

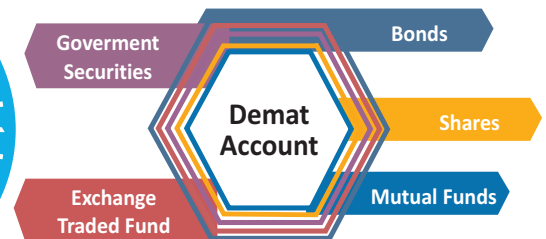
TWENTY FIFTH ANNUAL REPORT 2020-2021

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CANARA BANK SECURITIES LIMITED

(A wholly owned Subsidiary of Canara Bank)



कुशल पूंजी बाजारों का प्रवेश द्वार

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Canara Bank Securities Ltd



CIN : U67120MH1996GOI097783
(A WHOLLY OWNED SUBSIDIARY OF CANARA BANK)
Member : BSE / NSE



SHRI. DEBASHISH MUKHERJEE, EXECUTIVE DIRECTOR, CANARA BANK, SHRI. U S MAJUMDAR , GENERAL MANAGER, ASSOCIATES & SUBSIDIARIES WING, SHRI. MAHESH M PAI, DIRECTOR, SHRI. P.S.BHAVE, INDEPENDENT DIRECTOR, SHRI. T V RAO, INDEPENDENT DIRECTOR, SHRI. BIPLAV KUMAR MISHRA, MANAGING DIRECTOR & THE EXECUTIVES OF CBSL ARE ATTENDING THE 121ST BOARD MEETING HELD AT CIRCLE OFFICE, BKC, MUMBAI ON 19.07.2021.

Board of Directors



Shri Debashish Mukherjee
Chairman
(From October 17, 2020)



Shri G V Prabhu
Director
(Till February 1, 2021)



Smt Kalyani Kota
Director
(From June 10, 2020)



Shri P S Bhawe
Independent Director
(From November 11, 2013)



Shri T V Rao
Independent Director
(From May 12, 2020)



Shri Biplav Kumar Mishra
Managing Director
(From March 01, 2020)

Board of Directors



Shri Mahesh Pai
Additional Director
(From June 22, 2021)



Shri Shaji K V
Director
(Till May 21, 2020)

PRINCIPAL EXECUTIVES

Shri Biplav Kumar Mishra

(Managing Director)

Shri Ashish Anand

(General Manager)

Shri S T Vinay Kumar

(General Manager)

Smt. Sarita Kumari

(General Manager)

Ankita Shetty (From October 21, 2019)

Chief Financial Officer

Himanshu Katare (From April 22, 2021)

(Company Secretary)

BANKERS

Canara Bank

Auditors

Maheshwari & Co.

10-11, 3rd Floor,

Esplanade Building,

3, A K Naik Marg,

Next to Empire Cinema,

Fort, Mumbai - 400 001.

Registered Office :

7th Floor,

Maker Chambers III

Nariman Point,

Mumbai – 400 021.

Tel. : 4360 3800/22/23/36

Fax : 2204 1715

E-mail : cbsl@canmoney.in

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Contents

	Page Nos.
.....	
Chairman’s Speech	6
Director’s Report	9
Auditor’s Report	
Annexure to the Auditors Report	40
Annexure A (Report on Internal Financial Controls)	45
Annexure B (Report on other legal and Regulatory requirements)	48
Annexure C (Report on Directions issued by the CAG of India)	51
Comments of the Comptroller and Auditor General of India	52
Balance Sheet as at March 31, 2021	54
Statement of Profit and Loss for the year ended March 31, 2021	55
Cash Flow Statement	56
Notes on Accounts	59
Significant Accounting Policies	69

Chairman's Speech



Dear Shareholders,

Welcome to Canara Bank Securities Limited 2021 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.

It has definitely been an exciting year and I would like to thank all stakeholders for the persistent support and steady confidence reposed in the Company through thick and thin. It is this consistent faith and support that has enabled your Company to suitably strategize and adapt effectively to the truly historic and groundbreaking policy changes that the country has experienced in the past 12 months.

Your Company's AGM Notice, Directors' Report for the year ended 31st March, 2021 along with the audited Annual Accounts have already been circulated to you, and I seek your permission to take it as read.

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 2020-21

- During the 12 months ended March 2021, Company has achieved all major targets under Top line and Bottom line.
- Company has contained Establishment and Other Administrative expenses within the budgeted level.
- Profit before tax stood at Rs.18.05 crores against the target of Rs. 13.25 crores.
- Core Business Income has increased from Rs.12.23 crores (March 2020) to Rs.17.90 Crore (March 2021) registering a Y.o.Y growth of 46.36%.
- Total income has increased from Rs. 21.85 crores (March 2020) to Rs. 28.65 crores (March 2021) registering an Y.o.Y growth of 31.12%.
- Total expenditure was contained by the Company at Rs.10.05 crore against the target of Rs. 11.00 crores.

Chairman's Speech (Cont.)

- As on 31st December, 2021, the total retail clients maintaining Demat Accounts are 1,20,268 and having Trading Accounts are 69037. During the Quarter Company has added 3225 new retail clients and 2926 new trading Clients

Dividend

The Board of Directors of the Company has declared an Interim Dividend of Rs.3.78 per equity share of face value of Rs.10/- each for the year 2020-21 and the same may be treated as Final Dividend for the year under consideration. The total outgo on this account (including Dividend Distribution Tax) is Rs.15.14 Crore.

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, DPE Guidelines and Companies CSR Policy.

For financial year 2020-21, the company has earmarked for an amount of Rs.33,30,101/- (Rupees Thirty Three Lakh Thirty Thousand One Hundred and One Only) provided for spending towards CSR activity/ies.

New initiatives:

- Company has taken following measures to increase the Clientele base and business turnover: Complete solution for On-Boarding of Demat, Trading and E-Insurance Clients for the customers of Canara/E-Synd Customers through our portal www.canmoney.in.
- Online opening of Demat/Trading/E-insurance accounts through OMNI (net Banking & Mobile Banking) channels to the customers of Canara Bank (Including e-syndicate customers).
- Enabled online subscription to all the MFs, IPOs, Rights issue and OFS online through our Mobile App 'canmoney' which have hit the market during the period and facilitated subscription both from retail and Institutional clients.
- Improved version of Auto BOD (EoD process) for improved customer service.

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.

Chairman's Speech (Cont.)

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 : 19.07.2021

DEBASHISH MUKHERJEE
CHAIRMAN

Directors' Report

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, 2021.

FINANCIAL HIGHLIGHTS:**(Rs. in Crore)**

Particulars	2020-21	2019-20
Total Income	28.65	36.62
Profit before Tax	18.04	26.26
Less: Provision for Tax incl. Deferred Tax –Net	3.38	3.55
Add: Excess/ Short provisions for earlier years	0.25	0.00
Profit after Tax	14.91	22.71
Add: Profit brought forward from last year	96.31	93.48
Profit available for appropriation	111.23	117.94
Appropriations:		
Transfer to General Reserve	0.75	1.14
Interim Dividend	14.00	17.00
Final Dividend (Proposed)	-	0.00
Tax on Dividend	1.14	3.49
Balance retained in Profit & Loss Account	95.34	96.31
Total	111.23	117.94
Earnings per Share (Rs)	3.73	5.68

TRANSFER TO RESERVES:

The Company has transferred Rs. 74.55 lakh to the General Reserve and retained the balance in Profit and Loss Account.

DIVIDEND:

The Board of Directors of the Company declared 3 (Three) times Interim Dividend in Financial Year 2020-21. Details are as below:

The Board has approved vide Board Meeting dated 04.09.2020, Interim Dividend of Rs. 1.35 per share (13.5% Interim dividend) on face value of Rs. 10/- each for the FY 2020-21 including Tax deducted at Source(TDS) at flat 7.50%.

Directors' Report (Cont.)

The Board has approved vide Board Meeting dated 13.01.2021, Interim Dividend of Rs. 1.35 per share (13.5% Interim dividend) on face value of Rs. 10/- each for the FY 2020-21 including Tax deducted at Source(TDS) at flat 7.50%.

The Board has approved vide Board Meeting dated 18.03.2021, Interim Dividend of Rs. 1.081 per share (10.81% Interim dividend) on face value of Rs. 10/- each for the FY 2020-21 including Tax deducted at Source(TDS) at flat 7.50%.

The total outgo on this account (including Tax Deducted at Source) would be Rs. 15.14 crore.

EQUITY MARKET OVERVIEW:

Economic Environment: FY 2020-21:

GLOBAL ECONOMY

The year 2021 has commenced with both hope and fear - several parts of the world are locking down and bracing against new waves of infections and speedily communicable mutations. At the same time, the approval of several vaccines has spurred vaccination drives worldwide, albeit at different speeds. A slew of conventional and unconventional measures was unleashed across the world, with monetary authorities slashing policy rates to zero and below in real terms - and even in nominal terms in some countries - while executing massive asset purchase programmes, payment deferral schemes, provision of public guarantees, emergency funding avenues and provision of ample liquidity to financial markets. The stimulus provided by fiscal authorities was equally unprecedented in scale and scope, amounting to US\$ 16 trillion² (15.3 per cent of the GDP). Of the total amount, US\$ 10 trillion consisted of additional spending or foregone revenue, while US\$ 6 trillion comprised liquidity support in the form of guarantees, loans, asset/debt purchases, and equity injections. This policy fightback led to a massive easing of financial conditions and imparted stability to the financial system, thereby containing downside risks to growth.

After the pandemic shock in H1:2020, global financial markets quickly regained normalcy over the ensuing period, drawing support from liquidity flushed in by global central banks and unprecedented fiscal support by governments. Financial conditions eased and the return of risk appetite enhanced the demand for financial assets across risk and rating categories with equity markets turning exuberant and scaling fresh heights in several countries. Emerging market economies (EMEs) like China and India received surges of portfolio flows. The US dollar weakened, paving the way for appreciation of other currencies in tandem with improvement in risk sentiment. Bond markets recorded sharp falls in yields, supported by liquidity infusion and policy rate cuts by central banks. However, global bond yields seemed to have bottomed out. The yield on US 10-year G-sec has risen by 123 basis points (bps) since its low in early-August (till March 31, 2021). Indian generic 10-year G-sec yield firmed up 39 bps over the same period.

Directors' Report (Cont.)

