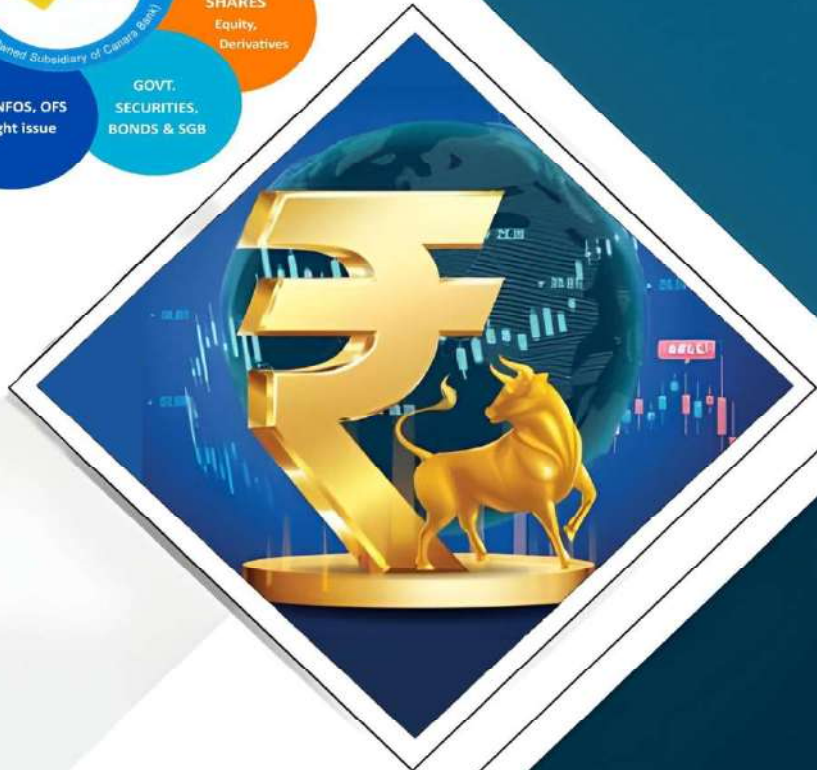


Canara Bank Securities Ltd

A Wholly Owned Subsidiary of Canara Bank



27th ANNUAL REPORT 2022 - 2023



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Shri. Debashish Mukherjee
Director & Chairperson
(From February 13, 2019)



Shri. V. Kalyan
Independent Director
(from February 17, 2023)



Shri. Biplav Kumar Mishra
Managing Director
(Till April 21, 2023)



Smt. Kalyani Kota
Director
(From June 10, 2020)



Shri. Mahesh M Pai
Director
(From June 22, 2021)



Shri. Tarun Kumar Gupta
Independent Director
(From September 29, 2021)



Shri. Bikram Singh Raina
Independent Director
(From December 24, 2021)



Shri. T V Rao
Independent Director
(Till January 03, 2023)



PRINCIPAL EXECUTIVES

Shri Biplav Kumar Mishra
(Managing Director)

Shri Ashish Anand
(General Manager)

Smt. Sarita Kumari
(General Manager)

Smt. Madhuri Appan (From March 08, 2022)
(Chief Financial Officer)

Smt. Shruti Sunil Gandhi (From January 19, 2023)
(Company Secretary)

BANKERS
Canara Bank

Auditors
Samria & Co.
Chartered Accountants
2E, Court Chambers
35, New Marine Lines
Mumbai - 400 020.

Registered Office :
7th Floor, Maker Chambers III
Nariman Point, Mumbai-400021
Tel. : 022 - 4360 3800
E-mail : cbsl@canmoney.in



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Chairman's Speech

Canara Bank Securities Limited



Dear Shareholders,

Welcome to Canara Bank Securities Limited 2023 Annual General Meeting.

It is a pleasure to be here to meet with shareholders. Thank you for joining us today and I confirm that we have a quorum present.

Financial Year 2022-23 has been a very challenging year as the equity markets were moving in time correction trend. This led to lackluster market movement, change in behavioral pattern of the participants etc. Overall market participation was very weak from our clients leading to lower operating income. However as silver lining we can see good number of new customer addition this FY, cross selling of indirect market products such as MF and Capital gains bond.

With the recent market developments, we understand that the market is heading towards interest rate pause and the rate cut may start in the fourth quarter of the current FY. This will lead again to better earnings of the companies and will provide the much required push to the market and better participation thereon.

Further, I would like to thank all the stakeholders for the persistent support and steady confidence reposed in the Company through thick and thin. It is the consistent faith and support that has enabled your Company to suitably strategize and adapt effectively to the truly historic and groundbreaking Policy and Regulatory changes that the country has experienced in the past 12 months.

Your Company's AGM Notice, Directors' Report for the year ended 31st March, 2023 along with the audited Annual Accounts have already been circulated to you, and I seek your permission to take it as read.



Chairman's Speech (Cont.)

Financial

I would like to start with a brief overview of the strategy and performance of your company and I shall confine myself to very briefly mentioning the salient operating results of your Company during the fiscal year 2022-23.

- ◆ Profit before tax stood at Rs.10.14 crores against the target of Rs. 17.00 crores.
- ◆ Core Business Income for the current FY stands at Rs. 18.14 crore as against Rs.21.94 for the period ending March 2022.
- ◆ Total income stands at Rs. 23.02 crore as against the target of Rs.31.25 cr.
- ◆ We have contained the other admin expense at Rs.6.94 crore as against the target of Rs.7.00 crore, however Establishment expense is at Rs.5.33 crore as against the target of Rs. 4.50 crore mainly on account of revised salary and perks to the staff.
- ◆ As on 31st March, 2023, the total retail clients maintaining Demat Accounts are 1,61,586 and having Trading Accounts are 93,780.

Dividend

The Board of Directors of the Company has declared an Interim Dividend of Rs. 1.50 per equity share of face value of Rs.10/- each for the year 2022-23 and the same may be treated as Final Dividend for the year under consideration. The total outgo on this account (including Tax Deducted at Source) would be Rs. 240 Lakhs.

Responsibility towards Society

Your company continues to focus on CSR Mantra - Caring, Sharing and Responsible as a philosophy on CSR. The policy and the projects undertaken under CSR are in line with the applicable regulations under the Companies Act, 2013, and Companies CSR Policy.

For Financial Year 2022-23, the company has earmarked for an amount of Rs. 46,70,000/- (Rupees Forty Six Lakh Seventy Thousand Only) provided for spending towards CSR activity/ies. The Company has spent its CSR budget for benefitting areas majorly in Promoting Education.

New initiatives:

- ◆ Company is in the process of revamping Mobile app.
- ◆ Company has initiated for IT upgradation.



Chairman's Speech (Cont.)

Future Prospects

Your company strives to operate its business with a focus on doing the business ethically, yielding profitable returns and pursuing sustainable cost improvements. We seek to create further value by developing the opportunities embedded in our existing trading operations which represent the most attractive options.

Acknowledgement

On behalf of the Board of Directors of your Company, I wish to convey earnest thanks to the Shareholders for your continued support and trust in us. This motivates us to excel in all our pursuits and continuously endeavor to create value for you.

I would like to thank my colleagues on the Board for their valuable guidance and contribution in steering the Company to higher levels of achievement.

In this incredible journey of your Company while we endeavor constantly to enhance returns on investments, it has been equally an endearing and enriching expedition for me personally over the years.

To conclude, I on behalf of the Board of Directors of your Company would like to convey my deepest gratitude to the Internal Auditors, Statutory Auditors, Stock Exchanges, Regulators & Comptroller & Auditor General Office by providing valuable guidance in Regulatory and Compliance matters. I also take this opportunity to express gratitude to the valued customers, business associates and all the stakeholders for sharing a profound relationship with the Company and constantly supporting and strengthening the developmental efforts of your Company. I also take the opportunity to acknowledge the efforts, commitment and constructive cooperation of the Managing Director of CBSL and its entire team.

I thank you all once again and offer my best wishes for focused efforts that would help the company to reach greater heights in the years ahead.

PLACE: MUMBAI
DATE: 25.09.2023

DEBASHISH MUKHERJEE
CHAIRMAN & DIRECTOR



Directors' Report

DIRECTORS' REPORT



CANARA BANK SECURITIES LIMITED

(A WHOLLY OWNED SUBSIDIARY OF CANARA BANK)

(Regd. Office: 7th Floor, Maker Chambers III, Nariman Point, Mumbai 400021)

To the Members,

The Directors are pleased to submit the Annual Report of your Company; Canara Bank Securities Limited (the "Company" or "CBSL") along with the Audited Financial Statements for the Financial Year (FY) ended March 31, 2023.

FINANCIAL HIGHLIGHTS:

(Rs. in Crore)

Particulars	2022-23	2021-22
Total Income	23.02	37.26
Profit before Tax	10.14	25.54
Less: Provision for Tax incl. Deferred Tax –Net	2.58	6.56
Add: Excess/ Short provisions for earlier years	-0.01	-0.95
Profit after Tax	7.55	18.03
Add: Profit brought forward from last year	45.80	95.34
Profit available for appropriation	53.35	113.37
Appropriations:		
Transfer to General Reserve	0.66	0.00
Interim Dividend	2.40	8.00
Final Dividend (Proposed)	-	-
Tax on Dividend	-	0.89
Reduction in Capital	-	58.68
Balance retained in Profit & Loss Account	50.29	45.80
Total	53.35	113.37
Earnings per Share (Rs)	4.72	4.67

TRANSFER TO RESERVES:

The Company has transferred 0.6623 Cr to the General Reserve for FY 2022-23.

DIVIDEND:

The Board of Directors of the Company declared Interim Dividend vide Board Meeting dated 14.12.2022, Interim Dividend of Rs. 1.50 per share (15% Interim dividend) on face value of Rs. 10/- each for the FY 2022-23 including Tax deducted at Source(TDS) at flat 10%.

The total outgo on this account (including Tax Deducted at Source) would be Rs. 2.40 crore.

EQUITY MARKET OVERVIEW:

Economic Environment: FY 2022-23:

The macroeconomic environment faced numerous difficulties in FY2022-23 as a result of high inflation, the ongoing Russia-Ukraine war, supply chain restrictions, and rate increases by practically all central banks.



Directors' Report (Cont.)

The rate of inflation in the US reached 9.1% in June 2022, the highest level in forty years. The IMF downgraded Global growth to 2.8% in 2023 from 3.4% in 2022.

GLOBAL ECONOMY

The war in Ukraine and the Fed's rate hikes were the two biggest risks to the global economy in FY 2022-23. The World Bank Group President, David Malpass, stated that "The crisis facing development is intensifying as the global growth outlook deteriorates". A slowdown in economic growth in China is also a risk to the global economy. China is a major driver of global growth, and its slowdown could have a knock-on effect on other countries. China's economy is facing a number of challenges, including a property market slowdown and rising debt levels.

INDIAN ECONOMY

The Indian economy grew at 7.2% in FY 2022-23, the fastest among major economies. Foreign institutional investors (FIIs) pulled out ₹37,632 crore from Indian stock market in FY23, which was much less than last fiscal's record outflow of ₹1.4 lakh crore. The gross GST collection in India for the financial year 2022-23 was ₹18.10 lakh crore. This is a growth of 22% over the previous financial year.

Economic outlook for FY24:

RBI has maintained its GDP growth projection for the fiscal year 2023-24 at 6.5%. The CPI inflation for the fiscal year 2024 is projected at 5.2%, which is within the RBI comfortable range of 4% with a margin of 2 per cent on either side. In contrast to the FII outflow of Rs 1,10,628 crores during the same period last year, FIIs have invested Rs 1,18,133 crores during the June quarter.

Capital market during the fiscal 2022-23 and outlook for FY23-24:

The Indian capital market had a volatile year in 2022-23. The BSE Sensex, the benchmark stock index, closed the year with a gain of just 0.7%, the worst performance in three years. The NSE Nifty, the other major stock index, closed the year with a gain of 0.6%.

Looking ahead to FY23-24, the outlook for the Indian capital market is mixed. On one hand, the Indian economy is expected to continue to grow at a healthy pace. This will support demand for stocks and other financial assets. On the other hand, the global economic environment is likely to remain uncertain, which could lead to volatility in the capital market. Thus the investors are likely to wait for the direction to infuse fresh funds into capital market.

Long-term view on equity continues to remain positive, however the medium-term view has turned cautious due to global headwinds - Monetary tightening by US Fed, rising inflation pressure due to geopolitical tensions and moderating growth Domestic Institutional Investors also witnessed cautious while investing in Indian markets.

In the short term, the markets expected to take cues from outcome of global economy and perform accordingly.



Directors' Report (Cont.)

OPERATIONS:

The Company is a SEBI registered Corporate Stock Broker, is a member of Bombay Stock Exchange (BSE) in Cash and National Stock Exchange (NSE) in Cash, Futures & Options and Currency Derivative Segments. The Company is also Depository Participant (DP) registered with National Securities Depository Limited (NSDL).

Performance highlights in brief:

- During the 12 months ended March 2023, Company has achieved all major targets under Top line and Bottom line.
- Profit before tax stood at Rs.10.15 crores against the target of Rs. 17.00 crores.
- Core Business Income has diminished from Rs.21.94 crores (March 2022) to Rs.18.14 Crore (March 2023) registering a Y. o. Y downturn growth of 17.32%.
- Total income has diminished from Rs. 37.26 crores (March 2022) to Rs. 23.02 crores (March 2023) registering a Y. o. Y downturn growth of 38.22%.
- We have contained the establishment expense at Rs.5.33 crore as against the target of Rs.4.50 crore. However other admin expenses were at Rs.6.94 as against the target of Rs.7.00 crore. Total expenditure of the company was at Rs.12.27 crore as against the target of Rs. 11.50 crores.
- As on 31st March, 2023, the total retail clients maintaining Demat Accounts are 1,61,586 and having Trading Accounts are 93,780. During the Quarter Company has added 1539 new retail clients and 2734 new trading Clients.

