prepaid expenses	121,574	105,289
	Advance -Others	-	-
		889,781	1,506,120
16	Other Current Assets		
	Unsecured, considered good		
	Interest accrued but not due on bank deposits	12,223,867	99,958
		12,223,867	99,958



Note No.	Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
		(Amount in Rs.)	
17	Revenue from Operations		
	Management fee	19,001,767	21,650,154
		19,001,767	21,650,154
18	Other income		
	Interest on bank deposits	13,538,177	79,621
	Profit on sale of investments	3,798,258	16,687,927
	Pass through income from Emergng India Growth Fund	136,264	-
	Miscellaneous Income	35,600	1,172
		17,508,299	16,768,720
19	Employee benefits expense		
	Salaries, wages and allowances	14,143,158	12,590,234
	Contribution to Provident and other Funds	408,750	389,775
	Gratuity expense	492,435	379,299
	Leave encashment	835,745	612,139
	Staff welfare expenses	93,163	69,157
		15,973,251	14,040,604
20	Other expenses		
	Rent	2,126,256	1,771,876
	Vehicle Running Expenditure	408,909	381,194
	Repairs & Maintenance - Others	205,557	162,675
	Travelling expenses	27,961	20,600
	Printing & Stationery	66,373	57,751
	Subscription	107,444	282,918
	Legal and professional charges (Includes payment to Auditors - Refer Note No. 20.1)	636,800	810,146
	Bank Charges	2,385	1,446
	Rates and taxes	30,656	118,197
	Insurance	26,964	16,866
	Telephone charges	14,628	16,720
	Publicity/ Advertisement	74,536	-
	Corporate Social Responsibility (CSR)	-	1,750,000
	Trusteeship fee -CBVDT (Canara Bank)	400,000	400,000
	Miscellaneous expenses	676,316	599,505
		4,804,785	6,389,894

20.1 Payment to Auditors

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
	(Amount in Rs.)	
Payment to Statutory Auditors		
1. Statutory Audit -K S Ramkumar & Co (PY : KS Ramkumar & Co)	60,000	60,000
2. Tax Audit - MSSV & Co	20,000	20,000
3. EDF Statutory & Tax Audit - MSSV & Co	40,000	40,000
Total	120,000	120,000



CANBANK VENTURE CAPITAL FUND LIMITED
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21. Employee benefits
Defined Contribution Plans

The Company makes Provident Fund which is 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.4,08,750 (Previous year Rs.3,89,775) 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

	As at 31 March 2023	As at 31 March 2022
Discount Rate (% p.a.)	7.55%	6.90%
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

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

Nature of Transactions	Volume of Transactions during the year		Year End Balance	
	2022-23	2021-22	2022-23	2021-22



CANBANK VENTURE CAPITAL FUND LIMITED

Notes forming part of financial statements

a) Canara Bank:				
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	21,26,256	17,71,876	1,59,469	-
Quarters' Rent to deputed staff	11,12,333	5,12,000	3,23,550	-
Bank Deposit with Canara Bank branch	31,13,00,000	150,00,000	29,69,76,444	10,76,444
Interest accrued but not due on bank deposits	1,35,38,177	62,936	1,22,23,867	99,958
Salary, Gratuity & Leave Salary to deputed staff	98,98,323	80,40,383	16,32,089	8,28,350
Premises maintenance	-	-	-	-
Interim Dividend FY 21-22	-	5,00,00,000	-	-
Final Dividend FY 20-21	-	1,25,00,000	-	-
b) Group Entities:				
Canara Robeco – Purchase of Mutual Fund (including switchover)	112,29,93,500	101,55,00,000	-	12,99,93,500
Canara Robeco – Sale of Mutual Fund	112,29,93,500	125,12,74,962	-	-
Profit on sale of Mutual Fund investments	35,11,719	1,45,29,233	-	-
Canbank Computer Services Ltd. (CCSL) - R&T Agents for handling CVCFL shares with NSDL.	20,080	21,240	5,020	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.)

	As at 31 March 2023	As at 31 March 2022
Profit After Tax	1,28,39,043	1,11,58,638
Weighted average number of equity shares	2,50,000	2,50,000
Earnings Per Share (Basic and Diluted)	51.36	44.63
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.)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax (liabilities) / assets		
<u>Tax effect of items constituting deferred tax assets</u>		
On difference between book balance and tax balance of fixed assets	6,38,809	6,32,328
Disallowances under Section 43B of the Income Tax Act, 1961	9,16,524	7,13,775
Deferred tax (liabilities) / assets (net)	15,55,333	13,46,103
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 CVCFL as at the end of financial year is Rs.141,18,17,956(Previous year:Rs.161,19,55,953).

