

केनरा बैंक सेक्युरिटीज लिमिटेड  
(केनरा बैंक का एक अनुसंगी)  
**Canara Bank Securities Ltd**  
(A Wholly Owned Subsidiary of Canara Bank)  
Member : BSE, NSE



CBSL: HO:67: 2019-20  
June 14, 2019

THE SENIOR MANAGER  
CANARA BANK  
F M & S WING  
HEAD OFFICE  
112 J C ROAD  
BANGALORE 560002

Dear Sir,

**Sub: Certified copy of Financial Statements for Financial Year 2018-19**

We are enclosing herewith the following certified statements for FY 2018-19

1. Audited Balance Sheet as at 31.03.2019, Cash Flow Statement & Statement of Profit & Loss for the Financial Year 2018-19 along with Schedules;
2. Significant accounting policies and Notes forming part of financial statements for the year ended March 31, 2019;
3. Independent Auditor's Report along with Annexure A & B as per Standard on Auditing (SA) 700 (Revised) Forming an Opinion and Reporting on Financial Statements;
4. Auditors Report for BSE and NSE as at 31.03.2019.

Yours faithfully,

  
**D K MISHRA**  
**GENERAL MANAGER**



Encl: As Above

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पंजीकृत कार्यालय : 7वीं मंजिल, मेकर चेम्बर्स III, नरिमान पॉइंट, मुम्बई - 400 021.

Regd. Office : 7<sup>th</sup> Floor, Maker Chambers III, Nariman Point, Mumbai - 400 021. CIN No. : U67120MH1996GOI097783  
SEBI Reg. No. : BSE : INB011280238, INF 011280238, NSE : INB 231280232, INF 231280232, INE 231280232  
( जनरल / Gen. 022-2280 2400 / 4360 3800)

Compliance Officer : S. T. Vinay Kumar Email : compliance@canmoney.in

(फैक्स/Fax : 022-2204 1715) ( ई-मेल/E-mail) : customercare@canmoney.in • cbsl@canmoney.in • Website : www.canmoney.in

**CANARA BANK SECURITIES LIMITED**  
Registered Office: 7TH FLOOR, MAKER CHAMBERS III, NARIMAN POINT, MUMBAI- 400021  
BALANCE SHEET AS AT 31st March, 2019.

(Amount in Rs.)

I. EQUITY AND LIABILITIES	NOTES	As at 31.03.2019		As at 31.03.2018	
	(1) SHARE HOLDERS' FUND				
(a) Share Capital	1	40,00,00,000		40,00,00,000	
(b) Reserves and Surplus	2	97,81,11,246	1,37,81,11,246	94,12,42,694	1,34,12,42,694
(2) NON -CURRENT LIABILITIES					
(a) Deferred Tax Liabilities (Net)	3	-	-	-	3,36,543
(b) Long Term Provisions	4	1,16,24,894	1,16,24,894	1,05,66,590	1,05,66,590
(c) Other Non-Current Liabilities	5	1,41,166	1,41,166	1,41,166	1,41,166
(3) CURRENT LIABILITIES					
(a) Short Term Borrowings	6	-	-	-	15,01,76,950
(b) Other Current Liabilities	7	4,43,13,416	4,43,13,416	5,23,56,071	5,23,56,071
(c) Short Term Provisions	8	39,51,185	39,51,185	27,50,351	27,50,351
<b>TOTAL</b>			<b>1,43,81,41,907</b>		<b>1,55,75,70,365</b>
II. ASSETS					
(1) NON-CURRENT ASSETS					
(a) Property, Plant and Equipment					
(i) Tangible Assets	9	64,03,250	64,03,250	90,81,674	90,81,674
(ii) Intangible Assets		83,11,397	83,11,397	35,31,305	35,31,305
(iii) Intangible Assets under Development		-	-	29,30,000	29,30,000
(b) Non-Current Investments	10	25,00,000	25,00,000	25,00,000	25,00,000
(c) Deferred Tax Assets (net)	3	1,24,111	1,24,111	-	-
(d) Long Term Loans and Advances	11	9,03,00,919	9,03,00,919	13,60,55,583	13,60,55,583
(e) Other Non-Current Assets	12	1,16,37,905	1,16,37,905	5,26,01,021	5,26,01,021
(2) CURRENT ASSETS			11,92,77,582		20,66,99,583
(a) Current Investments	13	20,18,00,000	20,18,00,000	31,53,00,000	31,53,00,000
(b) Inventories	14	79,96,95,483	79,96,95,483	75,63,09,215	75,63,09,215
(c) Trade Receivables	15	5,35,655	5,35,655	4,54,910	4,54,910
(d) Cash and Cash equivalents	16	27,53,02,578	27,53,02,578	24,55,77,398	24,55,77,398
(e) Other Current Assets	17	4,15,30,609	4,15,30,609	3,32,29,259	3,32,29,259
<b>TOTAL</b>			<b>1,31,88,64,325</b>		<b>1,35,08,70,782</b>
			<b>1,43,81,41,907</b>		<b>1,55,75,70,365</b>

Significant Accounting Policies and Other Notes forming part of the Financial Statement as per notes 24 & 25 & other notes from 1 to 23

In terms of our report attached

For, RAJ BORDIA & CO.  
Firm Registration No.003293C

(CA R.S.BORDIA)  
Partner  
M. No.081200

Place: Mumbai  
Date: 24th May, 2019



On behalf of the Board of Directors

R A Sankara Narayanan  
Chairman

Debashish Mukherjee  
Vice-Chairman

GV Prabhu  
Director

ST Ramachandra  
Director

P S Bhave  
Independent Director

Uma Subramaniam  
Independent Director

ST Vinay Kumar  
General Manager

Ankita Shetty  
Chartered Accountant

Naval Singh Shekhawat  
Company Secretary

V Kumara Krishnan  
Managing Director



**CANARA BANK SECURITIES LIMITED**  
Registered Office: 7TH FLOOR, MAKER CHAMBERS III, NARIMAN POINT, MUMBAI- 400021  
Statement of Profit & Loss for the year ended 31st March, 2019