Profitability ratios (March 2023):

Parameter	Ratios (March 23)
Return on Assets% (Annualized)	8.07%
Return on Equity% (Annualized)	10.32%
Profit per Employee (Before Tax)	Rs.16.64 Lakhs
Book value/Share	Rs.45.73
Return on capital	47.20%

A. PROFITABILITY

(Rs. in Crores)

Particulars	Dec 2022 Quarter (Actual)	Mar 2023 Quarter (Actual)	q-o-q sequential growth %	Mar 2022 12 months (Actual)	Mar 2023 12 months (Actual)	y-o-y Growth %	Mar 2023 12 months (Target)	% Achievement of Target
Broking- Institutional OLT/	4.05	2.66	(34.32%)	17.50	13.10	(25.14%)	21.95	59.68%
Distribution of MF/IPO/BONDS	0.05	0.05	0.00	0.15	0.21	40.00%	0.20	105%
Income from DP Operations	1.02	1.25	22.55%	3.98	4.35	9.30%	5.40	89.44%
Acc Opening Charges	0.09	0.10	11.11%	0.31	0.48	54.84%	--	—
Core Business Income	5.21	4.06	(22.07%)	21.94	18.14	(17.32%)	27.55	65.84%
Trading Income	0.08	0.02	(25.0%)	7.79	0.80	(89.73%)	0.25	320%
Profit on MF Inv	0.00	0.00	0.00	0.11	0.01	(90.91%)	0.05	20.00%



Directors' Report (Cont.)

Other Income	0.95	0.94	4.21%	3.43	3.63	5.83%	3.00	21.00%
Interest Income	0.05	0.05	0.00	3.99	0.44	(88.97%)	0.40	10.00%
Total Income	6.39	5.03	(21.28%)	37.26	23.02	(38.22%)	31.25	73.66%
Establishment Exp	1.29	1.51	(17.05%)	4.39	5.33	21.41%	4.50	118.44%
Other Admin Exp	1.70	1.54	(9.41%)	6.75	6.94	2.82%	7.00	99.14%
Total Expenditure	2.99	3.05	2%	11.14	12.27	10.14%	11.50	106.7%
PBDT	3.40	1.98	(41.76%)	26.12	10.75	(58.84%)	19.75	54.53%
Depreciation	0.14	0.22	-	0.58	0.61	-	2.75	-
Profit Before Tax	3.26	1.76	(46.01%)	25.54	10.14	(60.30%)	17.00	59.65%
Tax	0.97	0.17	-	6.56	2.60	-	4.25	-
Deferred Tax	0.003	(0.02)	-	(0.004)	(0.02)	-	--	
Excess Prov (written back)/ written off	0.01	0.00	-	0.95	0.01	-	--	
Profit after tax	2.28	1.61	(29.39%)	18.03	7.55	(58.13%)	12.75	59.22%

B. BUSINESS TURNOVER

(Rs. in Crore)

Parameters	December 2022 quarter	March 2023 quarter	Mar 2022 12 months	Mar 2023 12 months	Target 2022-23	y-o-y Inc/ Mar in %
Retail-Cash	1324	1107.28	13928.66	4956.40	15000	(64.42%)
F&O & CDS	30788	32096.20	77000.81	100679.21	95630	30.75%
Institutional	1592	966.88	4298.27	4775.49	5000	11.10%
Proprietary	10675	5388.54	7398.88	30109.98	9370	306.98%
TOTAL	44379	39588.90	102626.12	140520.88	125000	36.92%

C. CLIENTELE BASE

Parameter	Addition During the Quarter Dec 22	Addition During the Quarter Mar 23	Cumulative up to Mar 23	Target 2022-23
Demat Clients	2335	1539	161586	175000
Trading Clients	3548	2734	93780	102000
Institutional	1	0	66	66

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013, the Directors would like to state that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed and that no material departures have been made from the same;
- The Directors had selected such Accounting Policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit and loss of the Company for that period;



Directors' Report (Cont.)

- (c) The directors had taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had laid down internal financial controls, which are adequate and are operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

SHAREHOLDING:

Your Company is a Wholly Owned Subsidiary of Canara Bank (Parent Bank). Hence the total paid-up Equity Share Capital of the Company is holding by Canara Bank.

PUBLIC DEPOSITS:

During the year, the Company has continued its stance of not accepting any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies (Reserve Bank) Directions, 1998 and within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. As such, no amount of principal or interest was outstanding as of the Balance Sheet date.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

During the year under review, the Company has not given any loans, guarantees pursuant to Section 186 of the Companies Act, 2013. The particulars of investments made by the Company are reflected in the Financial Statements.

COMPOSITION OF BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL'S:

The Board takes decisions relating to major policy matters, reviewing corporate performance, ensuring adequate financial and other resources to facilitate effective performance. The Board discharges the duties and responsibilities as required under various regulatory guidelines applicable to the company such as Companies Act, 2013, Directions/Guidelines and regulations of SEBI/Exchanges.

Pursuant to the provisions of the Companies Act, 2013, following are the changes in the Board of Directors and Key Managerial Personnel's of the Company till the date of this Report:

Name of the Director/Key Managerial Personnels	DIN/PAN	Designation	Date of Appointment/Resignation
Shri. T V Rao	05273533	Independent Director	Cessation w.e.f 03.01.2023
Shri. V. Kalyan	10043991	Independent Director	Appointment w.e.f. 17.02.2023
Shri. Biplav Kumar Mishra	08712819	Managing Director	Re-Appointment w.e.f 01.03.2023
Shri. Biplav Kumar Mishra	08712819	Managing Director	Cessation w.e.f 21.04.2023
Shri. Gopala Naik	10118618	Managing Director	Appointment w.e.f. 21.04.2023
Shri. Gopala Naik	10118618	Managing Director	Cessation w.e.f 17.07.2023
Shri. Dhananjay Kumar Sinha	10249804	Managing Director	Appointment w.e.f. 25.09.2023



Directors' Report (Cont.)

Shri. Himanshu Katare	CILPK7979M	Company Secretary	Cessation w.e.f 11.11.2022
Smt. Shruti Sunil Gandhi	AZDPG5342B	Company Secretary	Appointment w.e.f 19.01.2023
Shri. Madhuri Awade Appan	BENPA5937G	CFO	Cessation w.e.f 08.05.2023
Smt. Shilpa Sanjay Savaliya	AUEPB7144G	CFO	Appointment w.e.f 14.07.2023

The Current Compositions of the Board of Directors of the Company are as follows:

Name of Director	DIN	Designation
Shri. Debashish Mukherjee	08193978	Director & Chairman
Shri. Dhananjay Kumar Sinha	10249804	Managing Director
Shri. Tarun Kumar Gupta	01581768	Independent Director
Shri. V. Kalyan	10043991	Additional Independent Director
Smt. Kalyani Kota	08754192	Director
Shri. Mahesh Muralidhar Pai	09164982	Director
Shri. Bikram Singh Raina	09374026	Independent Director

The Current Compositions of the Key Managerial Personnel's of the Company are as follows:

Name	DIN/PAN	Designation
Shri. Dhananjay Kumar Sinha	10249804	Managing Director
Smt. Shilpa Savaliya (w.e.f 14.07.2023)	AUEPB7144G	Chief Financial Officer
Smt. Shruti Sunil Gandhi (w.e.f 19.01.2023)	AZDPG5342B	Company Secretary

RETIREMENT OF DIRECTORS

In terms of sections 149,150,152 and other applicable provisions of companies Act, 2013 and rules made there under, the Managing Director is appointed for a term of 2 years. As the company is wholly owned subsidiary of Canara Bank, Chairman / Vice Chairman of the Company are nominated by the Bank to represent its interest as per explanation to Section 149(7) of the Companies Act, 2013. Independent Directors are appointed for fixed term. Other directors are liable to retire by rotation.

All Directors, other than the Directors who are liable to retire by rotation at every Annual General Meeting and who are eligible for reappointment, are appointed on the recommendation of Nomination and Remuneration Committee. The provisions of Section 178(3) of the Companies Act, 2013 are complied with wherever applicable.

DIRECTOR(S) RETIRING BY ROTATION:

As per clause 136(1) of the Articles of Associations of the Company, not less than two-third of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation and same as otherwise expressly provided in the Act and the Articles, be appointed by the Company in Annual General Meeting.

As per clause 137 of Articles of Association at an Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation.



Directors' Report (Cont.)

In terms of section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and rules made there under, Smt. Kalyani Kota (DIN: 08754192) is liable to retire by rotation and is eligible for re-appointment.

APPOINTMENT OF MANAGING DIRECTOR:

The Company in its Board Meeting held on 25.09.2023 and based on the recommendation of Nomination and Remuneration Committee has appointed Shri. Dhananjay Kumar Sinha (DIN: 10249804) as Managing Director subject to approval of the members in the ensuing Annual General Meeting.

Accordingly, the resolution for appointment of Shri. Dhananjay Kumar Sinha will be placed in the ensuing Annual General Meeting for member's approval.

APPOINTMENT OF INDEPENDENT DIRECTOR(S):

The Company in its Board Meeting held on 17.02.2023 and based on the recommendation of Nomination and Remuneration Committee has appointed Shri. V. Kalyan (DIN: 10043991) as the Additional Independent Director subject to approval of the members in the Annual General Meeting.

Accordingly, the resolution for appointment of Shri. V. Kalyan will be placed in the ensuing Annual General Meeting.

APPOINTMENT OF CHAIRMAN:

Pursuant to the provisions of Section 152, 160, 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Shri. Debashish Mukherjee (DIN: 08193978) was appointed as Chairman w. e. f. 17.10.2020.

BOARD AND COMMITTEE MEETINGS:

The Board of Directors meets at regular intervals to discuss the business and compliance matters of the Company. 7 (Seven) Board Meetings were held during the Financial Year 2022-23 on 19.04.2022, 14.07.2022, 18.08.2022, 12.10.2022, 14.12.2022, 19.01.2023 and 17.02.2023.

Details of Board Meetings held/attended during the FY 2022-23 by Directors and sitting fees paid are furnished here under:

Sr. No.:	Name of the Director	No.: of Board Meetings held	No.: of Board Meeting to be attended	No.: of Board Meetings attended	Attendance at Last AGM (Y/N)	Sitting fee paid (in Rs.)
1	Shri. Debashish Mukherjee	7	7	7	Yes	Not Applicable
2	Shri. Mahesh M Pai	7	7	6	Yes	Not Applicable
3	Shri. Venkateswara Rao Thallapka	7	5	5	Yes	1,40,000



Directors' Report (Cont.)

	(Resigned with effect from 03.01.2023)					
4	Shri. Tarun Kumar Gupta	7	7	7	Yes	2,00,000
5	Smt. Kalyani Kota	7	7	5	Yes	Not Applicable
6	Shri. Biplav Kumar Mishra	7	7	7	Yes	Not Applicable
7	Shri. V. Kalyan (Appointed with effect from 17.02.2023)	7	-	-	Not Applicable	-
8	Shri. Bikram Singh Raina	7	7	7	Yes	2,00,000

The Managing Director is the executive and functional director and other directors are Non-Executive Directors. The Directors are professionals with vast experience in Banking, Finance, Audit, Management, Law and other relevant areas.

None of the Directors are related to each other. The Independent Directors are independent of management and do not have any business relationship which could materially interfere their exercise of independent judgment. None of the Directors received any loans and advances from the Company during the year under review.

During the Year under review with request majority Two times the Board Resolutions were passed by circulation.

The Board has constituted the following Mandatory Committees of the Board of Directors:

1. Audit Committee
2. Risk Management Committee
3. Corporate Social Responsibility Committee
4. Nomination and Remuneration Committee

The Company Secretary of the Company is the Secretary to each of these Committees.

AUDIT COMMITTEE OF THE BOARD:

The Committee comprises of four Directors. The Managing Director of the Company is a permanent invitee to the Meeting.

During the year under review four Audit Committee Meeting of the Board were held on 2022-23 on 19.04.2022, 13.07.2022, 12.10.2022, and 19.01.2023.

Following are the details of Audit Committee Meeting held/attended by Directors/Members and sitting fees paid during the FY 2022-23 are furnished here under:



Directors' Report (Cont.)

Sr. No.:	Name of the Director	No. of Meetings held	No. of Meeting to be attended	No. of Meetings attended	Sitting fee paid (in Rs.)
1	Shri. Venkateswara Rao Thallapka (Resigned on 03.01.2023)	4	3	3	40,000
2	Shri. Mahesh Muralidhar Pai	4	4	3	Not Applicable
3	Shri. Tarun Kumar Gupta	4	4	4	55,000
4	Shri. Bikram Singh Raina	4	4	4	55,000

The role, terms of reference, authority and powers of the Audit Committee of the Board are in conformity with the requirements of Companies' Act, 2013.

RISK MANAGEMENT COMMITTEE OF THE BOARD:

The Committee comprises of four Directors. The Managing Director of the Company and Chief General Manager of RM Wing of Canara Bank (Parent Bank) are the permanent invitees to the Meeting.

During the year under review Four Meetings of Risk Management Committee were held on 19.04.2022, 13.07.2022, 12.10.2022, 19.01.2023 and 17.02.2023.