INDIAN ECONOMY

The Indian economy contracted 24.4 per cent y-o-y, the deepest downturn amongst G20 countries. In Q2, however, the contraction started to ease, reflecting vigorous efforts to revive the economy, gradual relaxation of mobility restrictions, monetary and liquidity easing, and fiscal support. By Q3, India had pulled out of a technical recession. In its February 2021 estimates, the National Statistical Office (NSO) estimated that real GDP for the full year would have shrunk by 8.0 per cent, the first contraction since 1980-81 and the severest since national accounts have been compiled in India.

With gradual lifting of restrictions and reopening of the economy, the pace of contraction moderated in Q2 and GDP returned to positive terrain in Q3 of 2020-21. Sensing the recovery gaining traction, equity markets became ebullient, with the BSE Sensex staging a V-shaped recovery and rising over 91 per cent by end-March 2021 from the lows of March 2020, buoyed by strong corporate performance in Q2 and Q3 of 2020-21, the roll-out of a massive vaccine programme, fiscal and monetary stimulus in place and surges of capital inflows. The prospects for the Indian economy though impacted by the second wave, remain resilient backed by the prospects of another bumper rabi crop, the gathering momentum of activity in several sectors of the economy till March, especially housing, road construction and services activity in construction, freight transportation and information technology (IT). Meanwhile, the activation of the production linked incentive (PLI) scheme, spectrum auctions and considerable easing of financial conditions are helping to shape the turnaround. On the other hand, large and medium-scale industry, mining and quarrying and several contact-intensive sectors remain subdued.

The growth prospects essentially depend on how fast India can arrest the second wave of COVID-19 pandemic. While the economy has not moderated to the extent during the first wave, the surrounding uncertainties can act as a deterrent in the immediate period. On the supply side, agriculture has proven its resilience, enduring the shock of the pandemic, thus providing support to rural demand and the economy at large. In case of services, recovery has been varied, with revival in construction, trade, freight transportation and information technology (IT) related activities. While performance of contact-intensive sectors is still sub-par, it is also improving. Going ahead, as the vaccination drive picks-up and cases of infections fall, a sharp turnaround in growth is likely, supported by strong favourable base effects.

Economic outlook for FY22:

As per IMF, Global growth is projected at 6 percent in 2021, moderating to 4.4 percent in 2022. The projections for 2021 and 2022 are stronger than in the October 2020 WEO (World Economic Outlook). The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. High uncertainty surrounds this outlook, related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.

Directors' Report (Cont.)

IMF said it expects India's GDP to grow 12.5 per cent in FY22, the highest among emerging and advanced economies. GDP growth for FY23 is pegged at 6.9 percent. However, IMF had stated that it would revisit that forecast on account of rising cases in the cases.

Capital market during the fiscal 2020-21 and outlook for FY22:

In India, the equity market made a sharp V-shaped recovery in sync with global markets on the back of massive fiscal and monetary stimuli and gradual easing in COVID-induced restrictions. The Reserve Bank announced liquidity measures aggregating Rs 13.6 lakh crore (6.9 per cent of nominal GDP for 2020-21) during February 6, 2020 - March 31, 2021. This shrank spreads and pushed market rates down. On the back of policy support, the Sensex gained 91 per cent from its post-pandemic lows during 2020-21, which was among the highest worldwide. The rally was, however, interrupted intermittently by the rise in COVID-19 cases and simmering India-China border tensions. Domestic equities scaled all-time peak in H2:2020-21 on record foreign portfolio investment (FPI) inflows, better than expected corporate earnings, pick-up in economic activity and roll-out of vaccines in the country and abroad. Moreover, India was the only major country among emerging markets (excluding China) that received equity FPI inflows in calendar year 2020

Reserve Bank undertook a slew of measures to instill confidence in the financial markets and the economy. These measures not only ensured orderly market conditions, but also accelerated the pace of recovery as reflected in high frequency economic indicators. The unwinding of some of the policy measures undertaken in the wake of pandemic warrants a calibrated and gradual approach. Going forward, financial market movements would be guided by progress in containing the COVID-19 pandemic, especially through administration of vaccines, the pace of recovery of the global and the domestic economies and developments in global liquidity and financial conditions.

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:

- A. During the 12 months ended March 2021, Company has achieved all major targets under Top line and Bottom line.
- B. Company has contained Establishment and Other Administrative expenses within the budgeted level.
- C. Profit before tax stood at Rs.18.05 crores against the target of Rs. 13.25 crores.

Directors' Report (Cont.)

- D. Core Business Income has increased from Rs.12.23 crores (March 2020) to Rs.17.90 Crore (March 2021) registering a Y.o.Y growth of 46.36%.
- E. Total income has increased from Rs. 21.85 crores (March 2020) to Rs. 28.65 crores (March 2021) registering an Y.o.Y growth of 31.12%.
- F. Total expenditure was contained by the Company at Rs.10.05 crore against the target of Rs. 11.00 crores.
- G. As on 31st December, 2021, the total retail clients maintaining Demat Accounts are 1,20,268 and having Trading Accounts are 69037. During the Quarter Company has added 3225 new retail clients and 2926 new trading Clients

H. PROFITABILITY**(Rs. in Crores)**

Particulars	Dec 2020 Quarter (Actual)	Mar 2021 Quarter (Actual)	Q-O-Q sequential growth %	Mar 2020 12 months (Actual)	Mar 2021 12 months (Actual)	Y-O-Y Growth %
Broking– OLT/ Institutional	3.12	4.00	28.21	8.22	13.74	67.15
Distribution of MF/IPO/BONDS	0.02	0.02	0.00	0.16	0.08	(50.00)
Income from DP Operations	0.93	1.43	53.76	3.29	3.69	12.16
Acc Opening Charges	0.12	0.10	(16.66)	0.56	0.39	(0.30)
Core Business Income	4.19	5.55	32.46	12.23	17.90	46.36
Trading Income	0.06	0.01	(83.33)	0.04	0.09	125.00
Profit on MF Inv	0.14	0.12	(29.17)	1.18	0.44	(62.71)
Other Income	0.24	0.31	29.17	0.53*	2.25	324.53
Interest Income	2.10	1.94	(7.62)	7.87	7.97	1.40
Total Income	6.73	7.93	17.83	21.85	28.65	31.12
Establishment Exp	0.98	1.39	(41.84)	3.49	4.12	18.05
Other Admin Exp	1.33	2.28	(71.43)	6.08	5.93	(2.47)
Total Expenditure	2.31	3.67	(58.87)	9.57	10.05	5.02
PBDT	4.42	4.26	(3.62)	12.28	18.60	51.47
Depreciation	0.27	0.11	59.26	0.78	0.55	(29.49)
Profit Before Tax	4.15	4.15	-	11.50	18.05	56.96
Tax	0.92	1.10	(19.57)	3.67	3.40	(7.36)
Deferred Tax	0.00	(0.02)	—	0.12	(0.02)	(83.33)
Excess Prov written back	(0.25)	(0.25)	—	0.00	(0.25)	—
Profit after tax	3.48	3.32	(4.60)	7.94*	14.92	87.91

- Excludes one time CCIL profit of Rs 14,77,50,000.00

Directors' Report (Cont.)**I. BUSINESS TURNOVER****(Rs. in Crore)**

Parameters	December 2020 Quarter	March 2021 Quarter	Mar 2021 12 months	Mar 2020 12 months	y-o-y Inc/Dec in %
Retail-Cash	1996.59	2322.22	9031.67	5493.33	64.41
F&O & CDS	12500.08	16808.19	43842.43	26588.27	64.89
Institutional	810.33	945.67	3383.84	2945.88	14.87
Proprietary	3.97	97.67	196.33	46.51	322.12
IPO/MF/Bonds	13.54	34.80	223.09	421.88	(89.11)
TOTAL	15,324.51	20,208.55	56,677.36	35,495.87	59.67

J. CLIENTELE BASE

Parameters	Addition During the Quarter Dec 20	Addition During the Quarter Mar 21	Cumulative upto Mar 21
Demat Clients	1911	3225	120268*
Trading Clients	1929	2926	69037**
Institutional	1	1	64

*During the quarter, 3225 demat accounts opened (632 accounts closed).

**During the quarter, 2926 OLT accounts opened (662 accounts closed).

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, 2021 and of the profit and loss of the Company for that period;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- The Directors had laid down internal financial controls, which are adequate and are operating effectively; and

Directors' Report (Cont.)

- (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 Biplav Kumar Mishra	08712819	Managing Director	Appointment w.e.f 01.03.2020
Shri. Shaji K V	07691350	Additional Director	Resignation w.e.f. 21.05.2020
Shri. Venkateswara Rao Thallapka	05273533	Independent Director	Appointment w.e.f 12.05.2020
Smt. Kalyani Kota	08754192	Director	Appointment w.e.f 10.06.2020
Shri Himanshu Katare	CILPK7979M	Company Secretary	Appointment w.e.f 22.04.2021
Shri Mahesh M Pai	09164982	Additional Director	Appointment w.e.f 22.06.2021

Directors' Report (Cont.)

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

Name of Director	DIN / PAN	Designation
Shri. Debashish Mukherjee	08193978	Director & Chairman
Shri. Biplav Kumar Mishra	08712819	Managing Director
Shri. Pradeep S Bhawe	06757517	Independent Director
Shri.Venkateswara Rao Thallapka	05273533	Independent Director
Smt. Kalyani Kota	08754192	Director
Shri Mahesh M Pai	09164982	Additional Director (w.e.f. 22.06.2021)

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

Name	DIN / PAN	Designation
Mr. Biplav Kumar Mishra	08712819	Managing Director
Ms. Ankita Anand Shetty	DYXPS3273K	Chief Financial Officer
Mr. Himanshu Katare (w.e.f 22.04.2021)	CILPK7979M	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 3 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, Shri Debashish Mukherjee (DIN: 08193978) is liable to retire by rotation and is eligible for reappointment.

APPOINTMENT OF INDEPENDENT DIRECTOR(S) :

No Independent Director were appointed from 24th Annual General Meeting to this Annual General Meeting.

APPOINTMENT OF CHAIRMAN :

In place of Shri. R A Sankaranarayanan, Chairman of the Company, who has been resigned from the Board of the Company w.e.f. 01.02.2019 on account of superannuation from Parent Bank, the Parent Bank recommended Shri. Lingam Venkata Prabhakar (08110715) as Chairman w.e.f. date of approval from Regulators. However, vide HO letter ref: ASW:DIR:CBSL:451:2020 dated 17.10.2020 received from Canara Bank(Parent Bank), Associate and Subsidiaries Wing, Head Office, Bengaluru communicating the decision of the Parent Bank relating to the re-designating Shri Debashish Mukherjee as Chairman, after which 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 (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. 5 (Five) Board Meetings were held during the Financial Year 2020-21 on 10.06.2020, 04.09.2020, 05.11.2020, 13.01.2021 and 18.03.2021.