PARTICULARS	NOTES	31.03.2019		31.03.2018	
(Amount in Rs.)					
<b>INCOME</b>					
<b>I. Income from operations</b>					
Income from Services	18	10,04,85,953		10,52,19,485	
Sale of securities	18	10,65,06,865		49,51,08,824	
Interest & Financial Income	18	9,17,24,901		9,39,29,850	
			29,87,17,719		69,42,58,160
<b>II. Other Income</b>	19		73,06,340		11,23,470
<b>III. TOTAL INCOME</b>			<b>30,60,24,059</b>		<b>69,53,81,630</b>
<b>IV. EXPENDITURE</b>					
Purchase of Stock in Trade	20		14,62,87,790		50,37,25,633
Changes in inventories of FG,WIP & Stock in Trade	21		(4,33,86,268)		(1,62,34,528)
Employee benefit expense	22		3,35,51,749		2,89,10,515
Finance Cost			1,24,216		3,12,388
Depreciation on Property, Plant and Equipment	9		60,21,031		66,40,848
Other Expenses(Admn & other exp)	23		4,70,31,178		5,15,34,715
Amortization	24		-		-
<b>TOTAL EXPENSES</b>			<b>18,96,29,696</b>		<b>57,48,89,572</b>
(V) Profit/(Loss) Before exceptional items, extraordinary items and tax (III-IV)			11,63,94,363		12,04,92,058
(VI) Exceptional Items			-		-
(VII) Profit before extraordinary items and Tax			11,63,94,363		12,04,92,058
(VIII) Extraordinary items			-		-
<b>(IX) Profit Before Tax(VII-VIII)</b>			<b>11,63,94,363</b>		<b>12,04,92,058</b>
(X) Tax Expense (Current Tax)			-		-
Provision for Tax			(1,97,06,465)		(2,54,68,530)
Deferred Tax			4,60,654		3,86,749
Excess/(Short) provisions for earlier years			-		-
Prior period expenses			-		-
<b>Profit/(Loss) After Tax</b>			<b>9,71,48,552</b>		<b>9,54,10,277</b>
Earnings Per Share (Basic and Diluted)			2.43		2.39

Significant Accounting Policies and Other Notes forming part of the Financial Statement as per notes 24 & 25 & other notes from 1 to 23

In terms of our report attached

Chartered Accountants,  
For, **RAJ BORDIA & CO.**  
Firm Registration No.003293C



(CA R.S.BORDIA)  
Partner  
M. No.081200

Place: Mumbai  
Date: 24th May, 2019




On behalf of the Board of Directors


  
R A Sankara Narayanan  
Chairman

Debashish Mukherjee  
Vice-Chairman

  
GV Prabhu  
Director

ST Ramachandra  
Director

  
P S Bhave  
Independent Director

  
Uma Subramaniam  
Independent Director

  
S T Vinay Kumar  
General Manager



  
Ankita Shetty  
Chartered Accountant

  
Naval Singh Shekhawat  
Company Secretary

  
V Kumara Krishnan  
Managing Director



**CANARA BANK SECURITIES LIMITED**  
Registered Office: 7TH FLOOR, MAKER CHAMBERS III, NARIMAN POINT, MUMBAI- 400021  
Cash Flow Statement for the year ended on 31st March, 2019

PARTICULARS	[Amount in Rupees]	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>A.) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items adjustments for:		
Depreciation & Amortization on Property, Plant and Equipment	11,63,94,363	12,04,92,058
Profit/ Loss on sale of Property, Plant and Equipment	60,21,031	66,40,848
Dividend received on Investment	7,132	2,20,997
Interest received on Fixed Deposits	(7,50,473)	(7,50,180)
Interest on borrowings	(1,82,04,530)	(2,12,30,535)
Excess/(Short provision of earlier years	1,24,216	3,12,388
	-	-
<b>Operating profit before working capital changes</b>	(1,28,02,624)	(1,48,06,482)
<b>Adjustments for :</b>	10,35,91,739	10,56,85,576
Inventories	(4,33,86,268)	(1,62,34,528)
Current Investment	11,35,00,000	(6,69,00,000)
Adjustment for Long & Short term Provision	22,59,138	23,61,613
Trade payables + Other Current Liabilities	(15,77,58,950)	1,81,21,676
Trade Receivables+OCA	(59,12,750)	(47,55,869)
Long Term loans & Advances	4,28,85,908	-
Other Non current liabilities	-	-
<b>Operating profit after working capital changes</b>	(4,84,12,922)	(6,74,07,108)
Direct Tax Paid-Net	5,51,78,817	3,82,78,469
Stock exchange membership	(1,68,37,710)	(1,50,08,922)
	-	-
<b>Net cash from operating activities (A)</b>	(1,68,37,710)	(1,50,08,922)
<b>B.) CASH FLOW FROM INVESTING ACTIVITIES</b>	3,83,41,107	2,32,69,547
Purchase Of Property, Plant and Equipment	(81,56,680)	(95,73,113)
Sale of Property, Plant and Equipment	26,850	-
Interest received on Fixed Deposits	1,82,04,530	2,12,30,535
Investment in Bank Deposits	-	-
Dividend received	7,50,473	7,50,180
<b>Net cash from investing activities (B)</b>	1,08,25,173	1,24,07,602
<b>C.) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest on Borrowing	(1,24,216)	(3,12,388)
Dividend Distribution Tax paid	(1,02,80,000)	(1,22,14,600)
Dividend paid	(5,00,00,000)	(6,00,00,000)
Dividend and DDT pertaining to FY 2015-16	-	-
<b>Net cash used in financing activities (C)</b>	(6,04,04,216)	(7,25,26,988)
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	(1,12,37,936)	(3,68,49,839)
Cash and cash equivalent at the beginning of the year	29,81,78,419	33,50,28,258
Cash and cash equivalent at the end of the year	28,69,40,483	29,81,78,419

Significant Accounting Policies and Other Notes forming part of the Financial Statement as per notes 24 & 25 & other notes from 1 to 23  
In terms of our report attached

On behalf of the Board of Directors

Chartered Accountants,  
For, RAJ BORDIA & CO.  
Firm Registration No.003293C

(CA R.S.BORDIA)  
Partner  
M. No.081200

Place: Mumbai  
Date: 24th May, 2019



*R A Sankara Narayanan*  
R A Sankara Narayanan  
Chairman

*Debashish Mukherjee*  
Debashish Mukherjee  
Vice-Chairman

*GV Prabh*  
GV Prabh  
Director

*ST Ramachandra*  
ST Ramachandra  
Director

*P S Bhave*  
P S Bhave  
Independent Director

*Uma Subramaniam*  
Uma Subramaniam  
Independent Director

*ST Vinay Kumar*  
ST Vinay Kumar  
General Manager

*Ankita Shetty*  
Ankita Shetty  
Chartered Accountant

*Naval Singh Shekhawat*  
Naval Singh Shekhawat  
Company Secretary

*V Kumara Krishnan*  
V Kumara Krishnan  
Managing Director





NOTE 1 SHARE CAPITAL

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
<b>a</b> <u>Authorised:</u> 10,00,00,000 Equity Shares (Previous Year - 10,00,00,000) of Rs.10/- each.	1,00,00,00,000	1,00,00,00,000
	<b>1,00,00,00,000</b>	<b>1,00,00,00,000</b>
<u>Issued, Subscribed and Paid up:</u> 4,00,00,00,000 Equity Shares (Previous Year - 4,00,00,000) of Rs. 10/- each fully paid up.	40,00,00,000	40,00,00,000
<b>TOTAL</b>	<b>40,00,00,000</b>	<b>40,00,00,000</b>