Following are the details of Risk Management Committee Meeting held/attended by Directors/Members and sitting fees paid during the FY 2022-23 are furnished here under:

Sr. No.:	Name of the Director	No. of Meetings held	No. of Meeting to be attended	No. of Meetings attended	Sitting fee paid (in Rs.)
1	Shri. Venkateswara Rao Thallapka (Resigned on 03.01.2023)	5	3	3	40,000
2	Shri. Mahesh M Pai	5	5	4	Not Applicable
3	Shri. Tarun Kumar Gupta	5	1	1	15,000
4	Shri. Bikram Singh Raina	5	5	5	70,000

The Committee, inter alia, reviews the risk mitigation measures followed by the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD:

In accordance with the section 135 of the Companies Act, 2013 and schedule VII read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Corporate Social Responsibility Committee of the Board is constituted by the Board which comprises of four Directors to perform the duties as specified Section 135 of the Companies' Act 2013. The Managing Director of the Company is a permanent member to the Committee.

During the year under review one meeting of Corporate Social Responsibility Committee was held on 19.01.2023.

Following are the details of Corporate Social Responsibility Committee Meeting held/attended by Directors/Members and sitting fees paid during the FY 2022-23 are furnished here under:



Directors' Report (Cont.)

Sr. No.:	Name of the Director	No. of Meetings held	No. of Meeting to be attended	No. of Meetings attended	Sitting fee paid (in Rs.)
1	Shri. Bikram Singh Raina	1	1	1	15,000
2	Shri. Biplav Kumar Mishra	1	1	1	Not Applicable
3	Shri. Mahesh M. Pai	1	1	1	Not Applicable
4	Shri. Tarun Kumar Gupta	1	1	1	15,000

The Committee, inter alia, formulates and recommends to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified under schedule VII of the Act & recommends the amount of expenditure to be incurred on the activities.

NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD:

In accordance with the Section 178 of the Companies Act, 2013 and rules made there under, the Nomination and Remuneration Committee of the Board was constituted by the Board. The Committee comprises of four Directors. The Managing Director of the Company is a permanent invitee to the Meeting.

Being a Wholly Owned Subsidiary of Canara Bank, the Bank shall identify the persons who are qualified to become directors and recommends the same to the Board of your Company for their appointment and approval. The Board further recommends the same to the Shareholders for their approval in General Meeting.

Further the evaluation of performance of Board, its committees and individual directors shall be carried out by the Board itself.

During the year under review 3 (Three) meetings of Nomination & Remuneration Committee were held on 13.07.2022, 19.01.2023, and 17.02.2023.

Following are the details of Nomination and Remuneration Committee Meeting held/attended by Directors/Members and sitting fees paid during the FY 2022-23 are furnished here under:

Sr. No.:	Name of the Director	No. of Meetings held	No. of Meeting to be attended	No. of Meetings attended	Sitting fee paid (in Rs.)
1	Shri. Mahesh Muralidhar Pai	3	3	3	Not Applicable
2	Shri. Venkateswara Rao Thallapaka (Resigned on 03.01.2023)	3	1	1	15,000
3	Shri. Tarun Kumar Gupta	3	3	3	45,000
4	Shri. Bikram Singh Raina	3	1	1	15,000

EXTRA-ORDINARY GENERAL METING:

During the Year under review the Company has not conducted an Extra-ordinary General Meeting.

DECLARATION U/S149 (6) OF THE COMPANIES ACT, 2013:

In terms of section 149(6) of the Companies Act, 2013 a declaration that the Director meets the criteria of independence as provided in the Section 149(6) of the Companies Act, 2013 has been received from the Independent Directors.



Directors' Report (Cont.)

Pursuant to Section 149(8) read with Schedule IV of the Companies Act, 2013, a Separate Meeting of independent Directors was held in the absence of Non-independent Directors, Company Secretary and Members of Management of the Company to discuss the matters as prescribed under Clause VII of Schedule IV of the Companies Act, 2013.

BOARD EVALUATION:

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall also be done by the entire Board of Directors, excluding the Director being evaluated.

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 read with Rule 8 (4) of Companies (Accounts) Rules, 2014, the Board has initiated the process of performance evaluation of the entire board of the company, its committees and individual Directors, including Independent Directors.

The Board monitored and reviewed the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness
- Peer evaluation

MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES:

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, require the company to provide certain details about the employees who were in receipt of remuneration of not less than Rs. 1.02 Crore during the Year ended 31st March, 2022 or not less than Rs. 8.5 Lakhs per month during any part of the said year. As all the employees of the company are drawing less than the stipulated threshold limit, the particulars required to be furnished shall be treated as Nil.

REPORT ON CORPORATE GOVERNANCE PRACTICES FOLLOWED BY THE COMPANY:

The Board of Directors of the Company believes that sound corporate governance is critical to enhance and retain investor trust. It always seeks to ensure that its performance is driven by integrity. The Board exercises its fiduciary responsibilities in the widest sense of the term. Its disclosures seek to attain the best practices in the corporate governance.



Directors' Report (Cont.)

RISK MANAGEMENT:

The Company is exposed to inherent uncertainties owing to the sectors in which it operates. Many risks exist in a company's operating environment and they emerge on a regular basis. The Company's Risk Management processes focus on ensuring that these risks are identified on a timely basis and addressed.

The Board of Directors has constituted a Risk Management Committee. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to enterprise risk management. The Committee reviews the risk management practices and actions deployed by the Management with respect to identification, impact assessment, monitoring, mitigation and reporting of key risks while trying to achieve its business objectives. Further, the Committee endeavors to assist the Board in framing, implementing and monitoring the risk management plan for the Company and reviewing & guiding the risk policy. The Committee also guides Management in developing the risk management policy and in implementing an appropriate risk management system/framework for the Company. This Committee has the primary responsibility of implementing the Risk Management Policy of the Company and achieving the stated objective of developing a risk intelligent culture that supports decision making and helps improve Company performance.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Company has appointed independent auditors to check the internal control system of the Company. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal auditor of the company undertakes corrective action in its respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

AUDITORS:

Statutory Auditors:

M/s. Samria & Co., Chartered Accountants, Mumbai were appointed as Statutory Auditors of the Company by the Comptroller and Auditor General of India for the Financial Year 2022-23.

The Statutory Auditors' Report to the Shareholders does not contain any qualification.

As per the Auditor's report submitted by the Statutory Auditor of the Company no fraud on or by the Company has been noticed or reported during the course of our audit.

Under Section 142 of the Companies Act, 2013, the remuneration of Auditors M/s. Samria & Co, Chartered Accountants, Mumbai appointed under Section 139(5) by the Comptroller & Auditor General of India for the year 2023-24, shall be fixed by the Company in the General Meeting. Accordingly, Notice of the Annual General Meeting includes item relating to remuneration of the Auditors for the year 2023-24.

C&AG Audit:

The Comptroller and Auditor General of India (C&AG) have not conducted the Supplementary Audit of the Financial Statements of our Company for the FY 2022-23.



Directors' Report (Cont.)

Internal Auditor:

The Board of Directors had appointed M/s. Shah Kapadia & Associates, Chartered Accountants, Mumbai as the Internal Auditors of the Company for Broking Activity and Research Analysts Activities at Mumbai and M/s. M. Anil Kumar & Co., Company Secretaries, Bengaluru for DP/OLT Activities at Bengaluru for the Financial Year 2023-24.

The Internal Auditors conducted their review and Audit on monthly and quarterly basis and submitted their report to the Audit Committee and Board of Directors.

Secretarial Auditor:

In terms of the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company is not required to appoint Secretarial Auditor.

COMMENTS BY THE BOARD ON QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER IN AUDIT REPORT:

There is no Qualification, Reservation or Adverse remark in Statutory Audit Report for the Financial Year 2022-23.

PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTY:

During the year, transactions of material nature, which are not at arms length or, not in the ordinary course of Business have not been entered into with holding company or any other party. Information on transactions with Related Parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure I** in Form AOC-2 and the same forms part of this Report.

EXTRACT OF ANNUAL RETURN:

The Annual Return in Form MGT-7, as mandated under the provisions of Section 92(3) read with Section 134(3) of the Act, has been uploaded on the website of the Company and is available at <https://www.canmoney.in/investor-corner>.

CONSERVATION OF ENERGY:

The Company's operations involve low energy consumption. There are no major areas where energy conservation measures could be taken. However, the Company is making efforts to conserve and optimise energy wherever practicable by economising on the use of power in the office.

TECHNOLOGY ABSORPTION:

The Company has not entered into any collaboration arrangement. The Company is using the necessary resources relevant to its business in keeping with the size of its operations.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Company does not have any business resulting in foreign exchange earnings and outgo.

ESTABLISHMENT OF VIGIL MECHANISM:

Department of Financial Services (DFS) has directed all the banks to establish a formal vigilance administration mechanism in its subsidiary companies. In line with these directions, our Parent Company, Canara Bank has directed us to take necessary steps to:



Directors' Report (Cont.)

- Establish formal vigilance administration mechanism by setting up vigilance cell;
- Appoint Vigilance Officer and defining his roles and responsibilities by covering all the areas of line of activity of the Company;
- Frame policies such as Vigilance Policy, Whistle Blower Policy, Complaints handling Policy;
- Submit of Vigilance Report on monthly basis.
- Accordingly, we have formed policies as per the directions.

PREVENTION OF SEXUAL HARASSMENT:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability, etc. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological. During Fiscal 2022-23 the Company has not received any complaint on sexual harassments.

CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the Financial Year 2022-23 are set out in **Annexure II** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 & Companies (CSR Policy) Amendment Rules, 2021.

CSR Policy is available on the website of the Company at www.canmoney.in.

REMUNERATION POLICY:

Non-executive Directors of the Company, other than those who are executives of the parent bank, get only sitting fees. As regards Directors who are executives of the Parent Bank, who are on deputation from the Parent Bank get remuneration as per Remuneration Policy.

OTHER DISCLOSURES:

- (i) There are no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and company's operations in future, during the financial year 2022-23.
- (ii) There are no material changes and commitments, if any, affecting the financial position of the company which has occurred between the end of the Financial Year 2022-23 and the date of this report.
- (iii) There are no details in respect of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.
- (iv) The Company has complied with the Secretarial Standards I and II as issued by the Institute of Company Secretaries, India.
- (v) The Company was not required to maintain cost records under Section 148(1) of the Companies Act, 2013.



Directors' Report (Cont.)



**CANARA BANK SECURITIES LIMITED
DIRECTORS' REPORT 2023**

ACKNOWLEDGEMENTS:

The Directors place on record their appreciation of the assistance and co-operation received from Government of India, State Government of Maharashtra, SEBI, NSE, BSE, NSDL, Promoter Bank viz. Canara Bank, Consultants and Company's Bankers.

The Directors would also like to place on record their appreciation for the sincere and dedicated efforts put in by all the staff members.

**For and on behalf of the Board of Directors
CANARA BANK SECURITIES LIMITED**

Sd/-

**DHANANJAY KUMAR SINHA
MANAGING DIRECTOR
DIN: 10249804**

Sd/-

**DEBASHISH MUKHERJEE
CHAIRMAN & DIRECTOR
DIN: 08193978**

**Place: Mumbai
Date: 25.09.2023
UDIN: 23049174BGPRL6237**

**Enclosed:
Annexure I –AOC-2
Annexure II- CSR Report**



Directors' Report (Cont.)

ANNEXURE-I

Form No.: AOC -2

As on the Financial Year ended on 31st March, 2023

(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023, which were not in arm's length basis.

Details of contracts or arrangements or transactions at Arm's length basis:

The details of contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2023 are as follows:

Name (s) of the Related Party & nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any
Canara Bank (Parent Bank)	Rent	April 2022 to March 2023	Rent paid to the Parent Bank for the Office use for FY 2022-23 amounting to Rs. 55.16 Lakhs.
	Interest paid on overdraft	April 2022 to March 2023	Interest paid to Parent Bank on Overdraft amounting to 0.46 Lakhs.
	Interest on deposit	April 2022 to March 2023	Interest received on Fixed Deposit from Parent Bank amounting to Rs. 202.74 Lakhs.
	Brokerage received	April 2022 to March 2023	Brokerage received from the Holding Company for services rendered to them for FY 2022-23 amounting to Rs.26.89 Lakhs.
	Electricity Charges	April 2022 to March 2023	Electricity Charges paid to Parent bank amounting Rs 21.95 Lakhs
	Dividend	April 2022 to March 2023	Dividend amounting Rs. 240.00 Lakhs paid to the Parent bank.
	Salary & Other Benefits	April 2022 to March 2023	Salary and Other Benefits to deputed Canara Bank employees amounting Rs. 113.19 Lakhs.
Canara HSBC Life Insurance Company Ltd (Group Company)	Brokerage received	April 2022 to March 2023	Brokerage received for services rendered to them for FY2022-23 amounting to Rs.30.83 Lakhs.
Canara Robeco MF	Mutual Fund	April 2022 to March 2023	Mutual Fund Investment in Canara Robeco MF



Directors' Report (Cont.)

(Group Company)	Investment		(Group Company) amounting to Rs. 0.00 Lakhs as on 31/03/2023
	Income from investment in Mutual Fund	April 2022 to March 2023	Income received from Mutual Fund Investment in Canara Robeco MF (Group Company) amounting to Rs.0.49 Lakhs.
	Brokerage received	April 2022 to March 2023	Brokerage received for services rendered to them for FY2022-23 amounting to Rs. 54.32 Lakhs.
	Distribution/ Dividend & Other income received	April 2022 to March 2023	Dividend and Other Income received during FY 2022-23 were Rs. 7.65 Lakhs.
Canbank Computer Services Limited (Group Company)	RTA and maintenance charges	April 2022 to March 2023	DR site was discontinued from the year 2016 and near site was started from 26 th July, 2019. RTA and maintenance charges for Near Site amounting to Rs. 0.17 lakhs
Himanshu Katare	Salary & Other benefits	April 2022 to November 2022	Salary and Other benefits for part of the year amounted to Rs. 5.60 Lakh
Shruti Gandhi	Salary & Other benefits	November 2022 to March 2023	Salary and Other benefits for part of the year amounted to Rs. 2.83 Lakh
Madhuri Appan	Salary & Other benefits	April 2022 to March 2023	Salary and Other benefits for part of the year amounted to Rs. 4.05 Lakh

There was no advances paid and necessary approval of Board of Directors has been obtained for all transactions as same are non-material and in the Ordinary course of Business.

