



# RANGA & CO.

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/s. CANBANK COMPUTER SERVICES LIMITED

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of CANBANK COMPUTER SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, Statement of changes in Equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, and its Profit, changes in Equity and its cash flows for the period 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to Note No.45 of the financial statements, which describes there is a mismatch between Tax credit as per 26AS and TDS Receivable as per financials due to accounting of TDS receivable on receipt of income basis instead of accrual basis.

Our opinion is not modified in respect of this matter.





# RANGA & CO.

CHARTERED ACCOUNTANTS

Canbank Computer Services Limited  
Audit Report for the financial year 2018-19

## Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Responsibilities 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

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books







# RANGA & CO.

CHARTERED ACCOUNTANTS

Canbank Computer Services Limited  
Audit Report for the financial year 2018-19

- (c) 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.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) 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" and
- (g) 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 the financial statements – Refer Note No.37 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As per the directions issued by the Comptroller and Auditor General of India in terms of Section 143(5) of the Act, we give in "Annexure-C" a statement on matters specified therein.

for Ranga & Co.,  
Chartered Accountants  
Firm Reg. No: 003042S

K.Sivaguru Prasada Rao  
Partner  
Membership No. 028115



Place: Bangalore  
Date: 20.05.2019



# RANGA & CO.

CHARTERED ACCOUNTANTS

Canbank Computer Services Limited  
Audit Report for the financial year 2018-19

**Annexure A referred to in our Independent Auditor's Report to the members of Canbank Computer Services Limited on the financial statements for the year ended 31<sup>st</sup> March, 2019. We report that:**

- i) In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, all the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us there are no immovable properties of land and buildings held in the name of the Company as at the balance sheet date.
- ii) The company is a service company primarily engaged in BPO, Software Development, Training and R&T services and ATMs Site preparations and maintenance. The company holds physical inventory of ATM Consumables. As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion the frequency of such verification is reasonable. The discrepancies noticed on verification were not material.
- iii) As explained to us, 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 Companies Act, 2013 and hence reporting under clause (iii) of the CARO 2016 is not applicable.
- iv) According to the information and explanations given to us, the Company has not granted any loans or made investments or provided guarantees / securities as contemplated u/s 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence reporting under clause (v) of the CARO 2016 is not applicable.
- vi) The central Government has not prescribed maintenance of cost records under Section 148(1) of the Act in respect of any of the services rendered by the Company and hence reporting under clause (vi) of the CARO 2016 is not applicable.
- vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Service Tax, Value Added Tax







# RANGA & CO.

CHARTERED ACCOUNTANTS

Canbank Computer Services Limited  
Audit Report for the financial year 2018-19

& Cess and other material statutory dues applicable to it except Employee State Insurance to the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues except Employees' State Insurance, in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.
- (c) Details of dues of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount(₹)
The ESI Act, 1948	ESI Contribution	Karnataka High Court	01/01/1997 to 30/06/2013	12,80,208

- viii) In our opinion and according to the information and explanations given to us, the Company has not borrowed any funds from banks / financial institutions and hence reporting under clause (viii) of the CARO 2016 is not applicable.
- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and no term loans obtained during the year and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party





# RANGA & CO.

CHARTERED ACCOUNTANTS

Canbank Computer Services Limited  
Audit Report for the financial year 2018-19

transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for Ranga & Co.,  
Chartered Accountants  
Firm Reg. No. 003042S

K. SivaguruPrasadaRao  
Partner  
Membership No. 028115



Place: Bangalore  
Date: 20.05.2019





# RANGA & CO.

CHARTERED ACCOUNTANTS

Canbank Computer Services Limited  
Audit Report for the financial year 2018-19

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CANBANK COMPUTER SERVICES 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 **Canbank Computer Services 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 controls over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note of Audit of Internal Financial Controls over financial reporting issued by The Institute of Chartered Accountants of India. 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 Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 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.