Details of Board Meetings held/attended during the FY 2020-21 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	5	5	5	Yes	NA
2	Shri. G V Prabhu (Resigned on 01.02.2021)	5	4	4	Yes	NA
3	Shri. P S Bhawe	5	5	5	Yes	1,00,000
4	Shri K V Shaji (Resigned on 21.05.2020)	5	0	0	NA	NA
5	Shri Venkateswara Rao Thallapka	5	5	5	Yes	1,00,000
6	Smt Kalyani Kota	5	5	4	Yes	NA
7.	Shri. Biplav Kumar Mishra	5	5	5	Yes	NA

Directors' Report (Cont.)

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 Eight 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 three 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 2020-21 on 10.06.2020, 04.09.2020, 05.11.2020, and 13.01.2021.

Following are the details of Audit Committee Meeting held/attended by Directors/Members and sitting fees paid during the FY 2020-21 are furnished here under:

Sr. No.	Name of the Director	No. of Meetings held	No. of Board Meeting to be attended	No. of Meetings attended	Sitting fee paid (in Rs.)
1	Shri. Pradeep S Bhave	4	4	4	40,000
2	Shri. G V Prabhu (Resigned on 01.02.2021)	4	4	4	NA
3	Shri Venkateswara Rao Thallapka	4	4	4	40,000

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.

Directors' Report (Cont.)**RISK MANAGEMENT COMMITTEE OF THE BOARD :**

The Committee comprises of three 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 Three Meetings of Risk Management Committee were held on 10.06.2020, 04.09.2020 and 05.11.2020.

Following are the details of Risk Management Committee Meeting held/attended by Directors/Members and sitting fees paid during the FY 2020-21 are furnished here under:

Sr. No.	Name of the Director	No. of Meetings held	No. of Board Meeting to be attended	No. of Meetings attended	Sitting fee paid (in Rs.)
1	Shri. Pradeep S Bhave	3	3	3	30,000
2	Shri. G V Prabhu (Resigned on 01.02.2021)	3	3	3	NA
3	Shri. Venkateswara Rao Thallapka	3	3	3	30,000

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 three Directors to perform the duties as specified Section 135 of the Companies' Act 2013. The Managing Director of the Company is a permanent invitee to the Meeting.

During the year under review two meetings of Corporate Social Responsibility Committee was held on 04.09.2020 and 18.03.2021.

Following are the details of Corporate Social Responsibility Committee Meeting held/attended by Directors/Members and sitting fees paid during the FY 2020-21 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. Pradeep S Bhave	2	2	2	20,000
2	Shri. G V Prabhu (Resigned on 01.02.2021)	2	1	1	NA
3	Shri Biplav Kumar Mishra	2	2	2	NA
4	Shri Venkateswara Rao Thallapka	2	2	2	20,000

Directors' Report (Cont.)

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 three 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 No Meeting of Nomination and Remuneration Committee was held.

Following are the details of Nomination and Remuneration Committee Meeting held/attended by Directors/Members and sitting fees paid during the FY 2020-21 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. G V Prabhu (Resigned on 01.02.2021)	NIL	NIL	NIL	NIL
2	Shri. Pradeep S Bhawe	NIL	NIL	NIL	NIL
3	Shri Venkateswara Rao Thallapka	NIL	NIL	NIL	NIL

EXTRA-ORDINARY GENERAL METING:

During the Year under review the Company has not conducted any 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.

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.

Directors' Report (Cont.)

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, 2021 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.

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.

Directors' Report (Cont.)

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 Maheshwari & Co Chartered Accountants, Mumbai were appointed as Statutory Auditors of the Company by the Comptroller and Auditor General of India for the Financial Year 2020-21

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 Maheshwari & Co, Chartered Accountants appointed under Section 139(5) by the Comptroller & Auditor General of India for the year 2021-22, 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 2021-22.

C&AG Audit :

The Comptroller and Auditor General of India (C&AG) have decided not to conduct the supplementary audit of the Financial Statements of our Company for the FY 2020-21.

Directors' Report (Cont.)

Internal Auditor :

The Board of Directors had appointed M/s B & Y Associates, Chartered Accountants, Mumbai as the Internal Auditors of the Company for Broking Activity and Research Analysts Activities at Mumbai and M/s B.N.Pai & Co., Chartered Accountants, Bengaluru for DP/OLT Activities at Bengaluru for the Financial Year 2020-21.

The Internal Auditors conduct their review and Audit on monthly and quarterly basis and submit 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 2020-21.

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 details forming part of the extract of the Annual Return in form MGT -9 is annexed as Annexure II and forms part of this Report.

The details forming part of the extract of the Annual Return in Form MGT-9 is also placed at www.canmoney.in.

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.

Directors' Report (Cont.)

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:

- 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 2020-21 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 2020-21 are set out in Annexure III 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.

Directors' Report (Cont.)**OTHER DISCLOSURES :**

- (i) There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future, during the Financial Year 2020-21.
- (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 2020-21 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.

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/-
BIPLAV KUMAR MISHRA
MANAGING DIRECTOR
DIN: 08712819

Sd/-
DEBASHISH MUKHERJEE
CHAIRMAN & DIRECTOR
DIN: 08193978

Place: Mumbai
Date : 19.07.2021

Enclosed :
Annexure I -AOC -2
Annexure II- MGT-9
Annexure III- CSR Report

Directors' Report (Cont.)

Annexure I

Form No.: AOC -2**as on the Financial Year ended on 31st March, 2021****(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, 2021, 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, 2021 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 2020 to March 2021	Rent paid to the Parent Bank for the Office use for FY 2020-21 amounting to Rs. 53.51 Lakhs.
	Bank charges	April 2020 to March 2021	Bank Charges paid to Parent Bank for availing Banking services amounting to Rs. 0.54 Lakhs.
	Interest paid on overdraft	April 2020 to March 2021	Interest paid to Parent Bank on Overdraft amounting to 0.01 Lakhs.
	Interest on deposit	April 2020 to March 2021	Interest received on Fixed Deposit from Parent Bank amounting to Rs. 134.79 Lakhs.
	Processing Charges on OD Account	April 2020 to March 2021	Processing charges of Rs. 10.00 Lakhs paid to Parent bank.
	Brokerage received	April 2020 to March 2021	Brokerage received from the Holding Company for services rendered to them for FY 2020-21 amounting to Rs.32.39 Lakhs.
	Electricity Charges	April 2020 to March 2021	Electricity Charges paid to Parent bank amounting Rs 16.58 Lakhs
	Dividend	April 2020 to March 2021	Dividend amounting Rs. 1513.51 Lakhs paid to the Parent bank during FY 2020-21.

Directors' Report (Cont.)

	Salary & Other Benefits	April 2020 to March 2021	Salary and Other Benefits to deputed Canara Bank employees amounting Rs. 176.00 Lakhs.
Canara HSBC Oriental Bank of India Insurance Company Ltd (Group Company)	Brokerage received	April 2020 to March 2021	Brokerage received for services rendered to them for FY2020-21 amounting to Rs.62.60 Lakhs.
Canara Robeco MF (Group Company)	Mutual Fund Investment	April 2020 to March 2021	Mutual Fund Investment in Canara Robeco MF (Group Company) amounting to Rs.3336.27 Lakhs.
	Income from investment in Mutual Fund	April 2020 to March 2021	Income received from Mutual Fund Investment in Canara Robeco MF (Group Company) amounting to Rs.14.52 Lakhs.
	Brokerage received	April 2020 to March 2021	Brokerage received for services rendered to them for FY2020-21 amounting to Rs.57.31 Lakhs.
	Distribution/ Dividend & Other income received	April 2020 to March 2021	Dividend and Other Income received during FY 2020-21 were Rs. 2.40 Lakhs.
Canara bank Computer Services Limited (Group Company)	RTA and maintenance charges	April 2020 to March 2021	DR site was discontinued from the year 2016 and near site was started from 26th July, 2019. RTA and maintenance charges for Near Site amounting to Rs. 0.15 lakhs

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/-
BIPLAV KUMAR MISHRA
MANAGING DIRECTOR
DIN: 08712819**

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

**Place : Mumbai
Date : 19.07.2021**

Directors' Report (Cont.)

Annexure II

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2021

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

REGISTRATION AND OTHER DETAILS:

CIN	U67120MH1996GOI097783
Registration Date	01.03.1996
Name of the Company	Canara Bank Securities Limited
Category / Sub-Category of the Company	Broking
Address of the Registered Office and contact details	7th Floor, Maker Chambers III, Nariman Point, Mumbai - 400021
Whether listed company	Unlisted
Name, address and contact details of Registrar and Transfer Agent, if any	Not Applicable

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product/Service	% to total turnover of the Company
01	Broking activity	99715210	99.26%

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Canara Bank	N/A	Holding	99.9994% Remaining 0.0006% Shares holding in the capacity of Joint Shareholder.	2(45), 2(46)
2	CanFin Homes Ltd.	L85110KA1987PLC008699	Associate	NIL	NIL
3	Canbank Factors Ltd.	U85110KA1991PLC011960	Associate	NIL	NIL
4	Canbank Venture Capital Funds Ltd.	U85110KA1995PLC017248	Associate	NIL	NIL
5	Canara HSBC OBC Life Insurance Co Ltd.	U66010DL2007PLC248825	Associate	NIL	NIL

Directors' Report (Cont.)

6	Canara Robeco Asset Management Co Ltd.	U65990MH1993PLC071003	Associate	NIL	NIL
7	Canbank Computers Ltd.	U85110KA1994PLC016174	Associate	NIL	NIL
8	Canbank Financial Services Ltd.	U85110KA1987PLC008381	Associate	NIL	NIL
9	Syndbank Services Limited	U72300KA2006PLC038305	Associate	NIL	NIL

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% of Change during the Year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF (Holding Jointly with Canara Bank)	240	-	240	0.0006	240	-	240	0.0006	NIL
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI (Canara Bank)	3,99,99,760	-	3,99,99,760	99.9994	3,99,99,760	-	3,99,99,760	99.9994	NIL
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	4,00,00,000	-	4,00,00,000	100.00	4,00,00,000	-	4,00,00,000	100.00	NIL
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	4,00,00,000	-	4,00,00,000	100.00	4,00,00,000	-	4,00,00,000	100.00	NIL
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

Directors' Report (Cont.)