**For and on behalf of the Board of Directors
CANARA BANK SECURITIES LIMITED**

**Sd/-
DHANANJAY KUMAR SINHA
MANAGING DIRECTOR
DIN: 10249804**

**Sd/-
DEBASHISH MUKHERJEE
CHAIRMAN & DIRECTOR
DIN: 08193978**

**Place: Mumbai
Date: 25.09.2023
UDIN: 23049174BGPRL6237**



Directors' Report (Cont.)

1. Brief outline on CSR Policy of the Company.

Outline of CSR Policy - As an integral part of our commitment to Good Corporate Citizenship, we at Canara Bank Securities Limited believe in actively assisting in improvement of the quality of life of people in communities. Towards achieving long-term stakeholder value creation, we shall always continue to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and marginalized; focused on inter alia the Minority Community, Scheduled Castes and Scheduled Tribes and the society at large. In order to leverage the demographic dividend of our country, Company's CSR efforts shall focus on Health, Education, and giving preference to needy and deserving communities inhabiting urban India.

2. Composition of CSR Committee:

S No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri. Tarun Kumar Gupta	Chairman of CSR Committee & Independent Non-Executive Director	1	1
2	Shri. Mahesh Muralidhar Pai	Member of CSR Committee and Non-Executive Director	1	1
3	Shri. Biplav Kumar Mishra	Member of CSR Committee and Managing Director	1	1
4	Shri. Bikram Singh Raina	Member of CSR Committee and Independent Non-Executive Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

www.canmoney.in

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set off for the financial year, if any (in Rs)
1	2019-20	NIL	NIL
2	2020-21	NIL	NIL
3	2021-22	NIL	NIL
	TOTAL	NIL	NIL

6. Average net profit of the company as per section 135(5).



Directors' Report (Cont.)

(In Absolute Figures)

Particulars	2019-20	2020-21	2021-22
Net profit	26,27,76,293	18,18,90,573	2,55,382,392

7. Average net profit of the Company for last three financial years is at **Rs. 23,33,49,753**

(a)	Two percent of average net profit of the company as per section 135(5).	Rs. 46,66,995/-
(b)	Surplus arising out of the CSR projects or programmes or activities of the Previous Financial years.	NIL
(c)	Amount required to be set off for the financial year, if any	NIL
(d)	Total CSR obligation for the financial year (7a+7b-7c).	Rs. 46,66,995/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs. 36,38,134/-	NIL	NIL	PM Cares Fund	10,32,000	12/05/2023

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

S No	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project Duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Reg No
NIL												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

S No	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of Implementation Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Reg No
1.	Learning and Development Lab for Metaverse Technology	Promoting Education	Yes	Karnataka	Bengaluru	23,57,640.00	NO	RAY Foundation	CSR000 04696
2.	Agricultural Training Programme	Promoting Education	Yes	Karnataka	Bengaluru	12,80,494.00	NO	Karthavya Foundation	CSR000 38291
TOTAL						36,38,134.00			



Directors' Report (Cont.)

- (d) Amount spent in Administrative Overheads- **NIL**
- (e) Amount spent on Impact Assessment, if applicable - **NIL**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) **Rs. 36,38,134/-**
- (g) Excess amount for set off, if any **NIL**

S No	Particular	Amount in Rs.
1.	Two percent of average net profit of the company as per section 135(5)	46,66,995
2.	Total amount spent for the Financial Year	46,70,134
3.	Excess amount spent for the financial year [(ii)-(i)]	3139
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	3139

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
1	2019-20	NIL	24,34,844	PM Cares Fund	4,162	22.07.2021	NIL
2	2020-21	NIL	33,30,101	NIL	NIL	NIL	NIL
3	2021-22	NIL	37,29,524	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

S No	Project ID.	Name of the Project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). **Not Applicable**



Directors' Report (Cont.)

a.	Date of creation or acquisition of the capital asset(s).	Not Applicable
b.	Amount of CSR spent for creation or acquisition of capital asset.	
c.	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	
d.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): The Board has approved Rs. 46.70 Lakhs (Rupees Forty Six Lakh Seventy Thousand only) towards CSR expenditure pertaining to FY 2022-23. The Company has disbursed its contribution amounting to Rs. 36.38 Lakhs to Ray Foundation, Bengaluru, Karnataka and Kartavya Foundation Bengaluru, Karnataka. For the CSR contribution earmarked to the project being monitored by Rotary Club of Mumbai, Kandivali along with Diganta Swaraj Foundation, the project was of Rs.21,45,000/- out of which the Company had committed an amount of Rs. 9,65,000/-. However, in the month of March, it was informed by Rotary Club of Mumbai, Kandivali that they were not able to rope in other donors to pool entire funds of Rs.21,45,000/- required to finish the project. Hence, the project was terminated due to the non-availability of funds.

Accordingly, as per Section 135 of Companies Act, 2013 and rules made thereunder, if the Company fails to spend such amount then transfer such unspent amount to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year. The unspent amount for the FY 2022-23 i.e Rs. 10,32,000 were donated to PM Cares Funds on May 12, 2023.

FOR CANARA BANK SECURITIES LIMITED

Sd/-
TARUN KUMAR GUPTA
CHAIRMAN CSR COMMITTEE
DIN: 01581768

Sd/-
DEBASHISH MUKHERJEE
CHAIRMAN & DIRECTOR
DIN: 08193978

Sd/-
DHANANJAY KUMAR SINHA
MANAGING DIRECTOR
DIN: 10249804

Place: Mumbai
Date: 25.09.2023
UDIN: 23049174BGP6237



Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CANARA BANK SECURITIES LIMITED

Report on the audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **CANARA BANK SECURITIES LIMITED (the Company)**, which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss and the statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as “financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023 and its profit, 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 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirement that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 on the financial statements.

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 Director's Report but does not include the financial statements and our auditor's report thereon. The Company's Directors report is expected to be made available to us after the date of this audit report.

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



Independent Auditor's Report (Cont.)

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

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

Responsibilities of the Management and those charged with Governance for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

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

Auditor's Responsibility for Audit of the Financial Statements

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



Independent Auditor's Report (Cont.)

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



Independent Auditor's Report (Cont.)

Report on Other Legal and Regulatory Requirement

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 Act, we give in the Annexure "A" a statement on the matters specified in the paragraph 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 the statement of cash flows with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014, as amended.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation given to us, the remuneration / sitting fees paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h) 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:



Independent Auditor's Report (Cont.)

- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements [Refer Note 23(B)];
- ii. The company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii. The company is not required to transfer any amount to the Investor Education and Protection Fund, hence there is no such case of delay.
- iv.
 - (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or other sources or kinds of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or lend or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act. The Board of Directors of the

Company have not proposed any final dividend and the interim dividend shall be treated as the final dividend for the year.



Independent Auditor's Report (Cont.)

3. With regards to the directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013, based on our audit, we report hereunder on the action taken and the financial impact on the accounts of the financial statements of the Company:

Sr No.	Directions under Section 143(5) of Companies Act 2013	Action taken and Financial Impact
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has a system in place to process all the accounting transactions through IT systems except for depreciation which is calculated in the fixed asset register maintained in excel and the entries are then posted into the accounting system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the Corporation due to the Corporation's inability to repay the loan? If yes, the financial impact may be stated.	Not Applicable, as the Company is not engaged in the business of extending loans.
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Not Applicable. The Company does not receive any funds directly from State / Central Agencies for specific schemes.

For SAMRIA & CO.
Chartered Accountants
FRN: 109043W

Sd/-
ADHAR SAMRIA
Partner
(Membership No.049174)

Place: Mumbai
Date: 21.04.2023
UDIN: 23049174BGPRL6237



Annexure-A

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” of our report of even date)

(i) Property, Plant and Equipment:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- b. The Company is maintaining proper records showing particulars of intangible assets.
- c. All the Property, Plant and Equipment were physically verified by the Management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the Company and of its assets. According to the information and explanation, given to us, no discrepancies were noticed on such verification.
- d. The Company does not hold any immovable properties. Accordingly, para 3(i)(c) of the Order is not applicable.
- e. The company has not revalued its Property, Plant and Equipment or intangible assets during the year. Accordingly, para 3(i)(d) of the Order is not applicable.
- f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, para 3(i)(e) of the Order is not applicable.

(ii) Inventories:

- a. The Company does not hold any inventory in physical form. The inventories held by the Company comprises of financial instruments which are in dematerialized form and are verified with the statement of holding received by management from the custodian at regular intervals. No material discrepancies of 10% or more in the aggregate of inventory were noticed on such verification.
- b. The Company has not taken any working capital limits against security of current assets which requires the Company to file, quarterly returns or statement with banks or financial institutions. Accordingly, para 3(ii)(b) of the Order is not applicable.

(iii) Investment, Guarantees and Security, Loans given:

- a. According to the information and explanations given to us and on the basis of our examinations of the records of the Company, the Company has not granted any loans, secured or unsecured to



Annexure-A (Cont.)

companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, para 3(iii) of the Order is not applicable.

(iv) **Compliance with Section 185 & 186 of the Companies Act**

- a. According to the information and explanations given to us and on the basis of our examinations of the records of the Company, the Company has not granted any loans, made investments or provided guarantees and securities covered under Section 185 of the Act. Accordingly, para 3(iv) of the Order is not applicable to that extent.

(v) **Deposits**

- a. According to the information and explanations given to us and on the basis of our examinations of the records of the Company, the Company has not accepted any deposits from the public to which directives issued by Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, para 3(v) of the Order is not applicable.

(vi) **Maintenance of Cost Records:**

- a. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub –section (1) of section 148 of the Companies Act, 2013 in respect of business carried out by the Company. Accordingly, clause 3(vi) of the Order is not applicable to the Company.

(vii) **Remittance of Statutory Dues:**

- a. According to the information and explanations given to us, and on the basis of our examination of the books of account, the undisputed statutory dues of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs and Duty of Excise, Value Added Tax and Cess and others as applicable have been generally regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of sales tax, customs and duty of excise, outstanding for a period of more than six months from the date they become payable.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs and Duty of Excise, Value Added Tax and Cess and other material statutory dues were in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.

- b. There are no dues of Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs and Duty of Excise, Value Added Tax and Cess and others, which have not been deposited by the company on account of dispute.



Annexure-A (Cont.)

(viii) Transactions not recorded in the books of accounts

- a. According to the information and explanations given to us, there are no transactions which are not recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, clause 3(viii) of the Order is not applicable to the Company.

(ix) Default in repayment of loans or other borrowings:

- a. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. According to the information and explanations given to us, the Company has not obtained any term loan for any specific purpose.
- d. According to the information and explanations given to us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f. According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) Money raised by way of Initial Public Offer or Further Public Offer:

- a. According to the information and explanation given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- b. According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.



Annexure-A (Cont.)

(xi) **Frauds:**

- a. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud by the company or any fraud on the Company by its officers or employees, noticed or reported during the period, nor have been informed of any such case by the management.
- b. Report under sub- section 12 of section 143 is not applicable and thus not filed by the auditors with the central government.
- c. No whistle-blower complaints are received during the year by the company.

(xii) **Nidhi Company:**

- a. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company and hence reporting under clause 3(xii) of the order is not applicable.

(xiii) **Related Party Transactions:**

- a. In our opinion and according to information and explanation given to us, the company is in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) **Internal Audit System:**

- a. In our opinion and according to information and explanation given to us, the company has an internal audit system commensurate with the size and nature of its business
- b. The reports of the Internal Auditors for the period under audit were considered by the us.

(xv) **Non-Cash transactions with directors:**

- a. According to the records of the company examined by us, and information and explanation given to us, during the year the company has not entered into any non-cash transactions with its directors and hence provisions of section 192 of the companies act, 2013 are not applicable.

(xvi) **Registration under RBI Act, 1934:**

- a. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly para 3(xvi) of the Order is not applicable.



Annexure-A (Cont.)

- (xvii) **Cash losses incurred by the company:**
- a. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) **Reporting on Auditor's resignation:**
- a. The auditors of the Company are appointed by the Comptroller & Auditor General of India (C&AG). There has been no resignation of the statutory auditors of the Company during the year.
- (xix) **Material uncertainty in relation to financial assets and liabilities:**
- a. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) **Corporate Social Responsibility**
- a. During the financial year 2022-23, the Company did not have any amount which was required to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, para 3(xx) of the Order is not applicable.
- b. In respect of the unspent amount of the current year, the Company has not transferred the same to any funds specified in Schedule VII in compliance with provision of section 135(5) of the Companies Act, 2013 till the date of our audit report since the time for such transfer, i.e. 6 months from the end of the financial year, has not elapsed till the date of our audit report.
- (xxi) **Reporting on Consolidated Financial Statement:**
- a. According to the information and explanation given to us, the Company is not a holding Company of any other Company. Accordingly, para 3(xxi) of the Order is not applicable.

Place: Mumbai
Date: 21.04.2023
UDIN: 23049174BGP6237

For SAMRIA & CO.
Chartered Accountants
FRN: 109043W

Sd/-
ADHAR SAMRIA
Partner
(Membership No:049174)



Annexure-B

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under “Report on other legal and regulatory requirements” of our report of even date.)

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 **CANARA BANK SECURITIES LIMITED** (“the Company”) as of **March 31, 2023** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



Annexure-B (Cont.)