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.50,00,000 is given by the Company for EDF for which Rs.10,76,444 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.1,35,01,767(Previous Year : 1,61,50,154).

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.235,00,00,000 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.27,50,00,000 only. As such, the Management fee earned by CVCFL during the current financial year is Rs. 55, 00,000/- (Previous Year: 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.

29. EDF has paid Rs.1,45,755 towards partial redemption of corpus for FY 2022-23. Accordingly, the investments in EDF has been reduced in line with the distribution waterfall of EDF.

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.1,00,00,000in Electronics Development Fund (EDF) and the outstanding corpus as on 31.03.2023 stands at Rs.91,91,717.



CANBANK VENTURE CAPITAL FUND LIMITED
Notes forming part of financial statements

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.4,72,67,000 so far towards the corpus of its committed corpus of Rs.10,00,00,000 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) 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 2021-22).

Pass through income from;

VCF/AIF	STCG	LTCG	Other Income	Total
EDF	487473	464459	(43253)	9,08,679
EIGF	-	5050	(86)	4,964
EIF	-	-	(760000)	(7,60,000)
Total	487473	469509	(803339)	1,53,643

(Net amount in PY, Rs.(1,80,626). 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.

34. Contingent liabilities and commitments (to the extent not provided for)
(Amount in Rs.)

	As at 31 March 2023	As at 31 March 2022
(a) Contingent liability (Performance guarantee given to Meity for EDF)	50,00,000	50,00,000
(b) Commitments	-	-

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 31.03.2021, a sum of Rs.1,16,68,139 is outstanding. 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 Center. Birla Institute of Technology & Science, Pilani is eligible to receive CSR money as per section 135 of the Companies Act, 2013.



CANBANK VENTURE CAPITAL FUND LIMITED

Notes forming part of financial statements

During the year 2020-21 the Company has incurred a sum of Rs.57,50,000 and the balance in FY 2021-22, Rs.17,50,000 out of the committed CSR amount of Rs.75,00,000. The CSR amount for FY 2022-23 is Rs.NIL as the average Net profit of the Company (Rs.4,20,00,414) for Previous three years is below the thresholding limit of Rs.5,00,00,000.

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. Company, CVCFL is an Asset Management Company, presently managing three Venture Capital Funds and one Fund of Funds. The main income of the Company is Management fee for managing these funds and other income includes income from surplus funds investments in bank deposits & Mutual Fund Investments. Hence, our target on income is not affected by the COVID1 or 2 or 3.

38. Ratio Analysis:

PARTICULARS	31.03.2022	31.03.2023	Explanation for computing ratios
Current Ratio	95.44	56.19	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 %	3.05%	3.39%	Net income / Shareholder's equity
Inventory turnover Ratio	1650%	2117%	Cost of goods sold / Average inventory
Trade receivables turnover Ratio	626%	569%	Net credit sales / Average accounts receivable
Trade payables turnover Ratio	10145%	2100%	Net credit sales / Average accounts payable
Net Capital turnover Ratio	11.86%	11.71%	Net revenue/WC (CA-CL)
Net Profit Ratio	29.04%	35.17%	Net Profit/Net sales
Return on capital employed	5.38%	4.85%	PBT/(current assets-current liabilities)
Return on Investment	3.05%	3.39%	Net Income / Cost of Investment

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

39. Other Additional Regulatory information / disclosures:

- (a) 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.



CANBANK VENTURE CAPITAL FUND LIMITED

Notes forming part of financial statements

- (b) 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.
- (c) Company is not covered under section 135 of the Companies Act 2013 for FY 2022-23 as the profit for the year is below the threshold limit of Rs.500,00,000. Hence, disclosure with regard to CSR activities as per the amended act does not arise.
- (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 2022-23 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.



CANBANK VENTURE CAPITAL FUND LIMITED
Notes forming part of financial statements

40. Previous year's figures have been re-grouped/ re-classified wherever necessary to correspond with the current year's classification/disclosure.

41. Figures are rounded off to the nearest rupee.