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% of Change during the Year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non- Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas									
b) Individual									
i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
c) Other (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Share holding (B)= (B)(1) +(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4,00,00,000	-	4,00,00,000	100.00	4,00,00,000	-	4,00,00,000	100.00	NIL

Shareholding of Promoters :

Shareholders Name	No. of Shares held at the beginning of the Year			No. of Shares held at the end of the Year			% of Change in share holding during the Year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
Canara Bank	3,99,99,760	99.9994	NIL	3,99,99,760	99.9994	NIL	NIL
Total	3,99,99,760	99.9994	NIL	3,99,99,760	99.9994	NIL	NIL

Change in Promoters' Shareholding (please specify, if there is no change)-No change:

For Each Top 10 Share holders	Shareholding at the beginning of the Year			Cumulative Shareholding during the Year	
	Name of Promoter	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year (1st April, 2020)	Canara Bank	3,99,99,760	99.9994	3,99,99,760	99.9994
Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		-	-	-	-
At the end of the Year (31st March, 2021)		3,99,99,760	99.9994	3,99,99,760	99.9994

Directors' Report (Cont.)**Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Shareholding at the beginning of the year			Cumulative Shareholding during the Year	
For Each Top 10 Share Holders	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year	-	-	-	-
Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the Year (or on the date of separation, if separated during the Year)	-	-	-	-

Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholding at the beginning of the year				Cumulative Shareholding during the Year	
	For Each Directors and KMP	Name of Shareholder/Director/KMP	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
01	At the beginning of the Year (1st April, 2020)	--	--	--	--	--
	Date wise Increase/Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/transfer /bonus/sweat equity etc):	--	--	--	--	--
	At the end of the Year (31st March, 2021)	--	--	--	--	--

During the FY21, no change in share holding pattern of the Company.

Top 10 shareholders-99.9994% of share holding being held by Canara Bank. Remaining shares are held by Canara Bank jointly with individual shareholders.

INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(In Rs.)

Particulars of Remuneration	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i. Principal Amount	Nil	Nil	Nil	Nil
ii. Interest due but not paid	Nil	Nil	Nil	Nil
iii. Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ ii+ iii)				

Directors' Report (Cont.)

Change in Indebtedness during the Financial Year				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the Financial Year				
i. Principal Amount	Nil	Nil	Nil	Nil
ii. Interest due but not paid	Nil	Nil	Nil	Nil
iii. Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ ii+ iii)	Nil	Nil	Nil	Nil

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to Managing Director, Whole-time Directors and/or Manager for FY 2020-21:

(In Rs.)

Sr. No.	Particulars of Remuneration	Biplav Kumar Mishra (Managing Director) 01.04.2020 to 31.03.2021	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	23,19,364.64	23,19,364.64
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	NA	NA
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NA	NA
2	Stock Options	NA	NA
3	Sweat Equity	NA	NA
4	Commission	NA	NA
	- as % of profit	NA	NA
	- others, specify....	NA	NA
5	Others, please specify	NA	NA
	Total (A)	23,19,364.64	23,19,364.64
	Ceiling as per the Act (@10% of the profit calculated under Section 198 of Companies Act, 2013)		2,62,62,865.80

Directors' Report (Cont.)**Remuneration to other Directors:****(In Rs.)**

No	Particulars of Remuneration	Name of Directors		Total Amount
		P S Bhawe	Shri Venkateswara Rao Thallapka	
1.	Independent Director			
	- Fee for attending Board/Committee Meetings	1,00,000	1,00,000	2,00,000
	Commission	-	-	
	- Others, please specify	-	-	
	Total (1)			
2.	Other Non Executive Directors			
	- Fee for attending Board/Committee Meetings	-	-	
	Commission	-	-	
	- Others, please specify	-	-	
	Total (2)	-	-	
	Total = (1+2)	-	-	
	Total Managerial Remuneration	1,00,000	1,00,000	2,00,000
Ceiling as per the Act (@1% of the profit calculated under Section 198 of Companies Act, 2013)				

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**(In Rs.)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel's	
		Ankita Anand Shetty (Chief Financial Officer)	Total
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6,66,457.00	6,66,457.00
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	NA	NA
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NA	NA
2.	Stock Options	NA	NA
3.	Sweat Equity	NA	NA
4.	Commission	NA	NA
	- as % of profit	NA	NA
	- Others, specify....	NA	NA
5.	Others, please specify	NA	NA
	Total	6,66,457.00	6,66,457.00

Directors' Report (Cont.)**PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalties/ Punishment / Compounding Fees imposed	Authority [RD/ NCLT / COURT]	Appeal made, if any (give details)
COMPANY					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
DIRECTORS					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
OTHER OFFICER IN DEFAULT					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

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

Sd/-
BIPLAV KUMAR MISHRA
MANAGING DIRECTOR
DIN: 08712819

Sd/-
DEBASHISH MUKHERJEE
CHAIRMAN & DIRECTOR
DIN: 08193978

Place : Mumbai
Date : 19.07.2021

Directors' Report (Cont.)

ANNEXURE -III

Annual Report On CSR Activities
As on the Financial Year ended on 31st March, 2021

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 Pradeep Shrirang Bhawe	Chairman of CSR Committee & Independent Non-Executive Director	2	2
2	Shri Venkateswara Rao Thallapka	Independent Non-Executive Director	2	2
3	Shri Biplav Kumar Mishra	Managing Director	2	2
4	Shri G V Prabhu (Resigned on 01.02.2021)	Non-Executive Director	2	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

Directors' Report (Cont.)

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	2017-18	NIL	NIL
2	2018-19	NIL	NIL
3	2019-20	NIL	NIL
	TOTAL	NIL	NIL

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

(In Lakhs)

Particulars	2017-18	2018-19	2019-20
Net profit	1,204.92	1,163.94	2,626.29

Average net profit of the Company for last three financial years is at Rs. 1665.05 Lakhs

- 7.

(a)	Two percent of average net profit of the company as per section 135(5).	Rs. 33,30,101/-
(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. 33,30,101/-

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
NIL	NIL	NIL	NIL	NIL	NIL



Directors' Report (Cont.)

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

(In Lakhs)

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:

(In Lakhs)

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			
NIL								

(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) NIL

(g) Excess amount for set off, if any NIL

S No	Particular	Amount (in Lakhs)
1	Two percent of average net profit of the company as per section 135(5)	33.30
2	Total amount spent for the Financial Year	NIL
3	Excess amount spent for the financial year [(ii)-(i)]	NIL
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)]	NIL

Directors' Report (Cont.)

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	2017-18	NIL	NIL	NIL	NIL	NIL	NIL
2	2018-19	NIL	24,50,000	NIL	NIL	NIL	NIL
3	2019-20	NIL	NIL	NIL	NIL	NIL	24,34,844*

*CSR Contribution for FY 2019-20 of Rs 24,34,844/- spent in the identified CSR Activities in the Month of July, 2021.

(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
NA	NA	NA	NA	NA	NA	NA	NA	NA

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**

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 Company was in the process of searching suitable projects to spend the CSR amounts before 31st March, 2021. However, for FY 2019-20 the Amount of CSR was Rs 24,34,844/- for which



Directors' Report (Cont.)

Company has identified a suitable project and disbursed the amount to identified projects in Tirupati, Andhra Pradesh in the month of July, 2021. As per **Companies (CSR Policy) Amendment Rules, 2021** the CSR Contribution for other than ongoing project for FY 2020-21 to be spent before 30th September, 2021 pertaining to which Company is identifying projects and assured compliance with the provision of Companies Act, 2013 before 30th September, 2021.

FOR CANARA BANK SECURITIES LIMITED

Sd/-
P S BHAVE
CHAIRMAN CSR COMMITTEE
DIN: 06757517

Sd/-
DEBASHISH MUKHERJEE
CHAIRMAN & DIRECTOR
DIN: 08193978

Sd/-
BIPLAV KUMAR MISHRA
MANAGING DIRECTOR
DIN: 08712819

Independent Auditor's Report

**To the Members of
M/s Canara Bank Securities Limited
Report on the Financial Statements**

Opinion

We have audited the accompanying Standalone financial statements of **Canara Bank Securities Limited (CIN - U67120MH1996GOI097783)** ("the company"), which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, (statement of changes in equity) and 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 March 31, 2021, and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 24 to the accompanying financial statements, which describe management's assessment of uncertainty relating to the effects of the COVID-19 pandemic on the Company's operations. Due to COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the necessary records made available by the Management through digital medium.

We draw attention to the Note No 25 (S) of the financial statements regarding Non-availability of balance confirmation from Sundry Creditors and other liabilities payable to clients, Trade Receivables and other

Independent Auditor's Report (Cont.)

advances receivable from clients and the same are subject to confirmation, reconciliation and subsequent adjustment, if any thereon.

Our opinion is not modified on the above matters.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including annexure to Board's Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report (Cont.)

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

Independent Auditor's Report (Cont.)

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", as statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

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.

- a. 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.
- b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Independent Auditor's Report (Cont.)

- d. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25B(1) & 25B(2) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- g. With respect to the compliance of CAG's directions under Section 143(5) of Companies Act, 2013, refer to our separate report in "Annexure C".

For **Maheshwari and Co.,**
Chartered Accountants
FRN: 105834W

Sd/-
(CA Pawan Gattani)
Partner
M. No. 144734

Place : Mumbai
Date : 23-04-2021
UDIN: 21144734AAAACC7144

Annexure to the Independent Auditor's Report (Cont.)

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CANARA BANK SECURITIES LIMITED

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, 2021 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Annexure to the Independent Auditor's Report (Cont.)

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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Annexure to the Independent Auditor's Report (Cont.)

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 March 31, 2021, 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 **Maheshwari and Co.,**
Chartered Accountants
FRN: 105834W

Sd/-
(CA Pawan Gattani)
Partner
M. No. 144734

Place : Mumbai
Date : 23-04-2021

UDIN: 21144734AAAACC7144

Annexure to the Independent Auditor's Report (Cont.)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF M/s CANARA BANK SECURITIES LIMITED

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date,

- (i) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - B) As explained to us, fixed assets have been 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 the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
 - C) The Company does not hold any immovable property. Thus sub-clause (c) of clause (i) of paragraph 3 of the Order is not applicable to the Company
- (ii) The Company is a service company, primarily rendering share broking services. Accordingly it does not hold any physical inventories. Hence clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirement of clauses (iii,a), (iii,b) and (iii,c) of paragraph 3 of the Order are not applicable.
- (iv) The Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under Sections 185 and 186 of the Act. Consequently, requirements of clause (iv) of paragraph 3 of the Order are not applicable.
- (v) The Company has not accepted any deposits from the public to which the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder and directions issued by R.B.I. would apply.
- (vi) The Company is not engaged in production, processing, manufacturing or mining activities. Therefore, the provisions of maintenance of cost records specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 mentioned in clause (vi) of paragraph 3 of the order are not applicable.
- (vii) (a) According to information and explanation given to us and on the basis of our examination of records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Income Tax, wealth tax, sales tax, custom duty, Goods and Service Tax, Service Tax, excise duty and Cess and other material statutory dues applicable to it

Annexure to the Independent Auditor's Report (Cont.)

have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us the 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 which are complied by the company.