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 generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March 2023**, 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.

For SAMRIA & CO.
Chartered Accountants
FRN: 109043W

Place: Mumbai
Date: 21.04.2023
UDIN: 23049174BGP6237

Sd/-
ADHAR SAMRIA
Partner
(Membership No. 049174)



To,

The Members of
Canara Bank Securities Limited,
Mumbai

Dear Sir,

Re : Corrigendum for audit report – Para 3 of our Report on Other Legal and Regulatory Requirement

With reference to our Independent Auditors' Report dated 21st April, 2023 for FY 2022-23 addressed to the members of Canara Bank Securities Limited, the questions at Sr.No.2 and 3 of Directions/Sub-directions at para 3 of Report on Other Legal and Regulatory requirement of the Independent Auditors' Report were incomplete which should be read as follows:

2.	Existing	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loans? If yes, the financial impact may be stated.
	To be read as	Whether there is any restructuring of an existing loan or cases of waiver/write of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this directions is also applicable for statutory auditor of lender company).
3.	Existing	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilised as per its term and conditions? List the cases of deviation.
	To be read as	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for /utilised as per its term and conditions? List the cases of deviation.



The aforesaid does not modify our opinion/report on the directions and all other contents of the Independent Auditor's Report for FY 2022-23 remains unchanged.

Yours faithfully,
For and on behalf of
SAMRIA & CO.
Chartered Accountants
ICAI Firm Registration No.109043W

Sd/-
(ADHAR SAMRIA)
Partner
Membership No.049174

Place: Mumbai
Date: 21.04.2023
UDIN: 23049174BGPERL6237



Comments of the Comptroller (Cont.)

Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of Canara Bank Securities Limited for the Year ended 31 March 2023

The Preparation of financial statements of Canara Bank Securities Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory auditor appointed by the Comptroller and Audit General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 April, 2023.

I, on behalf of the Comptroller and Audit General of India, have decided not to conduct the supplementary audit of the financial statements of Canara Bank Securities Limited for the year ended 31 March 2023 under section 143(6)(a) of the Act.

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

**Sd/-
Guljari Lal
Director General of Audit (Shipping), Mumbai**

**Place: Mumbai
Date: 05.09.2023**



Balance Sheet as at 31st March, 2023

CANARA BANK SECURITIES LIMITED (A WHOLLY OWNED SUBSIDIARY OF CANARA BANK) Registered Office: 7TH FLOOR, MAKER CHAMBERS III, NARIMAN POINT, MUMBAI-400021					
(Rs. In lakhs)					
BALANCE SHEET AS AT 31.03.2023					
PARTICULARS	NOTES	As at 31.03.2023		As at 31.03.2022	
I. EQUITY AND LIABILITIES					
(1) SHARE HOLDERS' FUND					
(a) Share Capital	1	1,600.00		1,600.00	
(b) Reserves and Surplus	2	5,717.04		5,201.84	
			7,317.04		6,801.84
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT					
(3) NON -CURRENT LIABILITIES					
(a) Long Term Provisions	3	9.56		5.86	
			9.56		5.86
(4) CURRENT LIABILITIES					
(a) Trade Payables:-					
(A) total outstanding dues of micro, small & medium enterprises ; and		-		-	
(B) total outstanding dues of creditors other than micro, small & medium enterprises		-		-	
(b) Short term borrowing	4	0.12		-	
(c) Other Current Liabilities	5	368.68		2,337.44	
(d) Short Term Provisions	6	976.62		903.53	
			1,345.42		3,240.98
TOTAL			8,672.02		10,048.68
II. ASSETS					
(1) NON-CURRENT ASSETS					
(a) Property, Plant and Equipment and Intangible assets					
(i) Property, Plant and Equipment	7	50.65		47.64	
(ii) Intangible assets	7	52.29		54.58	
(iii) Capital work-in-progress		-		-	
(iv) Intangible Assets under development		-		-	
(b) Deferred Tax Assets (Net)	8	17.21		15.68	
(c) Other Non-Current Assets	9	273.03		248.03	
			393.19		365.94
(2) CURRENT ASSETS					
(a) Current Investments	10	-		65.00	
(b) Inventories	11	172.40		1,564.32	
(c) Trade Receivables	12	238.47		305.97	
(d) Cash and Bank Balances	13	6,570.55		5,041.39	
(e) Other Current Assets	14	1,297.41		2,706.06	
			8,278.84		9,682.74
TOTAL			8,672.02		10,048.68
Significant Accounting Policies are forming part of the Financial Statements.					
For Samria & Co Chartered Accountants Firm Registration No. 109043W				On behalf of the Board of Directors of Canara Bank Securities Limited	
Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	
Adhar Samria Partner M. No: 049174	Debashish Mukherjee Chairman DIN: 08193978	Biplav Kumar Mishra Managing Director DIN: 08712819	Mahesh Muralidhar Pai Director DIN: 09164982	Kalyani Kota Director DIN: 08754192	
Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	
Kalyan Venkatasubramaniam Independent Director DIN: 10043991	Tarun Kumar Gupta Independent Director DIN: 01581768	Bikram Singh Raina Independent Director DIN: 09374026	Madhuri Appan Chief Financial Officer PAN: BENPA5937G	Shruti Gandhi Company Secretary M. No: A49901	
Place: Mumbai Date: 21.04.2023 UDIN: 23049174BGPERL6237					



Statement of Profit & Loss at 31st March, 2023

CANARA BANK SECURITIES LIMITED (A WHOLLY OWNED SUBSIDIARY OF CANARA BANK) Registered Office: 7TH FLOOR, MAKER CHAMBERS III, NARIMAN POINT, MUMBAI-400021					
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2023 (Rs. In lakhs)					
Particulars	NOTES	For the Year ended 31st March 2023		For the Year ended 31st March 2022	
INCOME					
I. Revenue from operations					
Income from Services	15	1,814.12		2,193.89	
Revenue from Sales	15	4,588.22		12,338.34	
Interest & Finance	15	44.38		399.02	
TOTAL			6,446.71		14,931.26
II. Other Income	16		364.15		354.29
III. TOTAL INCOME (I + II)	(A)		6,810.86		15,285.55
IV. EXPENDITURE					
Cost of Materials consumed					
Purchase of Stock-in-Trade	17	3,116.90		4,814.95	
Changes in inventories of stock in Trade	18	1,391.72		6,744.41	
Employees Benefit Expenses	19	524.31		436.80	
Finance Cost	20	0.46		2.26	
Depreciation and Amortization Expenses	7	60.74		58.27	
Other Expenses	21	699.45		675.03	
TOTAL EXPENSES	(B)		5,793.58		12,731.72
(V) Profit/(Loss) Before exceptional items, extraordinary items and tax (III-IV)					
	(A) - (B)		1,017.28		2,553.82
(VI) Exceptional Items					
a) Prior Period Expense			2.53		-
(VII) Profit before extraordinary items and Tax (V - VI)			1,014.75		2,553.82
(VIII) Extraordinary items			-		-
(IX) Profit Before Tax (VII - VIII)			1,014.75		2,553.82
(X) Tax Expense (Provision for Taxation)					
Current Tax		260.00		656.00	
Deferred Tax		(1.53)		(0.37)	
Short/Excess Provision for Tax of Earlier years		1.08	259.55	94.70	750.33
Profit/(Loss) After Tax (IX - X)			755.20		1,803.49
Earning per Share (Basic and Diluted) (in Rs.)			4.72		4.67
Significant Accounting Policies are forming part of the Financial Statements.					
For Samria & Co Chartered Accountants Firm Registration No. 109043W			On behalf of the Board of Directors of Canara Bank Securities Limited		
Adhar Samria Partner M. No: 049174	Sd/- Debashish Mukherjee Chairman DIN: 08193978	Sd/- Biplav Kumar Mishra Managing Director DIN: 08712819	Sd/- Mahesh Muralidhar Pai Director DIN: 09164982	Sd/- Kalyani Kota Director DIN: 08754192	
Place: Mumbai Date: 21.04.2023 UDIN: 23049174BGPRL6237	Sd/- Kalyan Venkatasubramaniam Independent Director DIN: 10043991	Sd/- Tarun Kumar Gupta Independent Director DIN: 01581768	Sd/- Bikram Singh Raina Independent Director DIN: 09374026	Sd/- Madhuri Appan Chief Financial Officer PAN: BENPA5937G	Sd/- Shruti Gandhi Company Secretary M. No: A49901



Statement of Cash Flow at 31st March, 2023

CANARA BANK SECURITIES LIMITED CIN - U67120MH1996GOI097783 Registered Office: 7TH FLOOR, MAKER CHAMBERS III, NARIMAN POINT, MUMBAI- 400021 Audited Cash Flow Statement for the year ended on 31st March, 2023					
(Rs. In lakhs)					
PARTICULARS	For the year ended 31st March 23		For the year ended 31st March 22		
A.) CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before tax and extraordinary items adjustments for:		1,014.75		2,553.82	
Depreciation & Amortization on Property, Plant and Equipment	60.74		58.27		
Profit/ Loss on sale of Property, Plant and Equipment	0.22		(0.20)		
Interest on borrowings	-		-		
Provision for doubtful debt	4.81		15.93		
Provision for diminution in value of inventories	0.20		-		
Excess/(Short) provision of earlier years	(1.08)		(94.70)		
		64.89		(20.70)	
Operating profit before working capital changes		1,079.64		2,533.12	
Adjustments for changes in asset and liabilities					
Inventories	1,391.72		6,729.55		
Current Investment	65.00		(20.50)		
Adjustment for Long & Short term Provision	(183.22)		(658.65)		
Trade payables + Other Current Liabilities	(1,968.76)		1,610.24		
Trade Receivables	62.69		(8.79)		
Other Current Asset	1,647.65		(199.45)		
Other Non current Asset	0.001		301.96		
		1,015.08		7,754.36	
		2,094.72		10,287.48	
Direct Tax Paid (Net)		(239.00)		(440.00)	
		-		-	
Net cash from operating activities (A)		1,855.72		9,847.48	
B.) CASH FLOW FROM INVESTING ACTIVITIES					
Purchase Of Property, Plant and Equipment	(61.75)		(74.08)		
Profit/(Loss) on Sale of Property, Plant and Equipment	(0.22)		0.20		
Investment in term deposit for more than 12 month	(25.00)		-		
Dividend received	-		-		
Sale of Property, Plant and Equipment	0.30		-		
Net cash from investing activities (B)		(86.68)		(73.88)	
C.) CASH FLOW FROM FINANCING ACTIVITIES					
Interest on Borrowing	-		-		
OD Availed / Repaid	0.12		(600.06)		
Capital Reduction	-		(8,268.00)		
Dividend paid	(240.00)		(888.89)		
Net cash used in financing activities (C)		(239.88)		(9,756.95)	
Net increase/(decrease) in Cash and Cash Equivalents		1,529.16		16.65	
Cash and cash equivalent at the beginning of the year		5,041.40		5,024.75	
Cash and cash equivalent at the end of the year		6,570.55		5,041.40	
Significant Accounting Policies are forming part of the Financial Statements.					
For Samria & Co Chartered Accountants Firm Registration No. 109043W		On behalf of the Board of Directors of Canara Bank Securities Limited			
Sd/-	Sd/-	Sd/-	Sd/-		
Adhar Samria Partner M. No: 049174	Debashish Mukherjee Chairman DIN: 08193978	Biplav Kumar Mishra Managing Director DIN: 08712819	Mahesh Muralidhar Pai Director DIN: 09164982	Kalyani Kota Director DIN: 08754192	
Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	
Place: Mumbai Date: 21.04.2023 UDIN: 23049174BGPRL6237	Kalyan Venkatasubramaniam Independent Director DIN: 10043991	Tarun Kumar Gupta Independent Director DIN: 01581768	Bikram Singh Raina Independent Director DIN: 09374026	Madhuri Appan Chief Financial Officer PAN: BENPA5937G	Shruti Gandhi Company Secretary M. No: A49901



Notes (Cont.)