**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, 2019		As on March 31, 2018	
	No of Shares	Amount	No of Shares	Amount
Number of shares at the beginning	4,00,00,000	40,00,00,000	4,00,00,000	40,00,00,000
Add: Fresh issue of shares	-	-	-	-
Number of shares at the end	4,00,00,000	40,00,00,000	4,00,00,000	40,00,00,000

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

Particulars	As on March 31, 2019		As on March 31, 2018	
Canara Bank-Holding Company		39,99,97,600		39,99,97,600
Canara Bank-jointly with others		2,400		2,400
<b>Total</b>		<b>40,00,00,000</b>		<b>40,00,00,000</b>

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

Particulars	As on March 31, 2019		As on March 31, 2018	
	No. of Shares	(%) of Holding	No. of Shares	(%) of Holding
Canara Bank-Holding company	3,99,99,760	100	3,99,99,760	100
Canara Bank-jointly with others	240	0	240	0
<b>Total</b>	<b>4,00,00,000</b>	<b>100</b>	<b>4,00,00,000</b>	<b>100</b>

NOTE 2 RESERVES AND SURPLUS

Particulars	As on March 31, 2019		As on March 31, 2018	
<u>General Reserve</u>				
Balance as per last Financial year	3,98,94,789		3,52,47,929	
Add: Amount transferred from Surplus balance in the statement of Profit and Loss	34,59,026		46,46,860	
Closing Balance		4,33,53,815		3,98,94,789
<u>Surplus in Statement of Profit &amp; Loss</u>				
Balance as per last Financial year	90,13,47,905		77,48,22,741	
MAT Credit	-		5,79,82,411	
Excess provisions of Income Tax of earlier years written back	-		4,99,93,932	
Profit/(Loss) for the year	9,71,48,552		9,54,10,277	
Dividend for the FY 2015-16	-		-	
DDT on above Dividend	-		-	
Interim Dividend for the year	(5,00,00,000)		(6,00,00,000)	
Tax on Dividend	(1,02,80,000)		(1,22,14,600)	
Writing off of Property, Plant and Equipment	-		-	
Amount transferred to General Reserves	(34,59,026)		(46,46,860)	
Closing Balance		93,47,57,431		90,13,47,905
<b>TOTAL</b>		<b>97,81,11,246</b>		<b>94,12,42,694</b>



NOTE 3 DEFERRED TAX

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
OPENING BALANCE		
Deferred Tax Assets resulting on account of Provision for Gratuity & Leave Salary (A)	336,543	723,292
Deferred Tax Assets arising due to difference between Depreciation as per IT Act and as per Companies Act (B)	(294,420)	(493,626)
NET TOTAL (A-B)	(166,234)	106,877
TOTAL	(460,654)	(386,749)
	(124,111)	336,543

NOTE 4 LONG-TERM PROVISIONS

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
Provision for Gratuity/Leave Salary	11,624,894	10,566,590
TOTAL	11,624,894	10,566,590

NOTE 5 OTHER NON-CURRENT LIABILITIES

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
Retention Money Software Vendor	141,166	141,166
TOTAL	141,166	141,166

NOTE 6 SHORT TERM BORROWINGS

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
O/D against Deposits & Bonds	-	150,176,950
O/D Limits with Canara Bank-1) Against Pledge of Tax Free Bonds - availed Limit Rs.25 Cr, ROI 11.65%, Security value Rs.71.93 Cr, Repayment- Running account Tenable till 10.03.2020		
2) Against Pledge of Deposits-Total Limit Rs.9.55 Cr.,ROI-For - i. Rs.2.04 Cr-7.20%, ii.Rs.5.45 Cr-7.50%, iii. Rs.0.89 Cr-8.00%, iv. Rs.0.27 Cr-8.10%, v. Rs.0.90 Cr-8.50%		
Security- Fixed Deposits for Rs. .10.99 Cr -Repayment- Running account Tenable till maturity of Deposits		
TOTAL	-	150,176,950

NOTE 7 OTHER CURRENT LIABILITIES

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
Payable to clients		
Span Margin received from clients on F&O	22,565,413	31,046,780
Other Liabilities	7,614,809	10,230,385
	14,133,194	11,078,906
TOTAL	44,313,416	52,356,071

Note - Provision for Municipal Taxes was made for Rs.12 lakhs for the FY2018-19. However due to reversal of previous year 2017-18, the net amount reflecting in FY 2018-19 is setoff and hence NIL

NOTE 8 SHORT TERM PROVISIONS

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
Provision for CSR		
Provision for Incentives	2,451,185	2,135,552
	1,500,000	-
Provision for Income Tax	19,706,465	
Less: Advance Tax paid	(13,000,000)	
Less: Tax Deducted at Source	(1,821,147)	
Less: MAT Credit	(7,618,874)	
TOTAL	(2,733,555)	614,799
	3,951,185	2,750,351

Note :  
Net amount of Tax figure Rs. 27,33,555 is reflecting under Note No. 11 Long term Loans and Advances - Advance tax (net of provisions)



**NOTE 9**  
Property, Plant and Equipment

**STATEMENT OF DEPRECIATION ON PROPERTY, PLANT AND EQUIPMENT AS AT 31.03.2019**

(Amount in Rs.)