According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

- (b) There are no dues of Income Tax, Provident Fund, Cess and other statutory dues as applicable to the Company, which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. The Company has not taken any loan from financial institutions or from any debenture holders.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans. Consequently, provisions of clause (ix) of paragraph 3 of the order are not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the Order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the Order are not applicable.

Annexure to the Independent Auditor's Report (Cont.)

- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

For **Maheshwari and Co.,**
Chartered Accountants
FRN: 105834W

Sd/-

(CA Pawan Gattani)

Partner

M. No. 144734

Place : Mumbai

Date : 23-04-2021

UDIN: 21144734AAAACC7144

Annexure to the Independent Auditor's Report (Cont.)**ANNEXURE - C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CANARA BANK SECURITIES LIMITED**

Report on the directions issued by the Comptroller and Auditor General of India under Sub-section 5 of Section 143 of the Companies Act, 2013 ("the Act")

Sr. No	Directions	Action Taken	Impact on Accounts and Financial Statements
A.	Directions		
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.	Yes, the Company has system in place to process all the accounting transactions through IT system. There is no processing of accounting transactions outside IT system.	Nil
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 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 its direction is also applicable for statutory auditor of lender company).	There are no cases of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan.	Nil
3.	Whether funds (grants/subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation	The Company has not received any funds for specific schemes from central / state agencies.	Not Applicable

For Maheshwari and Co.,
Chartered Accountants
FRN: 105834W

Sd/-

(CA Pawan Gattani)

Partner

M. No. 144734

Place: Mumbai

Date: 23-04-2021

UDIN: 21144734AAAACC7144

Comments of the Controller and Auditor General of India

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 2021.

The preparation of financial statements of Canara Bank Securities Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed

under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor 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 23 April 2021.

I, on behalf of the Comptroller and Auditor 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 2021 under section 143(6)(a) of the Act.

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

Sd/-
(P. V. Hari Krishna)
Principal Director of Audit (Shipping),
Mumbai

Place : Mumbai

Date : 13.07.2021

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Balance Sheet as at 31st March 2021

(Amount in Rs.)

NOTES	As at 31.03.2021		As at 31.03.2020	
I. EQUITY AND LIABILITIES				
(1) SHARE HOLDERS' FUNDS				
(a) Share Capital	1	400,000,000	400,000,000	
(b) Reserves and Surplus	2	1,015,523,840	1,017,766,130	
		1,415,523,840		1,417,766,130
(2) NON -CURRENT LIABILITIES				
(a) Deferred Tax Liabilities (net)	3	-	-	
(b) Long Term Provisions	4	528,878		12,834,243
(3) CURRENT LIABILITIES				
(a) Short Term Borrowings	5	60,005,722		-
(b) Other Current Liabilities	6	73,342,629		56,882,063
(c) Short Term Provisions	7	5,769,064		4,886,029
TOTAL		1,555,170,133		1,492,368,464
II. ASSETS				
(1) NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	8			
(i) Tangible Assets		4,914,856	3,817,913	
(ii) Intangible Assets		3,725,933	4,026,451	
(iii) Intangible Assets under Development		-	1,200,000	
(b) Deferred Tax Assets (net)	3	1,530,689	1,324,383	
(c) Long Term Loans and Advances	9	65,064,778	110,363,059	
(d) Other Non-Current Assets	10	9,273,340	29,533,278	
		84,509,595		150,265,083
(2) CURRENT ASSETS				
(a) Current Investments	11	4,449,858	3,195,000	
(b) Inventories	12	829,386,754	794,016,318	
(c) Trade Receivables	13	857,437	1,007,540	
(d) Cash and Cash equivalents	14	502,474,965	494,515,645	
(e) Other Current Assets	15	133,491,523	49,368,878	
		1,470,660,537		1,342,103,381
TOTAL		1,555,170,133		1,492,368,464

Significant Accounting Policies and Other Notes from 01 to 25 are forming part of the Financial Statements.

In terms of our audit report of even date attached

On behalf of the Board of Directors
Canara Bank Securities Limited

For Maheshwari & Co
Chartered Accountants
Firm Registration No.105834W

Debashish Mukherjee
Vice-Chairman
DIN: 08193978

Biplav Kumar Mishra
Managing Director
DIN: 08712819

Kalyani Kota
Director
DIN: 08754192

(CA PAWAN GATTANI)
Partner
M. No.144734

P S Bhawe
Independent Director
DIN: 06757517

T V Rao
Independent Director
DIN: 5273533

Ankita Shetty
Chief Financial Officer
PAN: DYXPS3273K

Himanshu Katara
Company Secretary
ICSI M No: A49584

Place : Mumbai

Date : 23.03.2021

Statement of Profit & Loss

(Amount in Rs.)

PARTICULARS	NOTES	For the Period ended as on 31.03.2021		For the period ended as on 31.03.2020	
INCOME					
I. Income from operations					
Income from Services	16	178,974,264		122,262,944	
Sale of securities	16	172,359,371		41,460,907	
Interest & Financial Income	16	84,089,865		90,477,029	
			435,423,500		254,200,880
II. Other Income	17		22,548,125		153,092,720
III. TOTAL INCOME			457,971,626		407,293,600
IV. EXPENDITURE					
Purchase of Stock in Trade	18		208,141,573		35,581,447
Changes in inventories of FG, WIP & Stock in Trade	19		(36,709,088)		5,523,237
Employee benefit expense	20		41,205,313		34,927,465
Finance Cost	21		1,075,298		-
Depreciation on Property, Plant and Equipment	8		5,657,019		7,797,047
Other Expenses(Admn & other exp)	22		58,195,976		60,835,745
TOTAL EXPENSES			277,566,092		144,664,942
(V) Profit/(Loss) Before exceptional items, extraordinary items and tax (III-IV)			180,405,534		262,628,658
(VI) Exceptional Items			-		-
(VII) Profit before extraordinary items and Tax			180,405,534		262,628,658
(VIII) Extraordinary items					
(IX) Profit Before Tax(VII-VIII)			180,405,534		262,628,658
(X) Tax Expense (Current Tax)					
Provision for Tax			(34,000,000)		(36,713,710)
Deferred Tax			206,306		1,200,271
Excess/(Short) provisions for earlier years			2,497,222		-
Prior period expenses			-		-
Profit/(Loss) After Tax			149,109,062		227,115,219
Earnings Per Share (Basic and Diluted)			3.73		5.68

Significant Accounting Policies and Other Notes from 01 to 25 are forming part of the Financial Statements.
In terms of our audit report of even date attached

On behalf of the Board of Directors
Canara Bank Securities Limited

For Maheshwari & Co
Chartered Accountants
Firm Registration No.105834W

Debashish Mukherjee
Vice-Chairman
DIN: 08193978

Biplav Kumar Mishra
Managing Director
DIN: 08712819

Kalyani Kota
Director
DIN: 08754192

(CA PAWAN GATTANI)
Partner
M. No.144734

P S Bhawe
Independent Director
DIN: 06757517

T V Rao
Independent Director
DIN: 5273533

Ankita Shetty
Chief Financial Officer
PAN: DYXPS3273K

Himanshu Katara
Company Secretary
ICSI M No: A49584

Place : Mumbai

Date : 23.03.2021

Cash Flow Statement for the year ended on 31st March 2021

PARTICULARS	For the Period ended as on 31.03.2021		For the period ended as on 31.03.2020	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax and extraordinary items adjustments for:		180,405,534		262,628,658
Depreciation & Amortization on Property, Plant and Equipment	5,657,019		7,797,047	
Profit/ Loss on sale of Property, Plant and Equipment	-		(20,192)	
Profit/ Loss on sale of CCIL shares	-		(147,750,000)	
Dividend received on Investment	(5,000)		(758,418)	
Interest received on Fixed Deposits	(20,962,292)		(19,522,059)	
Interest on borrowings	1,075,298		-	
Excess/(Short) provision of earlier years	2,497,222		-	
		(11,737,753)	(160,253,621)	
Operating profit before working capital changes		168,667,781		102,375,037
Adjustments for :				
Inventories	(35,370,436)		5,679,165	
Current Investment	(1,254,858)		198,605,000	
Adjustment for Long & Short term Provision	(11,422,330)		2,144,193	
Trade payables + Other Current Liabilities	16,460,566		(5,460,141)	
Trade Receivables+Other Assets	(84,490,914)		(10,710,409)	
Long Term loans & Advances	45,298,281		16,757,675	
Other Non current liabilities	-		(141,166)	
		(70,779,691)		206,874,318
Operating profit after working capital changes		97,888,090		309,249,355
Direct Tax Paid-Net	(32,281,627)		(36,819,815)	
Stock exchange membership	-	-		
		(32,281,627)		(36,819,815)
Net cash from operating activities (A)		65,606,462		272,429,540

Cash Flow Statement for the year ended on 31st March 2021

PARTICULARS	For the Period ended as on 31.03.2021		For the period ended as on 31.03.2020	
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase Of Property, Plant and Equipment	(6,453,444)		(931,574)	
Sale of Property, Plant and Equipment	-		23,999	
Sale of CCIL shares	-		150,250,000	
Interest received on Fixed Deposits	20,962,292		19,522,059	
Investment in Bank Deposits				
Dividend received	5,000		758,417	
Net cash from investing activities (B)		14,513,848		169,622,901
C) CASH FLOW FROM FINANCING ACTIVITIES				
Interest on Borrowing	(1,075,298)		-	
OD Availed	60,005,722			
Dividend Distribution Tax paid	-		(34,944,000)	
Dividend paid	(151,351,352)		(170,000,000)	
Net cash used in financing activities (C)		(92,420,928)		(204,944,000)
Net increase/(decrease) in Cash and Cash Equivalents		(12,300,618)		237,108,440
Cash and cash equivalent at the beginning of the year		524,048,923		286,940,483
Cash and cash equivalent at the end of the year		511,748,305		524,048,923