Canara Bank Securities Limited

Notes forming part of financial statement for the year ended 31/03/2023

NOTE 1

(Rs. in lakhs)

SHARE CAPITAL	As at 31/03/2023	As at 31/03/2022
a. Authorised		
10,00,00,000 (Previous Year - 10,00,00,000) Equity Shares of Rs. 10 each	10,000.00	10,000.00
Issued, Subscribed & Paid up		
1,60,00,000 (PreviousYear-1,60,00,000) Equity Shares of Rs. 10 each fully paid	1,600.00	1,600.00
	1,600.00	1,600.00

b. Rights of the Equity Shareholders

The Company has only one class of equity shares having a par value of Rs 10/- each. These shares rank pari passu with each other and in accordance with the Articles of Association of the Company, each equity shareholder is entitled to the same rights as regards voting, dividend and repayment of capital in proportion to his shareholding and there are no restrictions to the rights of shareholders. There are no shares allotted as fully paid up by way of bonus shares or allotted as fully paid up pursuant to contract without payment being received in cash or bought back during the period of five years immediately preceding the reporting date, except as mentioned above.

c. Reconciliation of the number of shares outstanding

(Rs. in lakhs)

Particulars	As at 31/03/2023		As at 31/03/2022	
	No of Shares	Amount	No of Shares	Amount
Number of shares at the beginning	160	1,600.00	400	4,000.00
Add: Fresh issue of shares	-	-	-	-
Less: Reduction in Numbers of shares as per scheme approved by NCLT	-	-	240	2,400.00
Number of shares at the end	160	1,600.00	160	1,600.00

Consequent to the order of the Hon'ble National Company Law Tribunal, Mumbai Bench, during the previous year, the issued, subscribed and paid up equity share capital of the Company was reduced from Rs.4,000 Lakh (Rupees Forty Crore only) consisting of 4,00,00,000 (Four Crore only) equity shares of Rs.10/- each to Rs.1,600 Lakh (Rupees Sixteen Crore only) consisting of 1,60,00,000 (One Crore Sixty Lakhs) equity shares of Rs.10/- each by cancelling and extinguishing in aggregate 60% (Sixty Percent) of the total issued, subscribed and paid up equity share capital of the Company comprising 2,40,00,000 (Two crore forty lakh) equity shares of Rs.10/- each held by the parent Canara Bank and the proportionate capital amount aggregating to Rs. 8,268 Lakh (Rupees Eighty Two Crore Sixty Eight Lakhs only) including 60% share of accumulated profit of Rs.5,868 Lakh (Rupees Fifty Eight Crore Sixty Eight Lakhs Only) was returned to them.

d. Value of Shares held by Holding / Ultimate holding company or fellow subsidiaries and other associates

(Rs. in lakhs)

Particulars	As at 31/03/2023		As at 31/03/2022	
	No. of Shares	Amount	No. of Shares	Amount
Canara Bank - Holding Company	159.998	1,599.976	159.998	1,599.976
Canara Bank - jointly with others	0.002	0.024	0.002	0.024
Total	160.000	1,600.000	160.000	1,600.000



Notes (Cont.)

e. Details of Shareholders holding more than 5% of Shares

Particulars	As at 31/03/2023		As at 31/03/2022	
	No. of Shares	(%) of Holding	No. of Shares	(%) of Holding
Canara Bank-Holding company	159.998	99.999	159.998	99.999
Canara Bank - jointly with others	0.002	0.002	0.002	0.001
Total	160.000	100.000	160.000	99.999

f. Details of Shareholding of Promoters

Shares held by promoters at the end of the year 31/03/2023			% Change during the
Promoter Name	No. of Shares	(%) of total shares	period
Canara Bank-Holding company	159.998	99.999	Nil
Canara Bank - jointly with others	0.002	0.002	Nil
TOTAL	160.000	100.00	Nil

Shares held by promoters at the end of the year 31/03/2022			% Change during the
Promoter Name	No. of Shares	(%) of total shares	period
Canara Bank-Holding company	159.998	99.999	Nil
Canara Bank - jointly with others	0.002	0.002	Nil
TOTAL	160.000	100.000	Nil

Note 2

(Rs. in lakhs)

Reserve & Surplus	As at 31/03/2023	As at 31/03/2022
General Reserve		
Balance as per Previous Financial year	621.65	621.65
Add: Amount transferred from Surplus balance in the statement of Profit and Loss	66.23	0.00
Closing Balance	687.88	621.65
Profit & Loss account		
Balance as per last Financial year	4,580.19	9,533.59
Add: Profit/(Loss) for the year	755.20	1,803.49
Less: Reduction in Capital	-	(5,868.00)
Less: Interim Dividend for the year	(240.00)	(888.89)
Amount transferred to general reserve	(66.23)	-
	5,029.16	4,580.19
TOTAL	5,717.04	5,201.84

Note 3

(Rs. in lakhs)

Long Term Provisions	As at 31/03/2023	As at 31/03/2022
Provision for Gratuity	9.56	5.86
TOTAL	9.56	5.86



Notes (Cont.)

Note 4

(Rs. in lakhs)

Short Term Borrowings	As at 31/03/2023	As at 31/03/2022
(a) Loan repayable on demand		
Secured		
From Bank	0.12	-
From Other Parties	-	-
TOTAL	0.12	-

Fixed deposit amounting to Rs.2430.81 lakhs(PY Rs.2360.42515 Lakhs) has been pledged with bank for the overdraft limit

Note 5

(Rs. in lakhs)

Other Current Liabilities	As at 31/03/2023	As at 31/03/2022
Payable to client	320.21	2,293.01
Outstanding Expense	19.20	10.76
Statutory Liabilities	23.87	27.65
Other	5.39	6.03
TOTAL	368.68	2,337.44

Note 6

(Rs. in lakhs)

Short Term Provisions	As at 31/03/2023	As at 31/03/2022
Provision for CSR	10.32	-
Provision for Gratuity	0.06	0.03
Provision for Expense	50.24	46.14
Provision for Income Tax	916.00	857.36
TOTAL	976.622	903.533

Note 8

(Rs. in lakhs)

Deferred Tax Assets (Net)	As at 31/03/2023	As at 31/03/2022
Opening Balance	15.68	15.31
Deferred Tax Assets resulting on account of Provision for Gratuity & Leave Salary (A)	0.94	0.17
Deferred Tax Liabilities arising due to difference between Depreciation as per IT Act and as per Companies Act (B)	0.59	0.21
TOTAL	17.21	15.68

Note 9

(Rs. in lakhs)

Other Non-Current Assets	As at 31/03/2023	As at 31/03/2022
Unsecured and considered goods		
Interest Free Deposits with Stock Exchanges	197.00	197.00
Income Tax Refund Receivable	11.33	11.33
Rent Deposit (Refer Note 23B)	39.70	39.70
Term deposit with Bank having residual maturity of more than 12 months	25.00	-
TOTAL	273.03	248.03

Note 10

(Rs. in lakhs)

Current Investment	As at 31/03/2023	As at 31/03/2022
Investments in Units of Mutual Funds	-	65.00
Total	-	65.00



Notes (Cont.)

Note 11

(Rs. in lakhs)

Inventories	As at 31/03/2023	As at 31/03/2022
Tax Free Bonds	172.60	1,564.32
Less : Provision for Decline in value	(0.20)	-
TOTAL	172.40	1,564.32

Tax free bonds are stated at lower of cost or market value derived as per FIMMDA valuation

Note 12

Trade Receivables

(Rs. in lakhs)

Trade Receivables ageing schedule	As at 31/03/2023					
	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	147.10	18.88	16.83	49.86	5.80	238.47
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	13.28	13.90	27.17
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
TOTAL	147.10	18.88	16.83	63.14	19.69	265.65
Less: Provision for Doubtful Receivables						27.17
Total Trade Receivables						238.47

(Rs. in lakhs)

Trade Receivables ageing schedule	As at 31/03/2022					
	Outstanding for following periods from due date of payment					
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	184.44	-	18.40	101.36	1.78	305.97
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	13.43	2.50	15.93
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
TOTAL	184.44	-	18.40	114.78	4.28	321.90
Less: Provision for Doubtful Receivables						15.93
Total Trade Receivables						305.97

Note 13

(Rs. in lakhs)

Cash and Bank Balances	As at 31/03/2023	As at 31/03/2022
Cash and Cash equivalents		
(a) Balances with banks	472.85	934.37
(b) Cash on hand	0.09	0.06
(c) Balances with Scheduled Bank in Deposit account*	6,097.61	4,106.96
	6,570.55	5,041.39

*Of the above Fixed Deposits, Rs.1810.03Lakh worth of Fixed Deposits are pledged with Stock Exchange for margin money.

*Of the above Fixed Deposits, Rs.2430.81Lakh worth of Fixed Deposits are pledged with Canara Bank for Overdraft facility.

Note 14

(Rs. in lakhs)

Other Current Asset	As at 31/03/2023	As at 31/03/2022
Accrued Interest	224.44	226.57
Prepaid Expense	52.09	44.25
Receivable from clients	66.57	1,513.71
Others	14.70	51.24
Advance Tax	876.52	820.20
TDS	63.10	50.09
TOTAL	1,297.41	2,706.06



Notes (Cont.)

Note 15

(Rs. in lakhs)

Revenue from Operations	For the Year ended 31/03/2023	For the Year ended 31/03/2022
Income from Services		
Brokerage Income	1,306.28	1,744.48
Brokerage Income from Bonds	3.93	5.10
Income from distribution of Mutual Funds/IPOs/Bonds	21.00	15.33
Income from DP Operations	435.02	397.82
Account Opening Charges	47.89	31.16
TOTAL (A)	1,814.12	2,193.89
Sale of Securities		
Sales - Equity	3,134.64	2,335.99
Sales-Tax Free Bonds	1,453.57	7,004.74
Dated govt securities Commerical Paper		2,997.62
TOTAL (B)	4,588.22	12,338.34
Interest & Financial Income		
Interest on Corporate Bonds	44.28	387.11
Interest on Gsec Bonds	0.10	11.91
TOTAL (C)	44.38	399.02
TOTAL	6,446.71	14,931.26

Note 16

(Rs. in lakhs)

Other Income	For the Year ended 31/03/2023	For the Year ended 31/03/2022
Interest on IT Refund	40.45	3.21
Other Income	25.79	14.02
Dividend Received-Equity	-	0.01
Profit on sale of asset	-	0.20
Profit on redemption of MF	1.06	11.13
Interest on Bank Deposits	293.81	325.73
Bad Debt Recovery	3.05	-
TOTAL	364.15	354.29

Note 17

(Rs. in lakhs)

Purchase of Stock in Trade	For the Year ended 31/03/2023	For the Year ended 31/03/2022
Equities	3,116.90	2,319.59
Tax Free Bonds	-	-
Dated Govt Securities	-	2,495.36
TOTAL	3,116.90	4,814.95



Notes (Cont.)

Note 18

(Rs. in lakhs)

Changes in inventories of FG,WIP & Stock in Trade	For the Year ended 31/03/2023	For the Year ended 31/03/2022
(Increase)/Decrease in Stock		
Closing Stock - Equities	-	-
Closing Stock Tax Free Bonds	172.60	1,564.32
Closing Stock Dated Govt Securities	-	-
TOTAL (A)	172.60	1,564.32
Less : Opening Stock - Equities	-	495.80
Opening Stock Tax Free Bonds	1,564.32	2.98
Opening Stock Dated Govt Securities	-	7,809.95
TOTAL (B)	1,564.32	8,308.73
TOTAL (B) - (A)	1,391.72	6,744.41

Note 19

(Rs. in lakhs)

Employees Benefit Expenses	For the Year ended 31/03/2023	For the Year ended 31/03/2022
Salaries & Allowances	463.51	403.17
Company's contribution to Provident & Other funds	11.64	8.42
Employer Contribution to NPS for CBSL Staff	9.94	7.49
Stipend paid to CBSL Trainees	39.23	17.73
TOTAL	524.31	436.80

Note 20

(Rs. in lakhs)

Finance Cost	For the Year ended 31/03/2023	For the Year ended 31/03/2022
Interest paid on Bank Borrowing	0.46	2.26
TOTAL	0.46	2.26

Note 21

(Rs. in lakhs)

Other Expenses(Admn & other exp)	For the Year ended 31/03/2023	For the Year ended 31/03/2022
Advertisement Expense	1.18	1.90
Bad Debt Written off	9.63	17.84
Bank Charges	0.46	2.03
Books, Periodicals, News Paper & Magazine	0.94	0.85
Business Promotion/Development Expenses	4.37	7.12
CSR Expense (Refer Note 23R)	46.70	37.38
DP Other Charges	32.98	17.89
Electricity Charges	21.95	12.34
Facility Management Services	16.16	38.79
GST Paid	1.85	15.94
Insurance	1.13	20.43
Interest on late payment of Statutory Dues	0.10	1.69



Notes (Cont.)

KYC & KRA Expenses	20.76	9.97
lease line charges	21.13	18.96
<u>Payment to Auditors:</u>	-	-
Statutory Audit Fees	2.50	2.50
Limited Review Fees	1.50	1.50
Legal & Professional Fees	27.74	19.47
Meeting Expenses	9.08	7.57
Loss on Sale of Fixed asset	0.22	-
Miscellaneous Expenses	0.04	1.37
Office expenses	15.61	12.72
Payment to Contractors	21.75	20.81
Pooja Expense	0.70	0.33
Postage, Telephone & Telegrams	15.96	17.15
Printing & Stationery	8.46	10.15
Professional & Membership	3.43	1.62
Provision for Doubtful debt	4.81	15.93
Interest paid to depository	8.03	-
Rent	105.43	97.24
Repairs & Maintenance to assets other than Buildings & Machinery	132.95	136.21
Sitting Fees to Directors	10.05	8.10
Software Expenses	27.36	24.56
Stamp charges	22.74	23.18
STP Charges	0.04	0.24
STT	1.54	1.25
Subscription to Information Systems	66.52	39.67
Transaction/other charges to Exchanges	19.24	13.35
Travelling, Conveyance & Motor Car Expenses	14.21	17.01
Provision for diminution in value of Inventories	0.20	-
TOTAL	699.45	675.03

Property, Plant and Equipment and Intangible assets

Note 7

The changes in the carrying value of property, plant and equipment for the period ended 31/03/2023 are as follows:

Particulars /Assets	TANGIBLE ASSETS				
	Office Equipments	Motor Cars	Computers (Hardware)	Furniture & Fixtures	Total
Gross carrying value as at 01/04/2022	53.80	9.55	440.25	57.17	560.76
Additions	2.07	-	22.19	1.06	25.31
Deductions/Adjustments	4.80	-	-	0.21	5.02
Gross carrying value as at 31/03/2023	51.06	9.55	462.44	58.01	581.06
Accumulated depreciation as at 01/04/2022	50.35	8.72	399.67	54.39	513.12
Additions	1.00	0.26	20.17	0.58	22.00
Deductions/Adjustments	4.56	-	-	0.16	4.72
Accumulated depreciation as at 31/03/2023	46.78	8.98	419.83	54.81	530.40
Carrying value as at 01/04/2022	3.45	0.83	40.58	2.78	47.64
Carrying value as at 31/03/2023	4.28	0.57	42.61	3.20	50.65



Notes (Cont.)