Sl No.	Description	Gross Block			Accumulated Depreciation			Net Block	
		As at 01/04/2018	Addition During the year	Deletion During the year	As at 31/03/2019	For the year	Adjustments	As at 31/03/2019	As at 31/03/2018
<b>TANGIBLE ASSETS</b>									
1	Office Equipments	49,70,693	1,04,607	-	50,75,300	2,08,477	-	47,33,177	3,42,123
2	Motor Cars	9,54,546	-	-	9,54,546	1,15,239	-	7,00,783	2,53,763
3	Computers (Hardware)	3,80,79,089	6,10,090	6,71,650	3,80,17,529	29,17,662	(6,37,668)	3,28,81,327	3,69,003
4	Furniture & Fixtures	56,12,437	1,78,000	73,810	57,16,627	2,95,760	(73,810)	50,45,466	74,77,756
		<b>4,96,16,765</b>	<b>8,92,698</b>	<b>7,45,459</b>	<b>4,97,64,003</b>	<b>35,37,139</b>	<b>(7,11,478)</b>	<b>4,33,60,753</b>	<b>64,03,250</b>
<b>INTANGIBLE ASSETS</b>									
5	Computers (Software)	2,89,96,992	72,63,983	-	3,62,60,975	23,83,892	-	2,80,49,579	82,11,397
6	License Fee (Research Ana	3,00,000	-	-	3,00,000	1,00,000	-	2,00,000	1,00,000
		<b>2,92,96,992</b>	<b>72,63,983</b>	<b>-</b>	<b>3,65,60,975</b>	<b>24,83,892</b>	<b>-</b>	<b>2,82,49,579</b>	<b>83,11,397</b>
	<b>Total</b>	<b>7,89,13,758</b>	<b>81,56,681</b>	<b>7,45,459</b>	<b>8,63,24,978</b>	<b>60,21,031</b>	<b>(7,11,478)</b>	<b>7,16,10,332</b>	<b>1,47,14,646</b>
	<b>Previous Year</b>	<b>8,29,60,119</b>	<b>68,12,614</b>	<b>1,08,58,974</b>	<b>7,89,13,758</b>	<b>66,40,848</b>	<b>(1,06,27,478)</b>	<b>6,63,00,779</b>	<b>1,26,12,979</b>
									<b>1,26,72,711</b>





**NOTE 10 NON-CURRENT INVESTMENTS**

(Amount in Rs.)				
Particulars	Face Value Rs	No	As on March 31, 2019	As on March 31, 2018
<b>NON - TRADE INVESTMENTS (Valued at cost unless stated otherwise)</b>				
<u>Unquoted Equity Shares</u>				
The Clearing Corporation of India Ltd	10	2,50,000	25,00,000	25,00,000
<b>TOTAL</b>			<b>25,00,000</b>	<b>25,00,000</b>

Note:

Aggregate amount of Unquoted Investments	25,00,000	25,00,000
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**NOTE 11 LONG TERM LOANS AND ADVANCES**

(Amount in Rs.)		
Particulars	As on March 31, 2019	As on March 31, 2018
<u>Unsecured and Considered Good</u>		
Interest Free Deposits with Stock Exchanges	1,97,00,000	1,97,00,000
Advance Rent	39,69,902	39,69,902
Advance Tax (net of provisions)	28,68,755	-
Income Tax Refund Receivable	2,38,58,333	6,48,62,878
MAT Credit Entitlement	4,75,22,803	
Less: MAT Credit Utilised in Current Year	(76,18,874)	
<b>TOTAL</b>	<b>9,03,00,919</b>	<b>13,60,55,583</b>

Note:

Rs. 67,607 Mat credit utilisation of FY 2017-18 has been made in FY 2018-19

**NOTE 12 OTHER NON-CURRENT ASSETS**

(Amount in Rs.)		
Particulars	As on March 31, 2019	As on March 31, 2018
Fixed Deposits with Banks with maturities more than 12 months (of this an amount of Rs. 3,281,002.94/- is Pledged for the O/D Limits of the company)	1,16,37,905	5,26,01,021
<b>TOTAL</b>	<b>1,16,37,905</b>	<b>5,26,01,021</b>

**NOTE 13 CURRENT INVESTMENTS**

(Amount in Rs.)		
Particulars	As on March 31, 2019	As on March 31, 2018
<u>Investments in Units of Mutual Funds</u>		
Canara Robeco Mutual Fund-Liquid Direct Growth (CY 67,307.4380 Units, MKTV : Rs. 152,025,708.29 ; PY 100,719.699 Units, MKTV:Rs.198,437,699.17)	20,18,00,000	31,53,00,000
Saving Plus Fund (CY 13,612.350 Units, MKTV: Rs. 50,070,109.63 ; PY 0 Units )	-	-
<b>TOTAL</b>	<b>20,18,00,000</b>	<b>31,53,00,000</b>



**NOTE 14 INVENTORIES**

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
Dated Govt. Securities	6,690	6,690
Equities	-	-
Tax Free Bonds	79,96,88,793	75,63,02,525
<u>Less : Provision for Decline in value</u>		
Dated Govt. Securities	-	-
Equities	-	-
Tax Free Bonds (Dimunition in value of Long Term Investment)	-	-
<b>Net value after MTM Depreciation</b>	<b>79,96,95,483</b>	<b>75,63,09,215</b>

**NOTE 15 TRADE RECEIVABLES**

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
<u>Trade receivables outstanding for a period less than six months</u>		
Unsecured, considered good	5,35,655	4,54,910
<b>Total Trade Receivables</b>	<b>5,35,655</b>	<b>4,54,910</b>

**NOTE 16 CASH AND CASH EQUIVALENTS:**

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
<u>Cash &amp; Cash Equivalents</u>		
Cash on hand	18,603	40,784
<u>Balance with Scheduled Banks</u>		
In Current Account	2,14,76,469	3,93,40,666
Fixed Deposits with Banks with maturities Less than 12 months (of this an amount of Rs.87,101,373.60 is Pledged for the O/D Limits of the company)	25,38,07,506	20,61,95,948
<b>TOTAL</b>	<b>27,53,02,578</b>	<b>24,55,77,398</b>

**NOTE 17 OTHER CURRENT ASSETS**

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
Prepaid Expenses	19,73,354	18,34,493
Accrued Interest on Dated Govt. Securities	148	148
Accrued Int on Tax Free Bonds	2,25,67,085	1,99,25,177
Income Receivable on Distribution of Mutual Funds/IPO	-	-
Receivable from clients	2,06,873	2,48,217
Accrued DP Income	1,15,43,958	56,58,170
Net debit bal in O/D Accts	48,746	-
Others	51,90,445	55,63,054
<b>TOTAL</b>	<b>4,15,30,609</b>	<b>3,32,29,259</b>



**NOTE 18 INCOME FROM OPERATIONS**

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
<u>Income from Services</u>		
Brokerage Income	8,37,88,028	8,32,74,42
Brokerage Income from Bonds	3,36,690	34,68,72
Income from distribution of Mutual Funds/IPOs/Bonds	11,37,826	62,56,08
Income from DP Operations	1,52,23,409	1,22,20,25
<b>TOTAL (A)</b>	<b>10,04,85,953</b>	<b>10,52,19,48</b>
<u>Sale of Securities</u>		
Sales - Equity	1,33,08,543	1,10,32,58
Sales-Tax Free Bonds	9,31,98,322	15,76,76,24
Sales-Dated Government securities	-	32,64,00,00
<b>TOTAL (B)</b>	<b>10,65,06,865</b>	<b>49,51,08,82</b>
<u>Interest &amp; Financial Income</u>		
Interest on Bank Deposits	1,82,04,530	2,12,30,53
Interest on Dated Govt Securities	336	88,79,31
Interest on Corporate Bonds	6,02,02,646	5,69,94,20
Profit on Redemption of Mutual Funds	1,33,17,389	68,25,79
<b>TOTAL (C)</b>	<b>9,17,24,901</b>	<b>9,39,29,85</b>
<b>TOTAL (A)+ (B)+ (C)</b>	<b>29,87,17,719</b>	<b>69,42,58,16</b>