Significant Accounting Policies and Other Notes from 01 to 25 are forming part of the Financial Statements.
In terms of our audit report of even date attached

On behalf of the Board of Directors
Canara Bank Securities Limited

For Maheshwari & Co
Chartered Accountants
Firm Registration No.105834W

Debashish Mukherjee
Vice-Chairman
DIN: 08193978

Biplav Kumar Mishra
Managing Director
DIN: 08712819

Kalyani Kota
Director
DIN: 08754192

(CA PAWAN GATTANI)
Partner
M. No.144734

P S Bhawe
Independent Director
DIN: 06757517

T V Rao
Independent Director
DIN: 5273533

Ankita Shetty
Chief Financial Officer
PAN: DYXPS3273K

Himanshu Katare
Company Secretary
ICSI M No: A49584

Place : Mumbai
Date : 23.04.2021

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Notes

Notes forming part of Financial Statements for the year ended March 31, 2021

NOTE 1 SHARE CAPITAL

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
a Authorised : 10,00,00,000 Equity Shares (Previous Year - 10,00,00,000) of Rs.10/- each.	1,000,000,000	1,000,000,000
	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid up: 4,00,00,000 Equity Shares (Previous Year - 4,00,00,000) of Rs. 10/- each fully paid up.	400,000,000	400,000,000
TOTAL	400,000,000	400,000,000

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.

c Reconciliation of the number of shares outstanding

Particulars	As on March 31, 2021		As on March 31, 2020	
	No of Shares	Amount	No of Shares	Amount
Number of shares at the beginning	40,000,000	400,000,000	40,000,000	400,000,000
Add: Fresh issue of shares	-	-	-	-
Number of shares at the end	40,000,000	400,000,000	40,000,000	400,000,000

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

Particulars	As on March 31, 2021		As on March 31, 2020	
	No of Shares	Amount	No of Shares	Amount
Canara Bank - Holding Company		399,997,600		399,997,600
Canara Bank - jointly with others		2,400		2,400
Total		400,000,000		400,000,000

Notes (Cont.)

Particulars	As on March 31, 2021		As on March 31, 2020	
	No of Shares	(%) of Holding	No of Shares	(%) of Holding
Canara Bank-Holding company	39,999,760	100	39,999,760	100
Canara Bank-jointly with others	240	0	240	0
Total	40,000,000	100	40,000,000	100

NOTE 2 RESERVES AND SURPLUS

(Amount in Rs.)

Particulars	As on March 31, 2021		As on March 31, 2020	
General Reserve				
Balance as per Previous Financial year	54,709,576		43,353,815	
Add: Amount transferred from Surplus balance in the statement of Profit and Loss	7,455,453		11,355,761	
Closing Balance		62,165,029		54,709,576
Surplus in Statement of Profit & Loss				
Balance as per last Financial year	963,056,554		934,757,431	
MAT Credit	-		17,483,665	
Profit/(Loss) for the year	149,109,062		227,115,219	
Interim Dividend for the year	(140,000,000)		(170,000,000)	
TDS Deducted on such Dividend	(11,351,352)		-	
Tax on Dividend	-		(34,944,000)	
Amount transferred to General Reserves	(7,455,453)		(11,355,761)	
Closing Balance		953,358,811		963,056,554
TOTAL		1,015,523,840		1,017,766,130

NOTE 3 DEFERRED TAX

(Amount in Rs.)

Particulars	As on March 31, 2021 LIABILITIES/ (ASSET)	As on March 31, 2020 LIABILITIES / (ASSET)
OPENING BALANCE	(1,324,383)	(124,111)
Deferred Tax Assets resulting on account of Provision for Gratuity & Leave Salary (A)	(154,009)	(336,441)
Deferred Tax Assets arising due to difference between Depreciation as per IT Act and as per Companies Act (B)	(52,297)	(863,831)
NET TOTAL (A-B)	(206,306)	(1,200,272)
TOTAL	(1,530,689)	(1,324,383)

Notes (Cont.)

NOTE 4 LONG-TERM PROVISIONS

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
Provision for Gratuity/Leave Salary	528,878	12,834,243
TOTAL	528,878	12,834,243

NOTE 5 SHORT-TERM BORROWINGS

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
Secured:		
Bank Overdraft - Repayable on demand from a Bank	60,005,722	-
TOTAL	60,005,722	-

Rate of Interest

Bank Overdraft carry interest rates of 11.25% per annum. (Previous Year Nil)

Tax Free Bonds amounting to Rs. 54.01 cr (MKT Vale as on 31.03.2021 Rs. 57.78 cr) has been pledged for the OD limit of the Company

NOTE 6 OTHER CURRENT LIABILITIES

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
Payable to clients	43,073,722	40,706,418
Span Margin received from clients on F&O	19,586,072	3,873,068
Outstanding Liabilities	4,886,673	10,064,626
Statutory Liabilities	5,446,725	1,722,421
Other Liabilities	349,437	515,530
TOTAL	73,342,629	56,882,063

NOTE 7 SHORT TERM PROVISIONS

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
Provision for CSR	5,766,130	4,886,029
Provision for Gratuity	2,934	-
TOTAL	5,769,064	4,886,029



Notes (Cont.)

NOTE 8 STATEMENT OF DEPRECIATION ON PROPERTY, PLANT AND EQUIPMENT AS AT 31.03.2021

Property, Plant and Equipment		Gross Block						Accumulated Depreciation				Net Block	
		As at 1-04-20	Addition During the year	Deletion During the year	As at 31-03-21	As at 1-04-20	For the year	Adjustments	As at 31-03-21	As at 31-03-21	As at 31-03-20		
TANGIBLE ASSETS													
1	Office Equipments	5,168,376	124,407	-	5,292,783	4,826,656	104,358	-	4,931,014	361,769	341,720		
2	Motor Cars	954,546	-	-	954,546	780,033	54,500	-	834,533	120,013	174,513		
3	Computers (Hardware)	38,357,645	3,010,437	-	41,368,082	35,553,362	1,753,037	-	37,306,399	4,061,683	2,804,283		
4	Furniture & Fixtures	5,716,627	-	-	5,716,627	5,219,230	126,006	-	5,345,236	371,391	497,397		
		50,197,194	3,134,844	-	53,332,038	46,379,281	2,037,901	-	48,417,182	4,914,856	3,817,913		
INTANGIBLE ASSETS													
5	Computers (Software)	36,754,550	3,318,600	-	40,073,150	32,728,099	3,619,118	-	36,347,217	3,725,933	4,026,451		
6	License Fee (Research Analysts)	300,000	-	-	300,000	300,000	-	300,000	-	-	-		
		37,054,550	3,318,600	-	40,373,150	33,028,099	3,619,118	-	36,647,217	3,725,933	4,026,451		
	Total	87,251,744	6,453,444	-	93,705,188	79,407,380	5,657,019	-	85,064,399	8,640,788	7,844,364		
	Previous Year	86,324,978	931,575	4,808	87,251,744	71,610,332	7,798,048	1,001	79,407,380	7,844,364			

Notes (Cont.)

NOTE 9 LONG TERM LOANS AND ADVANCES

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
<u>Unsecured and Considered Good</u>		
Interest Free Deposits with Stock Exchanges	19,700,000	19,700,000
Advance Rent	3,969,902	3,969,902
<u>Advance Tax (net of provisions)</u>		
Provision for Income Tax (34,000,000)		
Add: Advance Tax paid 19,200,000		
Add: Tax Deducted at Source 1,456,142		
Less: MAT Credit 14,388,136	1,044,278	2,762,651
Income Tax Refund Receivable	22,055,454	24,971,233
MAT Credit Entitlement 32,683,280		
Less: MAT Credit Utilised for Current Year (14,388,136)	18,295,144	58,959,273
TOTAL	65,064,778	110,363,059

NOTE 10 OTHER NON-CURRENT ASSETS

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
Fixed Deposits with Banks with maturities more than 12 months	9,273,340	29,533,278
TOTAL	9,273,340	29,533,278

NOTE 11 CURRENT INVESTMENTS

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
<u>Investments in Units of Mutual Funds</u>		
Canara Robeco Mutual Fund-Liquid Direct Growth (CY 1805.847 Units, MKTV : Rs. 44,55,005.59 ; PY 1,400.774 Units, MKTV : Rs. 3,347,820.30)	4,449,858	3,195,000
TOTAL	4,449,858	3,195,000

Notes (Cont.)

NOTE 12 INVENTORIES

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
G Sec Bonds	49,578,750	-
Equities	298,322	391,125
Tax Free Bonds	780,994,719	793,772,828
<u>Less : Provision for Decline in value</u>		
G Sec Bonds	1,480,000	-
Equities	5,037	147,635
Tax Free Bonds	-	-
Net value after MTM Depreciation	829,386,754	794,016,318

NOTE 13 TRADE RECEIVABLES

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
Trade receivables outstanding for a period less than six months		
Unsecured, considered good	857,437	1,007,540
Total Trade Receivables	857,437	1,007,540

NOTE 14 CASH AND CASH EQUIVALENTS:

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
<u>Cash & Cash Equivalents</u>		
Cash on hand	11,765	7,619
<u>Balance with Scheduled Banks</u>		
In Current Account	95,823,357	36,269,245
Fixed Deposits with Banks with maturities Less than 12 months	406,639,843	458,238,781
TOTAL	502,474,965	494,515,645

Notes (Cont.)

NOTE 15 OTHER CURRENT ASSETS

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
Prepaid Expenses	2,521,899	1,544,055
Accrued Interest	33,485,242	24,616,297
Receivable from clients	68,374,773	859,878
Accrued DP Income	23,875,667	18,441,926
Net debit bal in O/D Accts	12,033	51,939
Others	5,221,908	3,854,783
TOTAL	133,491,523	49,368,878

NOTE 16 INCOME FROM OPERATIONS

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
<u>Income from Services</u>		
Brokerage Income	136,996,319	81,716,623
Brokerage Income from Bonds	403,123	446,641
Income from distribution of Mutual Funds/IPOs/Bonds	847,386	1,574,957
Income from DP Operations	36,853,489	32,898,129
Account Opening Charges	3,873,948	5,626,594
TOTAL (A)	178,974,264	122,262,944
<u>Sale of Securities</u>		
Sales - Equity	58,964,842	12,394,757
Sales-Tax Free Bonds	13,924,529	29,058,150
Sales- G Sec Bonds	99,470,000	8,000
TOTAL (B)	172,359,371	41,460,907
<u>Interest & Financial Income</u>		
Interest on Bank Deposits	20,962,292	19,522,059
Interest on G Sec Bonds	2,338,338	242
Interest on Corporate Bonds	56,359,960	59,143,993
Profit on Redemption of Mutual Funds	4,429,276	11,810,735
TOTAL (C)	84,089,865	90,477,029
TOTAL (A)+ (B)+ (C)	435,423,500	254,200,880

Notes (Cont.)