The changes in the carrying value of property, plant and equipment for the year ended 31/03/2022 are as follows:

Particulars /Assets	TANGIBLE ASSETS				
	Office Equipments	Motor Cars	Computers (Hardware)	Furniture & Fixtures	Total
Gross carrying value as at 01/04/2021	52.93	9.55	413.68	57.17	533.32
Additions	0.87	-	26.77	-	27.64
Deductions/Adjustments	-	-	0.20	-	0.20
Gross carrying value as at 31/03/2022	53.80	9.55	440.25	57.17	560.76
Accumulated depreciation as at 01/04/2021	49.31	8.35	373.06	53.45	484.17
Additions	1.04	0.37	26.80	0.93	29.15
Deductions/Adjustments	-	-	0.20	-	0.20
Accumulated depreciation as at 31/03/2022	50.35	8.72	399.67	54.39	513.12
Carrying value as at 01/04/2021	3.62	1.20	40.62	3.71	49.15
Carrying value as at 31/03/2022	3.45	0.83	40.58	2.78	47.64

Intangible Assets

(In Rs. Lakh)

The changes in the carrying value of Intangible Assets for the period ended 31/03/2023 are as follow

Particulars /Assets	INTANGIBLE ASSETS		
	Computer (Software)	License Fees	Total
Gross carrying value as at 01/04/2022	439.56	7.62	447.17
Additions	36.44	-	36.44
Deductions/Adjustments	-	-	-
Gross carrying value as at 31/03/2023	476.00	7.62	483.62
Accumulated amortisation as at 01/04/2022	390.40	2.19	392.59
Additions	38.31	0.43	38.74
Deductions/Adjustments	-	-	-
Accumulated amortisation as at 31/03/2023	428.71	2.62	431.33
Carrying value as at 01/04/2022	49.16	5.43	54.58
Carrying value as at 31/03/2023	47.29	5.00	52.29

The changes in the carrying value of Intangible Assets for the year ended 31/03/2022 are as follows:

Particulars /Assets	INTANGIBLE ASSETS		
	Computer (Software)	License Fees	Total
Gross carrying value as at 01/04/2021	400.73	-	400.73
Additions	38.83	7.62	46.44
Deductions/Adjustments	-	-	-
Gross carrying value as at 31/03/2022	439.56	7.62	447.17
Accumulated amortisation as at 01/04/2022	363.47	-	363.47
Additions	26.93	2.19	29.12
Deductions/Adjustments	-	-	-
Accumulated amortisation as at 31/03/2022	390.40	2.19	392.59
Carrying value as at 01/04/2021	37.26	-	37.26
Carrying value as at 31/03/2022	49.16	5.43	54.58



Significant Accounting Policies

Canara Bank Securities Limited Financial Year 2022-23

(SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023)

NOTE NO. 22 SIGNIFICANT ACCOUNTING POLICIES:

Background:

The company was originally incorporated in 1996 as Gilt Securities Trading Corporation Ltd, promoted by Canara Bank, Bank of Baroda and Corporation Bank to act as Primary Dealer. It became a wholly owned subsidiary of the Canara Bank in 2004. The company forayed into stock broking in 2007 on relinquishing PD business in favour of parent bank.

The company extends "Online Trading" facility to the clients of Canara Bank & Regional Rural Banks viz. Kerala Gramin Bank & Karnakata Gramin Bank sponsored by Canara Bank.

With a view to provide efficient and prompt service to clients, the Depository Participant activity, which was hitherto handled by the Parent Bank has been now handled by our Company w.e.f. 01.04.2017.

A. Method of Accounting

- a) The accounts are prepared on a going concern basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified).
- b) The company follows the accrual method of accounting for expenditure as well as income giving due regard to the concept of materiality. The accounting policies adopted in preparation of financial statements are consistent with those of the previous years.
- c) The company has prepared the financial statements in accordance with the schedule III of the Companies Act, 2013.
- d) The preparation of financial statements in conformity with GAAP requires that the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent assets and liabilities as at the date of the financial statements and the reported amount of income and expenses during the period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

B. Recognition of Income and Expenses

- a) The weighted average cost method is employed for calculating the profit or loss on sale of securities. The profit or loss on sale of securities other than equity shares are recognised on the settlement date while that on sale of equity shares is recognised on the trade date.
- b) Interest accrued on Dated Government Securities/ Tax Free Bonds is computed at the coupon rate.



Significant Accounting Policies (Cont.)

- c) Dividend is recognised when the right to receive the same is established.
- d) Brokerage and commission earned through secondary market operations and online portal operations is recognised on the basis of trade dates.
- e) Software expenses on development/capital nature are being capitalised since financial year 2003-04.
- f) Stamp charges incurred for registration of new clients are charged to revenue in the year of payment after adjusting any recovery from the clients.
- g) Dated Government Securities, Equity Shares and Tax Free Bonds in which the Company deals, are regarded as Current Assets and treated as Stock-in-Trade. Since these securities are identified as Stock-in-trade, the Gross Sale and purchases are recognised in Statement of Profit & Loss.
- h) Investment in Mutual Fund units has been taken under current Investment and as such taken at the lower of Cost or Net Asset Value.
- i) Provision for unrealised DP income is made as follows:

Amount Outstanding:	With Zero Holding	With Holding
Upto 2 years	Nil	Nil
Above 2 years but less than or equal to 3 years	50% (Provision)	Nil
Above 3 years but less than or equal to 4 years	100% (Fully Write Off)	25% (Provision)
Above 4 years but less than or equal to 5 years	100% (Fully written off)	50% (Provision)
Above 5 years	100% (Fully written off)	100% (Fully written off)

C. Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Long Term Investments are valued at cost. Provision for diminution is made in case of a permanent diminution in the value of the investments.

Current investments are carried at lower of cost or net realisable value.

D. Valuation of Inventories

a)	Central Government Dated Security	At lower of cost or market value derived as per FIMMDA Valuation
b)	Equity shares	At lower of cost or net realisable value
c)	Tax Free Bonds	At lower of cost or market value derived as per FIMMDA Valuation



Significant Accounting Policies (Cont.)

E. Property, Plant and Equipment:

Property, Plant and Equipment are stated at original cost, less accumulated depreciation/amortization. Cost includes all direct costs attributable to acquisition, installation and commissioning. Depreciation is provided on the basis of Written Down Value method based on the useful life specified in and in the manner laid down in Part "C" of Schedule II of the Companies Act 2013.

The amount paid towards Registration/ Renewal of certificate of registration as "Research Analysts" shall be amortized over five years starting from the year in which it is paid.

Depreciation method, useful life and residual values are reviewed periodically, including at each financial year.

F. TAXATION

a) Current Tax

Provision for current tax is made on the basis of taxable income estimated in accordance with the provision of Income Tax Act, 1961.

b) Deferred Tax

Income tax expense comprises current and deferred tax charge or credit. Deferred tax resulting from "timing differences" between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantively enacted. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The deferred tax asset is recognised and carried only when there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset will be realised in the future.

G. Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date for indications of any impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognised by charging it to the Profit & Loss Account. A previously recognised impairment loss is reversed when it ceases to exist and the asset is restated to that effect.

H. Provisions

A provision arising out of a present obligation is recognised when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. Whenever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liabilities.



Significant Accounting Policies (Cont.)

I. Earning per Share

Basic earnings per share are calculated by dividing the net profit or loss after tax (including the post tax effect of extraordinary items, if any) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year in conformity with Accounting Standard 20 – “Earnings Per Share” issued by the Institute of Chartered Accountants of India.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

J. Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and term deposits with bank having residual maturity period of less than 12 months as on the date of the Balance Sheet. Term deposits with bank having maturity value of more than 12 months as on the date of the Balance Sheet is shown as Other Non Current Assets.

K. Contingent Liabilities and Assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

NOTES FORMING PART OF THE ACCOUNTS:

Note 23:

A. During the year company has paid Interim dividend of Rs.216 Lakhs. for the financial year 2022-23 along with Tax Deducted at Source of Rs.24 Lakhs.

B. Contingent Liabilities

Contingent liabilities in respect of claims not accepted by the Company (matter in appeal in the Small Causes Court referred to in Para 2(b)) and not provided for are as follows:



Significant Accounting Policies (Cont.)

Sr. No.	Particulars	As on 31.03.2023 (Amount in Lakhs)
1	Claim towards rent on vacated premises, till the end of period of lease and Mesne profit. (Amount of Rs. 39.70 lakhs due from the sub lessor out of the Security deposit held is disclosed in Note No. 9 of Notes forming part of Financial statements)	29.34
2	Property tax on account of increase in rateable value by MCGM (Municipal Corporation of Greater Mumbai) to the Municipal authorities on crystallisation.	152.62
	Total	181.96

C. Deferred Tax Asset/ Liability

As per Accounting Standard 22 'Accounting for Taxes on Income' timing differences mainly relates to the following items and result in a net deferred tax asset.

(Rs. In Lakhs)

Nature of Timing Difference	Deferred Tax (Asset)/Liability as at 01.04.2022	(Charge)/Credit for the current year charged to the Profit & Loss Account	Deferred Tax (Asset)/Liability as at 31.03.2023
a) Deferred Tax Liabilities - Depreciation	13.21	(0.59)	12.62

b) Deferred Tax Asset - Provision for Gratuity/ Leave Salary	(28.89)	(0.94)	(29.83)
Total Deferred Tax Asset (Net)	(15.68)	(1.53)	(17.21)

D. Purchase and sale transactions of Equity Shares, Dated Government Securities & Tax Free Bonds are disclosed in the notes on accounts (**Note No.15 & Note No.17 of Notes forming part of Financial statements**) with a view to indicate the trade turnover of the Company. For this purpose, sales also include maturity proceeds, if any, when these are held by the Company till the date of maturity.

E. i. Employee Benefit Expenses include payments made to parent Bank towards emoluments of its employees whose services have been lent to the Company.
ii. Figures are rounded off in rupees. System automatically adjusts the difference if any in rounding off.



Significant Accounting Policies (Cont.)

Table showing changes in Present value of Obligation:- (Rs. In Lakhs)

	As at 31/03/2023	As at 31/03/2022
Present Value of Obligation at the beginning of the Year	5.89	5.31
Acquisition Adjustment	0	0
Interest Cost	0.43	0.39
Past Service Cost	0	0
Current Service Cost	3.90	2.37
Curtailment Cost	0	0
Settlement Cost	0	0
Benefit Paid	0	0
Actuarial Gain/Loss on Obligations	(0.60)	(2.18)
Present Value of Obligation at the end of the Year	9.62	5.89

Table showing expense recognised in Statement of Profit/Loss: (Rs. In Lakhs)

	As at 31/03/2023	As at 31/03/2022
Current Service Cost	3.90	2.37
Past Service Cost	0	0
Interest Cost	0.43	0.39
Expected Return on Asset	0	0
Curtailment Cost	0	0
Settlement Cost	0	0
Actuarial Gain/loss recognised in the year	(0.60)	(2.18)
Expense Recognised in Statement of Profit/Loss	3.73	0.58

Table showing Actuarial Assumptions

	As at 31/03/2023	As at 31/03/2022
Mortality Rate	IALM2012-2014 ULT	IALM2012-2014 ULT
Superannuation Age	60	60
Early Retirement & Disablement	1.5%	1.5%
Discount Rate	7.31%	7.25%
Inflation Rate	6.0%	6.0%
Return on Asset	Unfunded	Unfunded
Remaining Working Life	29 Years	30 Years
Formula Used	Projected Unit Credit	Projected Unit Credit

	Method	Method
--	--------	--------

Showing Movements in the Liability Recognised in Balance sheet: (Rs. In Lakhs)

	As at 31/03/2023	As at 31/03/2022
Opening Net Liability	0	0
Expenses as above	3.73	0.58
Contribution	0	0
Closing Net Liability	3.73	0.58
Closing Fund/Provision at end of Year	9.62	5.89



Significant Accounting Policies (Cont.)

- F. The Managing Director is on deputation from Canara Bank and his remuneration is in accordance with the service rules of the Parent Bank. The particulars of aggregate remuneration are:

(Rs. In Lakhs)

Particulars	2022-23	2021-22
Salaries & Allowances	27.02	23.02
Contribution to Provident and Other Funds	1.45	1.41
Total	28.47	24.43

The computation of net profits under Section 198 of the Companies Act, 2013, has not been given, as commission by way of percentage of profits is not payable to the Managing Director.

- G. Foreign Exchange Earnings- Nil (P.Y.-Rs.Nil).
- H. Foreign Exchange Outgo - Nil (P.Y-Rs.Nil).
- I. **AS 15 – Employee Benefits** – Of the 61 employees of the Company, 9 are deputed from the Parent Bank. During the financial year 2022-23, the Company has recruited 12 employees on fixed term contract of 3 years. During the year the Company has recruited 14 employees on permanent basis. Provident Fund Regulations are applicable to the Company for the staff who are on deputation from Parent Bank i.e Canara Bank and the same is reimbursed by the Company to the Parent Bank on monthly basis. The employees on the payroll of the company are governed by NPS regulations.
- J. **Segment Reporting (AS-17):** The Company is in Stock Broking activity and Depository Participant (DP) activity, besides continuing proprietary trading in equity and other securities. Since the risks and rewards of various activities carried out by the Company are different, the Company has identified the following segments viz. Stock Broking Activity (including Mutual Fund Distribution & Distribution of Tax Free Bonds), DP activity and Trading in Securities, for reporting under AS 17 – Segment Reporting, issued by the Institute of Chartered Accountants of India:

Primary- Business segments

- i) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the respective segment. However, revenue and expenses which cannot be identified or allocated reasonably to a segment being related to the enterprise as a whole have been grouped as un-allocable.
- ii) Segment assets and segment liabilities represent assets and liabilities of respective segments, however, the assets and liabilities not identifiable or allocable on reasonable basis being related to enterprise as a whole have been grouped as un-allocable.
- iii) The previous year's figures are not recast



Significant Accounting Policies (Cont.)