**NOTE 19 OTHER INCOME**

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
Dividend Received-Equity	473	180
Dividend Received-Long Term investment	7,50,000	7,50,000
Other Income	7,49,086	3,73,290
Interest on IT Refund	57,95,415	-
Recovery of Bad Debt Written Off	11,366	-
<b>TOTAL</b>	<b>73,06,340</b>	<b>11,23,470</b>

**NOTE 20 PURCHASES OF STOCK IN TRADE**

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
Equities	1,33,19,408	1,11,25,109
Tax Free Bonds	13,29,68,382	16,79,36,774
Dated Government Securities	-	32,46,63,750
<b>TOTAL</b>	<b>14,62,87,790</b>	<b>50,37,25,633</b>





**NOTE 21 CHANGES IN INVENTORIES**

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
(INCREASE) / DECREASE IN STOCK		
Closing Stock -Dated Govt Securities (CY FV Rs.8000;PY FV:8000)	6,690	6,69
Closing Stock - Equities (Qty 0 Nos ; PY : 0 Nos)	-	-
Closing Stock Tax Free Bonds <i>(of this an amount of Rs.500024000/- is Pledged for the O/D Limits of the company)</i>	79,96,88,793	75,63,02,52
Total (A)	79,96,95,483	75,63,09,21
Less: Opening Stock - Dated Govt Securities (Face value Rs.8000)	6,690	6,69
Opening Stock - Equities (Qty 0 Nos. ; PY : 0 Nos.)	-	-
Opening Stock Tax Free Bonds	75,63,02,525	74,00,67,99
Total (B)	75,63,09,215	74,00,74,68
<b>TOTAL (A)-(B)</b>	<b>(4,33,86,268)</b>	<b>(1,62,34,52)</b>

**NOTE 22 EMPLOYEE BENEFIT EXPENSE**

Particulars	(Amount in Rs.)	
	As on March 31, 2019	As on March 31, 2018
Employee Benefit Expenses		
Salaries & Allowances	96,19,994	1,02,70,067
Company's contribution to Provident & Other funds	16,80,870	20,82,790
Employer Contribution to NPS for CBSL Staff	2,82,740	2,32,794
Other Employee Expenses	24,30,806	8,96,135
Staff Welfare Expenses	2,01,759	2,29,789
Payment to officers on contract	1,28,71,711	1,00,40,743
Payment to CBSL Officers salary	61,03,869	49,20,725
Stipend paid to CBSL Trainees	3,60,000	2,37,473
<b>TOTAL</b>	<b>3,35,51,749</b>	<b>2,89,10,515</b>



NOTE 23 OTHER EXPENSES

Particulars	(Amount in Rs)	
	As on March 31, 2019	As on March 31, 2018
Travelling, Conveyance & Motor Car Expenses	18,42,168	18,64,07
Payment to Auditors:		
Statutory Audit Fees	2,50,000	2,00,00
Certification Fees	50,000	50,00
Legal & Professional Fees	23,71,813	16,24,00
Repairs & Maintenance to assets other than Buildings & Machinery	74,17,320	58,18,42
Office expenses	5,28,376	9,45,21
Security expenses	3,600	4,00
Insurance	5,49,244	4,22,74
Electricity Charges	17,96,711	21,10,34
Rent	82,16,607	74,88,03
Postage, Telephone & Telegrams	25,16,049	28,23,48
lease line charges	20,36,209	21,50,10
Printing & Stationery	4,13,463	8,35,05
Sitting Fees to Directors	2,80,000	2,90,00
Miscellaneous Expenses	13,765	18,89
Meeting Expenses	5,10,026	5,45,43
Subscription to Information Systems	23,31,703	20,14,09
Books, Periodicals, News Paper & Mag.	1,23,811	1,30,15
Software Expenses	3,15,916	79,32
Bank Charges	48,706	86,31
Training Expenses	4,975	4,77
Professional & Membership	68,762	3,47,50
Pooja Expenses	32,760	15,48
KYC & KRA Expenses	83,287	62,18
STP Charges	15,900	86,27
Transaction/other charges to Exchanges	14,853	67,69
STT Paid	7,849	16,58
Service Tax Paid	-	27,93
GST Paid	1,29,163	46,77
Other expenses-CSR Activities	24,51,185	21,35,55
Interest paid on Tax Free Bonds	32,74,007	33,85,32
Swachh Bharat Cess Paid	-	73,76
Int paid on Bank Borrowing	1,24,216	3,12,38
Dividend Distribution Tax	-	2
Bad Debt Written Off Acct	11,366	7,53
ADVERTISEMENT CHARGES	43,740	90,17
Municipal Taxes	-	9,00,00
Int paid on Govt Dated Security	-	74,59,33
DP Annual Fee	-	6,06,14
DP CAS Charges	-	1,62,73
DP Other Charges	33,17,379	3,34,67
Brokerage Paid on GSEC	-	12,09
Loss on Sale of Property, Plant and Equipment	16,132	2,20,99
FMS Charges	42,35,815	44,94,74
Payment to Contractors	17,08,518	14,76,72
<b>TOTAL</b>	<b>4,71,55,394</b>	<b>5,18,47,10</b>