NOTE 17 OTHER INCOME

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
Dividend Received-Equity	5,000	8,418
Dividend Received-Long Term investment	-	750,000
Profit on sale of CCIL shares	-	147,750,000
Profit on Sale of Property, Plant and Equipment	-	20,192
Excess/(Short) provision of previous years	17,660,940	3,874,757
Other Income	1,342,779	689,354
Interest on IT Refund	3,539,406	-
TOTAL	22,548,125	153,092,720

NOTE 18 PURCHASES OF STOCK IN TRADE

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
Equities	58,721,573	12,791,497
Tax Free Bonds	-	22,789,950
G Sec Bonds	149,420,000	-
TOTAL	208,141,573	35,581,447

NOTE 19 CHANGES IN INVENTORIES

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
(INCREASE) / DECREASE IN STOCK		
Closing Stock -G Sec Bonds	49,580,000	-
Closing Stock - Equities	298,322	399,418
Closing Stock Tax Free Bonds	780,994,719	793,772,828
Total (A)	830,873,041	794,172,246
Less: Opening Stock - G Sec Bonds	-	6,690
Opening Stock - Equities	391,125	-
Opening Stock Tax Free Bonds	793,772,828	799,688,793
Total (B)	794,163,953	799,695,483
TOTAL (A)-(B)	(36,709,088)	5,523,237

Notes (Cont.)

NOTE 20 EMPLOYEE BENEFIT EXPENSE

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
Salaries & Allowances	38,545,923	32,207,503
Company's contribution to Provident & Other funds	1,776,512	1,885,423
Employer Contribution to NPS for CBSL Staff	451,904	352,790
Stipend paid to CBSL Trainees	430,975	481,749
TOTAL	41,205,313	34,927,465

NOTE 21 FINANCE COST

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
Int paid on Bank Borrowing	75,298	-
Processing fees on Bank OD	1,000,000	-
TOTAL	1,075,298	-

NOTE 22 OTHER EXPENSES

(Amount in Rs.)

Particulars	As on March 31, 2021	As on March 31, 2020
Travelling, Conveyance & Motor Car Expenses	1,517,117	1,676,931
Payment to Auditors:		
Statutory Audit Fees	250,000	250,000
Certification Fees	-	50,000
Legal & Professional Fees	2,015,800	3,164,450
Repairs & Maintenance to assets other than Buildings & Machinery	11,394,692	9,755,668
Office expenses	938,713	879,879
Security expenses	-	5,300
Insurance	579,101	77,480
Electricity Charges	1,657,556	1,629,854
Business Promotion/Development Expenses	341,693	1,342,841
Rent	9,578,406	9,180,483
Postage, Telephone & Telegrams	2,435,490	1,890,534

Notes (Cont.)

Particulars	As on March 31, 2021	As on March 31, 2020
lease line charges	1,919,802	1,958,643
Printing & Stationery	989,722	1,293,152
Sitting Fees to Directors	380,000	380,000
Miscellaneous Expenses	160,603	16,019
Meeting Expenses	485,849	813,581
Subscription to Information Systems	2,143,732	3,126,755
Books, Periodicals, News Paper & Mag.	52,078	106,181
Software Expenses	1,202,150	724,725
Bank Charges	55,985	41,103
Professional & Membership	404,445	310,770
Pooja Expenses	41,301	19,875
KYC & KRA Expenses	114,205	189,155
STP Charges	11,864	12,523
Transaction/other charges to Exchanges	403,410	211,271
STT Paid	29,561	4,007
Service Tax Paid	-	1,246,134
GST Paid	3,394,612	3,760,802
Other expenses-CSR Activities	3,330,101	2,434,844
Bad Debt Written Off Acct	21,436	815
ADVERTISEMENT CHARGES	53,000	39,950
Municipal Taxes	-	1,200,000
DP Other Charges	2,778,959	2,712,181
FMS Charges	4,615,464	4,013,515
Payment to Contractors	1,577,777	1,660,021
Interest on late payment of Statutory Dues	914,433	867,758
Stamp charges	921,884	2,411,860
Sundry Assets/Deposit written off	-	1,229,050
Provision for diminution in value of investment	1,485,037	147,635
TOTAL	58,195,976	60,835,745

Notes (Cont.)**(SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021)****Note 23: 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 &KarnakataGramin 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 historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP).
- 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.

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.
- 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.

Notes (Cont.)

- f) Provision for gratuity and leave encashment in respect of employees deputed from the holding Company, i.e. Canara Bank (Bank) has been made on the basis of advice received from Bank.
- g) Stamp charges incurred for registration of new clients are charged to revenue in the year of payment after adjusting any recovery from the clients.
- h) 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.
- i) Investment in Mutual Fund units has been taken under current Investment and as such taken at the lower of Cost or Net Asset Value.

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

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.

Notes (Cont.)

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 asset is recognised and carried only when there is reasonable certainty that the 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.

I. Earning per Share

Earning per Share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

Notes (Cont.)**NOTES FORMING PART OF THE ACCOUNTS:****Note 24:****IMPACT OF COVID-19**

The spread of COVID-19 pandemic affected activities of businesses across the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, travel bans, quarantines, social distancing and such other emergency measures. In assessing the recoverability of receivables, loans and other financial assets, the Company has considered internal and external information up to the date of approval of the financial statements. Considering the uncertainties involved in estimating the impact of this pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these financial statements.

Note 25:

A. During the year company has paid Interim dividend of INR 14.00 cr. for the financial year 2020-21 along with Tax Deducted at Source of Rs.1.14 cr.

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:

Sr. No.	Particulars	As on 31.03.2021 (Amount in Rs.)
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)	29,34,366/-
2	Property tax on account of increase in rateable value by MCGM (Municipal Corporation of Greater Mumbai) to the Municipal authorities on crystallisation.	1,52,62,043/-
	Total	1,81,96,409/-

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.

Notes (Cont.)

Nature of Timing Difference	Deferred Tax Asset / Liability as at 01.04.2020 (Rs)	(Charge) / Credit for the current year charged to the Profit & Loss Account (Rs.)	Deferred Tax Asset / Liability as at 31.03.2021 (Rs)
a) Deferred Tax Liabilities - Depreciation	14,92,749	(1,54,864)	13,37,885
b) Deferred Tax Asset - Provision for Gratuity/ Leave Salary	(28,16,565)	(52,297)	(28,68,862)
Total Deferred Tax Asset (Net)	(13,24,382)	(2,07,161)	(15,31,543)

- D. Purchase and sale transactions of Equity Shares, Dated Government Securities & Tax Free Bonds are disclosed in the notes on accounts (**Note No.16 & Note No.18 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.
- 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 lakh)

Particulars	2020-21	2019-20
Salaries & Allowances	23.19	20.67
Contribution to Provident and Other Funds	1.52	1.08
Total	24.71	21.75

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 59 employees of the Company, 9 are deputed from the Parent Bank. During the financial year 2020-21, the Company has engaged 26 employees on fixed term

Notes (Cont.)

contract of 3 years. During the year the Company has recruited 9 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

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

- K. **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 in this Schedule under Note No.7. During the year, the Company has paid Rs.3,80,000/- (Previous year Rs.3,80,000/-) as sitting fees for Board/Committee meetings to Independent Directors.

Notes (Cont.)

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

(Rs. in Lakh)

Sr. No.	Related Party	Nature of Transactions	2020-21
1	Canara Bank	Rent	53.51
		Bank Charges	0.54
		Salary & other benefits	176.00
		Electricity charges	16.58
		Interest on Deposit	134.79
		Dividend paid for 2019-20	1513.51
		Brokerage Received	32.39
		Interest paid on O/D Account	0.01
		Processing Charges on O/D Account	10.00
2	Canara HSBC Oriental Bank of India Insurance Company Ltd	Brokerage Received	62.60
3	Canara Robeco MF	Brokerage Received	57.31
		Distribution/Dividend & other income received	2.40
		Mutual Fund investment during the year	3336.27
		Income from investment in Mutual Fund	14.52
4	Canara Bank Computer Services Limited	RTA & Maintenance Charges for Dr. Site, Bangalore	0.15

Sr. No.	Related Party	Closing Balances	31st March, 2021
1	Canara Bank	Balance in Current Account (Own+settlement)/Loan (O/D)	939.08
		In Fixed Deposit	2,934.69
		Credit balance in O/D Account	600.06
2	Kerala Gramin Bank	Balance in Current Account	16.52
3	Pragathi Krishna Gramin Bank	Balance in Current Account	2.69
4	Canara Robeco MF	Outstanding Investment in MF	44.50

Notes (Cont.)

L. 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.
- 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, 2020 to March, 2021, in respect of the said premises occupied amounting to Rs. 53.51 Lakh(excluding GST) is accounted for as rent. (Previous Year: 51.60 Lakh). The lease rentals payable for next financial year is Rs.54.37 Lakh.

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

	2020-21	2019-20
Profit attributed to Equity Shareholder (Rs.)	14,91,09,062	22,71,15,219
No. of equity Shares (of Rs.10 each)	4,00,00,000	4,00,00,000
Earnings Per Share (Rs.)	3.73	5.68

- N. Intangible Assets [AS-26]: The Company has recognised Computer Software as Intangible Assets which is depreciated @40% using WDV method. The net carrying amount of Computer Software is Rs. 37.26 lac (Previous Year - Rs. 40.26 lac) after providing for depreciation of Rs.36.19 lac (Previous Year - Rs. 47.79lac).
- O. 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.
- P. As per Section 35 of CGST Act, 2017, every tax payer whose turnover exceeds Rs 2 crore during a financial year, is required to submit audited annual accounts and a reconciliation statement in GSTR-9C. Since our turnover exceeds Rs. 2 crore for both Financial Years 2018-19 & 2019-20 we are liable to submit audited annual accounts and reconciliation statement under GSTR 9C. During the course of the Audit, following points have been observed by the Auditor.

1. Maharashtra State (27AAACG2218H1ZY) (FY 2018-19)

Sr. No.	PARTICULARS	GST AMOUNT
1	ITC Reversal not carried out as per Rule 42 of CGST Act, 2017 - As per Rule 42 of CGST Act, 2017 Taxpayer must identify and reverse the proportionate ITC amount to the extent of supplies that are non-taxable/used for personal consumption. Since we have exempted income such as	47,348.60

Notes (Cont.)