Secondary – Geographical Segments - The Company is functioning as a single Geographical segment

	STOCK BROKING	TRADING IN SECURITIES	DEPOSITORY PARTICIPANT	TOTAL
	2022-23	2022-23	2022-23	2022-23
REVENUE				
Broking Income	1379.09	-	-	1379.09
Trading income	-	79.60	-	79.60
DP Income	-	-	435.02	435.02
Interest	293.81	44.38	-	338.19
Others	70.35	-	-	70.35
Total	1743.25	123.98	435.02	2302.25
EXPENDITURE				
Interest	-	-	-	-
Amortization expenses	-	-	-	-
Other Expenses	-	-	32.98	32.98
Total	-	-	32.98	32.98
SURPLUS	1743.25	123.97	402.04	2269.27
Less: Unallocable Expenditure	-	-	-	1254.52
Profit before taxation	-	-	-	1014.75
Provision for Taxation	-	-	-	(259.55)
Profit after Taxation	-	-	-	755.20
SEGMENT ASSETS				
Stock	-	172.40	-	172.40
Fixed Assets(WDV)	-	-	-	102.95
Cash & Bank Balance	6566.29	-	4.25	6570.54
Trade receivables	5.10	-	233.37	238.47
Others	263.57	-	-	263.57
Total	6834.96	172.40	237.62	7347.93
Unallocated Assets	-	-	-	1324.09
TOTAL ASSETS	-	-	-	8672.02



Significant Accounting Policies (Cont.)

SEGMENT LIABILITIES				
Borrowings	-	-	-	-
Others	320.21	-	-	320.21
Total	320.21	-	-	320.21
Unallocated Liabilities	-	-	-	8351.81
TOTAL LIABILITIES	-	-	-	8672.02

Related Party Disclosures [AS-18] : As per Para 9 of the Accounting Standard 18 on Related Party Disclosures, the Company being a state controlled enterprise is not required to make disclosures of related party relationships with other state controlled enterprises and transactions with such enterprises. Other information as per the Standard is as under:

The Company is a wholly owned Subsidiary of Canara Bank. Barring Chief Financial Officer, Company Secretary, the other Key Managerial Personnel of the Company - Managing Director is on deputation from Canara Bank.

Details of Managing Director's remuneration are disclosed under Note No. **23 (F)** during the year, the Company has paid Rs. 10,05,000/- (Previous year Rs.8,10,000/-) as sitting fees for Board/Committee meetings to Independent Directors.

The following are the list of related parties during the financial year 2022-23:-

Related Party	Its Relationship
Canara Bank	Parent Company (100% Holding)
Canara HSBC Oriental Bank of India Insurance Company Ltd	Subsidiary of Parent Company
Canara Robeco MF	Subsidiary of Parent Company
Canara Bank Computer Services Limited	Subsidiary of Parent Company
Biplav Kumar Mishra	Managing Director
Himanshu Katare*	Company Secretary (KMP)
Shruti Gandhi	Company Secretary (KMP)
Madhuri Appan	CFO (KMP)

***For Part of the Year**



Significant Accounting Policies (Cont.)

The following are the related party transactions made during the year:

(Rs. in Lakh)

Sr. No	Related Party	Nature of Transactions	2022-23
1	Canara Bank	Rent	55.16
		Salary & other benefits	113.19
		Electricity charges	21.95
		Interest on Deposit	202.74
		Dividend paid for 22-23	240.00
		Brokerage Received	26.89
		Interest paid on O/D Account	0.46
2	Canara HSBC Oriental Bank of India Insurance Company Ltd	Brokerage Received	30.83
3	Canara Robeco MF	Brokerage Received	54.32
		Distribution/Dividend & other income received	7.65
		Mutual Fund investment during the year	0.00
		Income from investment in Mutual Fund	0.49
4	Canara Bank Computer Services Limited	RTA & Maintenance Charges for Dr. Site, Bangalore	0.17
5	Himanshu Katare	Salary & other benefits	5.60
6	Shruti Gandhi	Salary & other benefits	2.83
7	Madhuri Appan	Salary & other benefits	4.05

Sr. No	Related Party	Closing Balances	31 st March, 2023
1	Canara Bank	Balance in Current Account (Own+settlement)/Loan (O/D)	468.41
		In Fixed Deposit	4312.58
2	Kerala Gramin Bank	Balance in Current Account	2.12
3	Pragathi Krishna Gramin Bank	Balance in Current Account	2.20
4	Canara Robeco MF	Outstanding Investment in MF	0.00

K. Lease (AS-19):

a) The Company entered into an agreement with Canara Bank in respect of space allotted in the premises at Nariman Point, Mumbai for a period of five years from 01.11.2014 with an option to further renew the period of lease to 5 more years. Now running under option period.



Significant Accounting Policies (Cont.)

b) DP activity now carried out by our Company is in the premises, which has been sub-leased by Bank.

The lease rental incurred for the period from April, 2022 to March, 2023, in respect of the said premises occupied amounting to Rs. 30.00Lakh (excluding GST) is accounted for as rent. (Previous Year: 30.00Lakh).

- L. **Earnings Per Share [AS-20]** : The Earning Per Share, basic and diluted is calculated as under:

	2022-23	2021-22
Profit attributed to Equity Shareholder (Rs.)	7,55,20,001	18,03,49,397
No. of equity Shares (of Rs.10 each)	1,60,00,000	3,86,19,178*
Basic and Diluted Earnings Per Share (Rs.)	4.72	4.67

***Computed on the basis of weighted average method**

- M. Intangible Assets [AS-26]: The Company has recognised Computer Software as Intangible Assets which is depreciated @40% using SLM method. The net carrying amount of Computer Software is Rs.47.29 lac (Previous Year - Rs. 49.16 lac) after providing for depreciation of Rs. 38.31 lac (Previous Year - Rs. 26.93 lac).
- N. Impairment of Assets [AS-28]: The Company has confirmed that there is no material impairment of assets and as such no provision is required as per AS-28.
- O. Statement of purchase and sale/ redemption of Investments

Sr. No.	Description	Purchase 2021-22		Sale / Redemption 2021-22	
		Qty/Unit	Rs. (Lakhs)	Quantity/Unit	Rs. (Lakhs)
1	Current Investment Canara Robeco Mutual Fund- Canara Robeco Liquid-Direct Growth	60,540.71	1,506.75	61,089.8	1529.90
2	IDBI - Liquid Fund - Direct Plan - Growth	4,705.18	106.50	4,093.24	88.42
3	TATA Liquid Fund Direct Plan - Growth	686.129	23.00	119.853	4.02



Significant Accounting Policies (Cont.)

Sr. No.	Description	Purchase 2022-23		Sale / Redemption 2022-23	
		Qty/Unit	Rs. (Lakhs)	Quantity/Unit	Rs. (Lakhs)
1	Current Investment Canara Robeco Mutual Fund- Canara Robeco Liquid-Direct Growth	2035.57	52.00	3292.32	84.49
2	IDBI - Liquid Fund - Direct Plan - Growth	1220.058	28.00	1831.992	42.24
3	TATA Liquid Fund Direct Plan - Growth	1158.68	39.00	1724.951	58.33

- P. There is no micro, small and medium enterprises, to which company owes dues, as at March 31, 2023. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 to financial statement for the year ended March 31, 2022.

Particular	As at 31/03/2023	As at 31/03/2022
The amounts remaining unpaid to any supplier at the end of the year:	-	-
1. Principal amount		
2. Interest amount		
The amounts of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-



Significant Accounting Policies (Cont.)

- Q. Balances shown under Sundry Creditors and other liabilities payable to clients, Trade Receivables and other advances receivable from clients have been made are subject to confirmation, reconciliation and subsequent adjustment, if any thereon.
- R. As per section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, need to spend atleast 2% of its average net profit for the immediately preceding 3 financial years on corporate social responsibility (CSR) activities. The

areas for CSR activities are promoting education, promoting gender equality by empowering women, and contribution to the prime minister's national relief fund. The CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013

(Rs. In Lakhs)

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Amount required to be spent by the company during the year	46.70	37.38
2.	Amount of expenditure incurred during the year	36.38	37.38
3.	Shortfall at the end of the year	10.32	Nil
4.	Shortfall of the previous year	-	-
5.	<p>Reason for shortfall : The Board has approved Rs. 46.70 lakhs (Rupees Forty Six Lakh Seventy Thousand Only) towards CSR expenditure pertaining to FY 2022-2023. The Company has disbursed its contribution amounting to Rs.36.38 lakhs for various CSR activities out of the total amount approved as above.</p> <p>For the balance CSR contribution ,the company was considering contributing to the project of Rotary Club of Mumbai, Kandivali along with Diganta Swaraj Foundation, worth Rs.21.45 lakhs out of which the company had already committed an amount of Rs. 9.65 lakhs. However, in the month of March, 2023, it was informed by Rotary Club of Mumbai, Kandivali that they were not able to rope in other donors to pool entire funds of Rs.21.45 lakhs required to finish the project. Hence, the project was terminated.</p> <p>Accordingly as per Section 135 Companies Act, 2013 and rules made thereunder, if the Company fails to spend such amount, then transfer such unspent amount to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year. The unspent amount for the FY 2022-23 will be donated to PM Cares funds within the period prescribed under the Companies Act, 2013.</p>		



Significant Accounting Policies (Cont.)

6.	<p>Nature of CSR Activities :</p> <p>1) Ray Foundation: The Company has grant CSR for establishing Learning and Development Lab at REVA University, Bangalore, Karnataka. The main focus of this Foundation is to provide free training to girl students/ backward / Low-income background students.</p> <p>2) Karthavya Foundation, Kanakpura, Ramanagara, Karnataka: The Company has grant CSR to Karthavya Foundation, Kanakpura, Ramanagara. The main focus of this Charitable Organization is to provide Education for promoting agriculture, farming, and empowering women by providing trainings for building skills.</p>
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S. Previous year figures have been regrouped and rearranged, wherever necessary, so as to make them comparable with those of the current financial year.

Significant Accounting Policies and Notes are forming part of the Financial Statements.

In terms of our audit report of even date attached

For Samria & Co
Chartered Accountants
Firm Registration
No. 109043W

On behalf of the Board of Directors of
Canara Bank Securities Limited

(CA ADHAR SAMRIA)
Partner
M. No. 049174

Sd/-
Debashish
Mukherjee
Chairman
DIN:
08193978

Sd/-
Biplav Kumar Mishra
Managing Director
DIN: 08712819

Sd/-
Mahesh
Muralidhar Pai
Director
DIN: 09164982

Place: Mumbai
Date: 21.04.2023
UDIN: 23049174BGPRL6237

Sd/-
Kalyani Kota
Director
DIN:
08754192

Sd/-
Kalyan
Venkatasubramaniam
Independent Director
DIN: 10043991

Sd/-
Tarun Kumar
Gupta
Independent
Director
DIN: 01581768

Sd/-
Bikram Singh Raina
Independent Director
DIN: 09374026

Sd/-
Madhuri Appan
Chief Financial Officer
PAN: BENPA5937G

Sd/-
Shruti Gandhi
Company Secretary
M. No: A49901



Segment Reporting

**CANARA BANK SECURITIES LIMITED : MUMBAI
SEGMENT REPORTING 2022-23**

	STOCK BROKING	TRADING IN SECURITIES	DEPOSITORY PARTICIPANT	TOTAL
	2022-23	2022-23	2022-23	2022-23
REVENUE				
Broking Income	1379.09	-	-	1379.09
Trading income	-	79.6	-	79.6
DP Income	-	-	435.02	435.02
Interest	293.81	44.38	-	338.19
Others	70.35	-	-	70.35
Total	1743.25	123.98	435.02	2302.25
EXPENDITURE				
Interest	-	-	-	-
Amortization expenses	-	-	-	-
Other Expenses	-	-	32.98	32.98
Total	-	-	32.98	32.98
SURPLUS	1743.25	123.97	402.04	2269.27
Less: Unallocable Expenditure	-	-	-	1254.52
Profit before taxation	-	-	-	1014.75
Provision for Taxation	-	-	-	-259.55
Profit after Taxation	-	-	-	755.2
SEGMENT ASSETS				
Stock	-	172.4	-	172.4
Fixed Assets(WDV)	-	-	-	102.95
Cash & Bank Balance	6566.29	-	4.25	6570.54
Trade receivables	5.1	-	233.37	238.47
Others	263.57	-	-	263.57
Total	6834.96	172.4	237.62	7347.93
Unallocated Assets	-	-	-	1324.09
TOTAL ASSETS	-	-	-	8672.02
SEGMENT LIABILITIES				
Borrowings	-	-	-	-
Others	320.21	-	-	320.21
Total	320.21	-	-	320.21
Unallocated Liabilities	-	-	-	8351.81
TOTAL LIABILITIES	-	-	-	8672.02



Trading Profit - March 2023

CANARA BANK SECURITIES LIMITED : MUMBAI									
Trading Profit for the period ended 31-03-2023									
	Sale	Purchase	Opening Stock	Closing stock before open	Profit/Loss (before depreciation)	Depreciation	Closing stock after depreciation	Profit/Loss after Depreciation	
Equity	740.22	740.00	-	-	0.21	-	-	0.21	
Equity Derivatives	2,394.43	2,376.90	-	-	17.53	-	-	17.53	
Tax Free Bonds	1,453.57	-	1,564.32	172.60	61.85	-	-	61.85	
Total	4,588.22	3,116.90	1,564.32	172.60	79.60	-	-	79.60	

Canara Bank Securities Ltd

A Subsidiary of Canara Bank

Member: NSE, BSE



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