**CANARA BANK SECURITIES LIMITED : MUMBAI**  
**SEGMENT REPORTING 2018-19**

	STOCK BROKING		TRADING IN SECURITIES		DEPOSITORY PARTICIPANT		TOTAL
	2018-19		2018-19		2018-19		2018-19
<b>REVENUE</b>							
Broking Income	8,52,62,543		-				8,52,62,543
Trading income	-		36,05,343				36,05,343
DP Income					1,52,23,409		1,52,23,409
Interest	1,82,04,530		6,02,02,982				7,84,07,512
Others	1,98,73,255		7,50,473				2,06,23,728
<b>Total</b>	<b>12,33,40,328</b>		<b>6,45,58,798</b>		<b>1,52,23,409</b>		<b>20,31,22,535</b>
<b>EXPENDITURE</b>							
Interest	1,24,216		32,74,007		-		33,98,223
Amortization expenses	1,00,000		-		-		1,00,000
Other Expenses	-		-		1,85,52,444		1,85,52,444
<b>Total</b>	<b>2,24,216</b>		<b>32,74,007</b>		<b>1,85,52,444</b>		<b>2,20,50,667</b>
<b>SURPLUS</b>	<b>12,31,16,112</b>		<b>6,12,84,791</b>		<b>33,29,035</b>		<b>18,10,71,868</b>
Less: Unallocable Expenditure							6,46,77,508
Profit before taxation							11,63,94,360
Extraordinary Items							-
Provision for Taxation							1,92,45,811
Profit after Taxation							9,71,48,549
<b>Segment Assets</b>							
Stock	-		79,96,95,483		-		79,96,95,483
Fixed Assets(WDV)	-		-		-		1,47,14,646
Cash & Bank Balance	1,97,82,079		13,27,801		3,85,191		2,14,95,071
Trade receivables	5,35,655		-		-		5,35,655
Others	1,99,06,873		-		1,15,43,958		3,14,50,831
<b>Total</b>	<b>4,02,24,607</b>		<b>80,10,23,284</b>		<b>1,19,29,149</b>		<b>86,78,91,686</b>
Unallocated Assets							57,02,50,221
<b>Total Assets</b>							<b>1,43,81,41,907</b>
<b>Segment Liabilities</b>							
Borrowings	-		-		-		-
Others	3,01,80,222		-		-		3,01,80,222
<b>Total</b>	<b>3,01,80,222</b>		<b>-</b>		<b>-</b>		<b>3,01,80,222</b>
Unallocated Liabilities							1,40,79,61,685
<b>Total Liabilities</b>							<b>1,43,81,41,908</b>





**CANARA BANK SECURITIES LIMITED : MUMBAI**

**Trading Profit for the year ended March 2019**

	Sale	Purchase	Opening Stock	Closing stock before open	Profit/Loss (before depreciation)	Depreciation	Closing stock after depreciation	Profit/Loss after Depreciation
G Sec	-	-	6,690.00	6,690.00	-	-	6,690.00	-
Equity	1,31,75,189.78	1,32,01,670.42	-	-	(26,480.64)	-	-	(26,480.64)
Equity Derivatives	1,33,353.50	1,17,737.50	-	-	15,616.00	-	-	15,616.00
Tax Free Bonds	9,31,98,321.73	13,29,68,382.35	75,63,02,525.13	79,96,88,793.44	36,16,207.69	-	79,96,88,793.44	36,16,207.69
<b>Total</b>	<b>10,65,06,865.01</b>	<b>14,62,87,790.27</b>	<b>75,63,09,215.13</b>	<b>79,96,95,483.44</b>	<b>36,05,343.05</b>	<b>-</b>	<b>79,96,95,483.44</b>	<b>36,05,343.05</b>



**Canara Bank Securities Limited**  
**Financial Year 2018 - 2019**

(SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019)

**Note 24: SIGNIFICANT ACCOUNTING POLICIES:**

**Background:**

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

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

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

**1. 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.

**2. 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.
- 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.

### 3. 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.

### 4. 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

### 5. Property, Plant and Equipment:

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

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

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





## 6. 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.

## 7. 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.

## 8. 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.

## 9. 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 FORMING PART OF THE ACCOUNTS:

### Note 25:

1) During the year company has paid Interim dividend of INR 5.00 cr. for the financial year 2018-19 along with Dividend Distribution Tax of Rs.102.80 Lakh.

### 2) Termination of Sub-Lease of premises at Fort, Mumbai:

(a) The registered office/operating centre of the Company was shifted from Fort to Sion (East), Mumbai, with a view to reduce cost on account of rental. The premises at Fort, Mumbai was on a Sub-Lease with M/s K C Holdings P Ltd. (Sub-Lessor) for a term of 10 years from 17.5.2000 to 16.5.2010. As there was no express provision prohibiting the Company from quitting the premises prior to the expiry of the above term, the Company sought a legal opinion to terminate the sub-lease. On review of the agreements, etc. the Company's advocate advised that the Company can terminate the Sub-lease agreement by



giving 15 days' notice in writing to the sub-lessor. Accordingly, the Company vacated the premises w.e.f. 31.01.2010 on 'as is where is basis', by giving termination notice on 10.12.2009. M/s. K C Holdings P Ltd, not having accepted our termination, served a letter on the Company, seeking payment of rent for the balance period of lease, i.e., 1.1.2010 to 16.5.2010. This has been disputed by the Company.

An amount of Rs.39,69,902.32 is due from the sub-lessor, out of the Security Deposit held for the Fort premises, apart from Rs.4,60,000/- being the value of the fixtures left by the Company while vacating the premises as on 31.1.2010. The company filed suit against M/s K C Holding Pvt Ltd for recovery of the above amount. The suit is pending before City Civil Court, Mumbai.

(b) In corollary to the above suit referred under Para 2(a) filed by the company, the erstwhile sub-lessor of the fort premises, M/s K C Holdings Pvt. Ltd, Mumbai, filed a suit in the Small Causes Court in Mumbai, on 10.12.2012 for a claim of Rs. 95,09,855/- towards rent on vacated premises, till the end of period of lease and Mesne profit. It was also prayed before the learned court to direct the company to pay property tax of Rs. 5,24,85,773/- on account of increase in rateable value by MCGM (Municipal Corporation of Greater Mumbai) to the Municipal authorities on crystallisation. This was disputed by the company and the case is pending before the Small Causes Court, Mumbai.

In recent development, as requested by the plaintiff, M/s K C Holdings Pvt. Ltd. Mumbai the court has passed an order on 15/02/2019 to allow the amendment in the plaint in view of the revision in Rateable Value of the suit premises by Municipal Corporation of Greater Mumbai(MCGM). As per revised property tax the total amount claimed by the plaintiff is now substantially reduced from Rs.5,24,85,773 to Rs.1,52,62,043.

### 3) Service Tax Liability (Non reversal of Cenvat Credit)

During the recent audit conducted by Central Goods and Service Tax Department, they found that the trading of Bonds, Equities and Mutual Fund activities by the company which are included in negative list as envisage in section 66D (e) of the finance act 1994 treated as exempted valued and included for reversal of Cenvat Credit under Rule 6 (3A) of Cenvat Credit Rules, 2004, whereas the above exemption valued to be calculated as per provisions in Rule 6 of Cenvat Credit Rules, 2004. Hence they have opined that the company needs to reverse Cenvat Credit in respect of services directly consumed for providing said service.