Sr. No.	PARTICULARS	GST AMOUNT
	trading in securities and Redemption of Mutual funds, proportionate ITC has to be reversed from the total eligible ITC.	
2	Business Development, stamp charges and printing and stationery cost on which GST had not been paid - For opening the Demat/Trading account, the Company is collecting Rs.600/- towards the stamp duty, Printing cost, postal expenses etc. - As per the provisions, GST is liable to pay on the amount collected from the Clients. Hence it is liable to pay the GST on charges collected from the Clients.	446,094.00
3	Disallowance of ITC on account of ineligible credit & unmapped transactions in GSTR 2A - Major amount of over Rs. 5.40 lakhs pertains towards rent payment made to Canara Bank Mumbai, for which we have not received the invoices from Canara Bank. Out of the Remaining amount, Rs.1.98 lakhs has already been taken in GST Audit of FY 2017-18 (Total Rs.Rs.7.38 lakhs). We are in the process of identification of the unmapped transactions.	746,391.24
4	GST on RCM transactions not paid - In transaction pertaining to directors fees which involves Reverse charge, we had taken the ITC credit without payment of the amount. GST on such transactions amounts to Rs. 13,917.99	13,917.99
5	Scrap Sales made on which GST is not paid	2,512.50
6	Difference in Revenue Reconciliation	4,266.48
		12,60,530.81
	Interest	3,15,936.55
	Net GST Amount Paid	15,76,467.36

Notes (Cont.)

2. Karnataka State (29AAACG2218H1ZU) (FY 2018-19)

Sr. No.	PARTICULARS	GST AMOUNT
1	Disallowance of ITC on account of ineligible credit- Out of the total amount, amount of Rs. 2.58 lakhs pertains to rent amount paid to Canara Bank, for which we have not received the invoices.	259,021.56
	Total GST Amount	259,021.56
	Interest	80,251.48
	Net GST Amount paid	3,39,273.04

As per the findings of our GST Auditors, we have paid a total sum of Rs.19,15,740/- (Rupees Nineteen Lakhs Fifteen Thousand Seven Hundred and Forty Rupees) including interest of Rs.3,96,188/- towards Goods and Service tax (GST) for both GSTINs (27AAACG2218H1ZY & 29AAACG2218H1ZU) for the period 01.04.2018 to 31.03.2019 on 25-06-2020.

1. Maharashtra State (27AAACG2218H1ZY) (FY 2019-20)

Sr. No.	PARTICULARS	GST AMOUNT
1	ITC Reversal not carried out as per Rule 42 of CGST Act, 2017 - As per Rule 42 of CGST Act, 2017 Taxpayer must identify and reverse the proportionate ITC amount to the extent of supplies that are non-taxable/used for personal consumption. Since we have exempted income such as trading in securities and Redemption of Mutual funds, proportionate ITC has to be reversed from the total eligible ITC.	18,571.00
2	Business Development, stamp charges and printing and stationery cost on which GST had not been paid - For opening the Demat/Trading account we are collecting Rs.600/- towards the stamp duty, Printing cost, postal expenses etc. - GST has not been charged on amount collected from clients on account of business development, stamp charges and printing cost. Hitherto under Service Tax regime also not collected - However, Auditor opined that as per the provisions, GST is liable to pay on the amount collected from the Clients. - Accordingly we have to pay GST on Rs. 400 i.e Business promotion (Rs. 300) and Printing and Stationery Charges (Rs. 100) as the	35,208.00

Notes (Cont.)

Sr. No.	PARTICULARS	GST AMOUNT
	stamp duty charges is actually used to pay to the Government towards stamp charges. - As per previous findings of the Auditor, GST on Rs. 100 was not taken on which GST is being paid.	
3	Unpaid RCM	1,820.00
4	Ineligible ITC claimed	1,21,146.00
	Total GST Amount	1,76,745.00
	Add - Interest amount on such unpaid GST	1,26,721.00
	TOTAL AMOUNT PAID	3,03,466.00

2. Karnataka State (29AAACG2218H1ZU)(FY 2019-20)

Sr. No.	PARTICULARS	GST AMOUNT
1	Unpaid RCM	10,800.00
2	Ineligible ITC claimed - Rs. 44,035 pertains to Canara Bank Rent - which will be taken in FY 20-21 - Rs. 15,863 pertains to Maharashtra	65,369.00
	Total GST Amount	76,169.00
	Add - Interest amount on such unpaid GST	23,711.00
	TOTAL AMOUNT PAID	99,880.00

As per the finding of our GST Auditors, we have paid a total sum of Rs.4,03,346/- (Rupees Four Lakhs Three Thousand Three Hundred and FortySix Only) including interest of Rs. 150,432/- towards Goods and Service tax (GST) for both GSTIN for the period 01.04.2019 to 31.03.2020 on 27-02-2021.

Q. Statement of purchase and sale/ redemption of Investments

Sl No	Description	Purchase 2019-20		Sale/Redemption 2019-20	
		Qty / Unit	Rs. (Lakh)	Quantity / Unit	Rs. (Lakh)
1	Current Investment Canara Robeco Mutual Fund - Canara Robeco Liquid -Direct Growth	1,52,025.11	3,576.40	2,95,268.41	6,919.31
2	HDFC Liquid Fund - Direct Plan - Growth Option	86,717.88	3,296.00	1,00,330.23	3,845.25

Notes (Cont.)

Sl No	Description	Purchase 2020-21		Sale/Redemption 2020-21	
		Qty / Unit	Rs. (Lakh)	Quantity / Unit	Rs. (Lakh)
1	Current Investment Canara Robeco Mutual Fund - Canara Robeco Liquid -Direct Growth	1,37,681.65	3,339.77	1,37,970.01	3,328.47
2	HDFC Liquid Fund – Direct Plan – Growth Option	1,36,367.95	5,513.73	1,38,367.70	5,537.4
3	ICICI Prudential Liquid Fund - Direct Growth	4,48,019.52	1,353.00	4,48,019.52	1,357.55
4	UTI Hybrid Equity Fund - Regular growth plan	22,976.72	767.00	22,976.72	768.44

- R. In the absence of necessary information with the Company, relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information under the said Act could not be compiled and disclosed.
- S. 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.
- T. 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

On behalf of the Board of Directors
Canara Bank Securities Limited

For Maheshwari & Co
Chartered Accountants
Firm Registration No.105834W

Kalyani Kota
Director
DIN: 08754192

Debashish Mukherjee
Vice-Chairman
DIN: 08193978

Biplav Kumar Mishra
Managing Director
DIN: 08712819

(CA PAWAN GATTANI)
Partner
M. No.144734

P S Bhave
Independent Director
DIN: 06757517

T V Rao
Independent Director
DIN: 5273533

Ankita Shetty
Chief Financial Officer
PAN: DYXPS3273K

Himanshu Katare
Company Secretary
ICSI M No: A49584

Place : Mumbai
Date : 23.04.2021


SEGMENT REPORTING 2020-21

	STOCK BROKING 2020-21	TRADING IN SECURITIES 2020-21	DEPOSITORY PARTICIPANT 2020-21	TOTAL 2020-21
REVENUE				
Broking Income	142,120,776	-		142,120,776
Trading income	-	926,886		926,886
DP Income	36,853,489	36,853,489		
Interest	20,962,292	58,698,298		79,660,589
Others	26,972,402	5,000		26,977,403
Total	190,055,469	59,630,184	36,853,489	286,539,143
EXPENDITURE				
Interest	-	-	-	-
Amortization expenses	-	-	-	-
Other Expenses	-	-	18,611,863	18,611,863
Total	-	-	18,611,863	18,611,863
SURPLUS	190,055,469	59,630,184	18,241,626	267,927,279
Less: Unallocable Expenditure				87,521,744
Profit before taxation				180,405,535
Extraordinary Items				2,497,222
Provision for Taxation				33,793,694
Profit after Taxation				149,109,063
Segment Assets				
Stock	-	829,388,004	-	829,388,004
Fixed Assets(WDV)	-	-	-	8,640,788
Cash & Bank Balance	95,499,226	-	324,131	95,823,356
Trade receivables	857,437	-	-	857,437
Others	88,074,773	-	23,875,667	111,950,440
Total	184,431,436	829,388,003	24,199,797	1,046,660,025
Unallocated Assets				508,510,108
Total Assets				1,555,170,133
Segment Liabilities				
Borrowings	-	-	-	-
Others	62,659,794	-	62,659,794	
Total	62,659,794	-	-	62,659,794
Unallocated Liabilities				1,492,510,339
Total Liabilities				1,555,170,134



Trading Profit for the year ended March 2021

	Sale	Purchase	Opening Stock	Closing stock before open	Profit/Loss (before depreciation)	Depreciation	Closing stock after depreciation	Profit/Loss after Depreciation
G Sec	99,470,000.00	149,420,000.00	-	49,580,000.00	(370,000.00)	1,480,000.00	48,100,000.00	(1,850,000.00)
Equity	49,291,329.77	49,127,001.96	391,125.00	298,321.75	71,524.56	5,036.75	293,285.00	66,487.81
Equity Derivatives	9,673,511.90	9,594,570.67	-	-	78,941.23	-	-	78,941.23
Tax Free Bonds	13,924,528.90	793,772,827.78	780,994,719.48	1,146,420.60	-	780,994,719.48	1,146,420.60	
Total	172,359,370.57	208,141,572.63	794,163,952.78	830,873,041.23	926,886.39	1,485,036.75	829,388,004.48	(558,150.36)



PHOTO TAKEN ON THE OCCASION OF CORPORATE SOCIAL RESPONSIBILITY ACTIVITY OF THE CANARA BANK SECURITIES LIMITED HELD IN CANARA BANK, HEAD OFFICE BANGALORE.



CBSL IS BIDDING FAREWELL TO SHRI. P S BHAVE, INDEPENDENT DIRECTOR, ON HIS RETIREMENT DURING THE 25TH ANNUAL GENERAL MEETING HELD AT CANARA BANK, CO, BKC, MUMBAI, ON 19.07.2021. SHRI. DEBASHISH MUKHERJEE, EXECUTIVE DIRECTOR, CANARA BANK, SHRI. U S MAJUMDAR, GENERAL MANAGER, ASSOCIATES & SUBSIDIARIES WING, SHRI. MAHESH M PAI, DIRECTOR, SHRI. BIPLAV KUMAR MISHRA, MANAGING DIRECTOR & THE EXECUTIVES OF CBSL ARE ALSO SEEN.

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