As per the demand notice received from Office of the Commissioner of Central Goods and Service Tax, department the detailed calculation of reversal of Cenvat credit under Rule 6 (3A) of Cenvat Credit Rules, 2004 is as under:-





Financial Year	Value of Taxable services (a)	Value of securities traded (Equity, Mutual Fund & Bond) (b)	(b) Exempted value as per Rule 6(3A) (c)	Value in respect of Trading of securities (d)	Value in respect of Trading of securities i.e the value whichever is higher in r/o column between c and d (e)	Brokerage (Exempted service) (f)	Exempted service (g=e+f)
2013-14	4,21,98,411	14,31,38,300	14,31,383	67,92,700	67,92,700	1,04,47,287	1,72,39,987
2014-15	5,73,66,549	78,71,93,383	78,71,933	2,01,39,570	2,01,39,570	1,10,98,301	3,12,37,871
2015-16	5,94,31,548	2,98,40,80,353	2,98,40,803	1,31,15,893	2,98,40,803	1,01,80,952	4,00,21,755
2016-17	10,49,58,672	2,05,61,46,401	2,05,61,464	1,24,37,785	2,05,61,464	-	2,05,61,464
2017-18 (April to June 2017)	10,52,19,485	1,58,42,69,824	1,58,42,698	1,45,36,036	1,58,42,698	-	1,58,42,698

Year	Total Turnover (h)	Total Cenvat Credit (i)	Cenvat Reversal (b/c*d) (j) = g/h*i	Already reversed (k)	CENVAT credit needs to be reversed (l)
2013-14	5,94,38,198	53,33,428	15,46,937	21,04,544	NIL
2014-15	8,86,04,420	47,77,947	16,84,486	9,26,469	7,58,017
2015-16	9,94,53,303	60,40,511	24,30,808	1,49,271	22,81,537
2016-17	12,55,20,137	55,91,275	9,15,907	4,96,528	4,19,379
2017-18 (April to June 2017)	12,10,62,183	21,26,978	2,78,345	1,372	2,76,973
<b>Total</b>		<b>2,38,70,139</b>	<b>68,56,483</b>	<b>36,78,184</b>	<b>37,35,906</b>

We had earlier furnished the details to the Office of the Commissioner of Central Goods and Service Tax clarifying our stand in the matter. In view of the revised notice received from the Office of the Commissioner of Central Goods and Service Tax, we are seeking revised opinion of our Tax Consultants and are contemplating to represent to the concerned authorities.

#### 4) 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:





Sl No	Particulars	31.03.2019 Amount in Rs.
1	Claim towards rent on vacated premises, till the end of period of lease and Mesne profit.	95,09,855/-
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/-
3	Service Tax Liability due to non reversal of Cenvat Credit	37,35,906/-
	<b>Total</b>	<b>2,85,07,804/-</b>

5) 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.

Nature of Timing Difference	Deferred Tax Asset/Liability as at 01.04.2018 (Rs)	(Charge)/Credit for the current year charged to the Profit & Loss Account (Rs.)	Deferred Tax Asset/Liability as at 31.03.2019 (Rs)
a) Deferred Tax Liabilities - Depreciation	1995424	(166234)	1829190
b) Deferred Tax Asset - Provision for Gratuity/ Leave Salary	(1658314)	(294420)	(1952734)
Total Deferred Tax Asset (Net)	336543	(460654)	(124111)

- 6) Purchase and sale transactions of Equity Shares, Dated Government Securities & Tax Free Bonds are disclosed in the notes on accounts (Note No.18 & 20 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.
- 7) Employee Benefit Expenses include payments made to parent Bank towards emoluments of its employees whose services have been lent to the Company.
- 8) The Managing Director is on secondment 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)	
	<u>2018-19</u>	<u>2017-18</u>
-Salaries and Allowances	18.32	15.85
-Arrears of salary	0.00	0.00
-Contribution to Provident and Other Funds	0.96	0.94
-Other Perquisites	0.00	0.00
<b>TOTAL</b>	<b>19.28</b>	<b>16.79</b>



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.

9) Foreign Exchange Earnings- Nil (P.Y.-Rs.Nil).

10) Foreign Exchange Outgo - Nil (P.Y-Rs.Nil).

11) AS 15 – Employee Benefits – Of the 53 employees of the Company 9 are deputed from the Parent Bank. During the financial year 2018-19, the Company has engaged 42 employees on fixed term contract of 3 years. During the year the Company has recruited 5 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.

12) 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:

#### A. 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

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

13) 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.8. During the year, the Company has paid Rs.2,80,000/- (Previous year Rs.2,90,000/-) as sitting fees for Board/Committee meetings to Independent Directors.

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

SI No	Related Party	Nature of Transactions	Rs. in lakh
			2018-19
1	Canara Bank	Rent	46.97
		Bank Charges	0.49
		Salary & other benefits	116.26
		Brokerage Paid	NIL
		Electricity charges	17.97
		Balance in Current Account (Own+settlement)/Loan (O/D)	202.84
		In Fixed Deposit	1389.74
		Interest on Deposit	84.89
		Dividend paid for 2017-18	500.00
		Brokerage Received	7.36
		Fixed Assets sold	0.00
		Interest paid on O/D Account	1.42
		Reimbursement of Municipal Taxes	12.00
	Kerala Gramin Bank	Balance in Current Account	5.27
	Pragathi Krishna Gramin Bank	Balance in Current Account	2.62
	Canara HSBC Oriental Bank of India Insurance Company Ltd	Brokerage Received	43.34
	Canara Robeco MF	Brokerage Received	51.09
		Distribution/Dividend & other income received	1.77
		Outstanding Investment in MF	1518.00
		Mutual Fund investment during the year	8579.96
		Income from investment in Mutual Fund	133.17
	Canara Bank Computer Services Limited	RTA & Maintenance Charges for Dr. Site, Bangalore	0.15
	Canbank Financial Services Ltd	Brokerage Received	0.33
	Canbank Venture Capital Fund Ltd	Brokerage Received	0.00

14) 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.

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, 2018 to March, 2019, in respect of the said premises occupied amounting to Rs.46.97 Lakh (excluding Service Tax/ GST) is accounted for as rent. (Previous Year: 46.97 Lakh). The lease rentals payable for next financial year is Rs.46.97 Lakh.





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

	<u>2018-19</u>	<u>2017-18</u>
Profit attributed to Equity Shareholder (Rs.)	97,148,552	95,410,277
No. of equity Shares (of Rs.10 each)	4,00,00,000	4,00,00,000
Earnings Per Share (Rs.)	2.43	2.39

16) 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. 83.11 lac (Previous Year - Rs. 35.31 lac) after providing for depreciation of Rs.24.84 lac (Previous Year - Rs.26.76 lac).

17) 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.

18) Statement of purchase and sale/ redemption of Investments.

Sl No	Description	Purchase 2017-18		Sale/Redemption 2017-18	
		Qty/Unit	Rs. (Lakh)	Quantity/ Unit	Rs. (Lakh)
1	Current Investment Canara Robeco Mutual Fund- Canara Robeco Liquid-Direct Growth	420090.76	8699.83	370574.813	7574.65
2	Current Investment Canara Robeco Mutual Fund- Canara Robeco Saving Plus Direct Growth.	1913135.974	500.00	3861238.522	1017.81
3	Current Investment Canara Robeco Mutual Fund- Canara Robeco Yield Advantage –Direct Growth.	13,656,118.72	2292.53	13,656,118.72	2299.15

Sl No	Description	Purchase 2018-19		Sale/Redemption 2018-19	
		Qty/Unit	Rs. (Lakh)	Quantity/ Unit	Rs. (Lakh)
1	Current Investment Canara Robeco Mutual Fund- Canara Robeco Liquid-Direct Growth	341,368.051	7487.21	424,296.262	9220.55
2	Current Investment Canara Robeco Mutual Fund- Canara Robeco Ultra Short term	10,638.65	297.75	10,638.65	297.80



	Growth – Direct Growth				
3	Current Investment Canara Robeco Short Duration Fund–Direct Growth.	7,395,481.929	1300.00	7,395,481.929	1300.22
4	HDFC Liquid Fund – Direct Plan – Growth Option	56,658.054	2000.00	43,045.704	1534.56

19) 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.

20) Previous year figures have been regrouped and rearranged, wherever necessary, so as to make them comparable with those of the current financial year.

As per our report of even date attached

For, RAJ BORDIA & CO.  
Firm Registration No.003293C



(CA R.S.BORDIA)  
Partner  
M. No.081200



On behalf of the Board of Directors


  
R A Sankara Narayanan  
Chairman


Debashish Mukherjee  
Vice-Chairperson

  
G V Prabhu  
Director

S T Ramachandra  
Director


Place: Mumbai  
Date: 24<sup>th</sup> May, 2019

  
P S Bhawe  
Independent Director

  
Uma Subramaniam  
Independent Director

  
S T Vinay Kumar  
General Manager

  
Ankita Shetty  
Chartered Accountant

  
Naval Singh Shekhawat  
Company Secretary

  
V Kumara Krishnan  
Managing Director







## Independent Auditor's Report

To the Members of Canara Bank Securities Ltd

Report on the standalone Financial Statements

### Opinion

We have audited the accompanying Standalone financial statements of **Canara Bank Securities Ltd** ("the company"), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, (statement of changes in equity)<sup>i</sup> 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, 2019, 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.

### 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)<sup>ii</sup> 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.

Those Board of Directors 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.

#### **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.
- d. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 25(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.

For Raj Bordia & Co.  
Chartered Accountants  
Firm Regn. No. 003293C

  
R.S. Bordia  
Partner  
M. No. 081200



Place: MUMBAI  
Date: 24/05/2019

**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, 2019 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.

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

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





### **Meaning of Internal Financial Controls over Financial Reporting**

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with 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 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, 2019, 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 **Raj Bordia & Co.**  
Chartered Accountants  
Firm Registration Number 003293C



**R.S. Bordia**  
Partner  
Membership No. 081200

Place: MUMBAI  
Date: 24/05/2019

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

### Re : 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 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, 2019 for a period of more than six months from the date they became payable.

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 does not have any outstanding 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.
- (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 451A of the Reserve Bank of India Act, 1934.

For **Raj Bordia & Co.**  
Chartered Accountants  
Firm Registration Number 003293C

  
**R.S. Bordia**  
Partner  
Membership No. 081200



Place: MUMBAI  
Date: 24/05/2019



**ANNEXURE - B 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
<b>A. Directions</b>			
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.	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 received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation	The Company has not received any funds for specific schemes from central/ state agencies.	Not Applicable

For **Raj Bordia & Co.**  
Chartered Accountants  
Firm Registration Number 003293C

  
**R.S. Bordia**  
Partner  
Membership No. 081200



Place: MUMBAI  
Date: 24/05/2019



**FOR BOMBAY STOCK EXCHANGE**

**ANNEXURE-4**

**AUDITORS REPORT**

We have audited the attached balance-sheet of M/s. Canara Bank Securities Limited as at 31<sup>st</sup> March, 2019 and the profit and loss account for the year ended on that date annexed thereto and report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account and records as specified in Rule 15 of the Securities Contracts (Regulation) Rule, 1957 have been kept so far as appears from our examination of such books.
- c. The member has complied with the requirements of the stock exchange so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the stock exchange.
- d. The balance sheet and the profit and loss account referred to in this report are in agreement with the books of account.
- e. In our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and the profit and loss account read together with the notes thereon give a true and fair view insofar as it relates to the balance-sheet, of the state of affairs of M/s. Canara Bank Securities Limited, and insofar as it relates to the profit and loss account, of the profit/loss of M/s. Canara Bank Securities Limited for the year ended on that date.

**For Raj Bordia & CO.**  
**Chartered Accountants**

**R.S. Bordia**  
**Partner**  
**M.No:081200**

**Place: MUMBAI**

**Date: 24<sup>th</sup> MAY 2019**





**FOR NATIONAL STOCK EXCHANGE**

**FORMATS OF DOCUMENTS TO BE SUBMITTED TOWARDS ANNUAL RETURNS**

**ANNEXURE-I**

**AUDITORS REPORT**

We have audited the attached balance-sheet of M/s. Canara Bank Securities Limited as at 31<sup>st</sup> March, 2019 and the profit and loss account for the year ended on that date annexed thereto and report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account and records as specified in Rule 15 of the Securities Contracts (Regulation) Rule, 1957 have been kept so far as appears from our examination of such books.
- c. The Stock broker has complied with the requirements of the stock exchange so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the stock exchange.
- d. The balance sheet and the profit and loss account referred to in this report are in agreement with the books of account.
- e. In our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and the profit and loss account read together with the notes thereon give a true and fair view insofar as it relates to the balance-sheet, of the state of affairs of M/s. Canara Bank Securities Limited, and insofar as it relates to the profit and loss account, of the profit/loss of M/s. Canara Bank Securities Limited for the year ended on that date.

For Raj Bordia & CO.  
Chartered Accountants



R S Bordia  
Partner

M.No:081200

Place: *MUMBAI*

Date: *24th may 2019*