# RANGA & CO.

CHARTERED ACCOUNTANTS

Canbank Computer Services Limited  
Audit Report for the financial year 2018-19

## 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanation given to us 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

for Ranga & Co.,  
Chartered Accountants  
Firm Reg. No: 003042S

  
K. Sivaguru Prasada Rao  
Partner  
Membership No. 028115



Place: Bangalore  
Date: 20.05.2019





# RANGA & CO.

CHARTERED ACCOUNTANTS

Canbank Computer Services Limited  
Audit Report for the financial year 2018-19

## ANNEXURE -C TO THE INDEPENDENT AUDITOR'S REPORT

Directions under Sec 143(5) of Companies Act 2013("The Act")

Sl.No	Directions from Comptroller and Auditor General	Audit Comments
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 transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	No. Only core accounting transactions are recorded and maintained in Tally software. All supporting functions to the accounting such as Inventory, purchase orders, sale orders etc. are maintained manually
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.	During the year the Company doesn't have any loans, hence restructuring of an existing loans or cases of waiver does not arise.
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.	During the year the Company did not receive any funds for specific schemes from central/state agencies, hence the case of utilization of the same does not arise.

for Ranga & Co.,  
Chartered Accountants  
Firm Reg. No. 003042S

K. Sivaguru Prasada Rao  
Partner  
Membership No. 028115



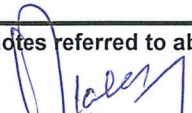
Place: Bangalore  
Date: 20.05.2019



Canbank Computer Services Ltd  
Statement of Balance Sheet for the year ended 31st March 2019

PARTICULARS	Note no.	As at 31st March 2019 (Rs.)	As at 31st March 2018 (Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a. Share capital	4	3,24,00,000	3,24,00,000
b. Reserves and surplus	5	36,18,40,101	33,95,84,385
		<b>39,42,40,101</b>	<b>37,19,84,385</b>
<b>2. NON CURRENT LIABILITIES</b>			
a. Deferred tax liability	6	-	
b. Long term provisions	7	1,51,628	2,36,115
		<b>1,51,628</b>	<b>2,36,115</b>
<b>3. CURRENT LIABILITIES</b>			
a. Trade payables	8	91,44,929	1,72,16,508
b. Other current liabilities	9	22,28,901	26,68,513
c. Short term provisions	10	4,33,80,924	3,67,80,435
		<b>5,47,54,754</b>	<b>5,66,65,457</b>
<b>TOTAL</b>		<b>44,91,46,483</b>	<b>42,88,85,957</b>
<b>ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
a. Property, Plant & Equipment			
i) Tangible assets	11	43,70,261	46,99,183
b. Long term loans and advances	12	31,82,911	26,59,203
c. Deferred tax asset	6	27,36,458	18,03,666
		<b>1,02,89,630</b>	<b>91,62,052</b>
<b>2. CURRENT ASSETS</b>			
a. Inventories	13	2,33,380	2,39,996
b. Trade receivables	14	1,61,60,570	3,99,91,097
c. Cash and Cash Equivalents	15	36,01,03,874	33,76,67,621
d. Short term loans and advances	16	5,00,52,951	2,97,40,004
e. Other current assets	17	1,23,06,078	1,20,85,187
		<b>43,88,56,853</b>	<b>41,97,23,905</b>
<b>TOTAL</b>		<b>44,91,46,483</b>	<b>42,88,85,957</b>

The notes referred to above form an integral part of the financial statements.

  
R A Sankara Narayanan  
Chairman  
DIN 05230407

  
A Manimekhalai  
Vice Chairperson  
DIN 08411575

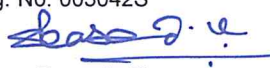
  
S K Senapati  
Managing Director  
DIN 08139117

For Ranga & Co.,  
Chartered Accountants  
Firm Reg. No. 003042S

  
R K Gurumurthy  
Director  
DIN 07264185

  
Lalit Tyagi  
Director  
DIN 08220977

  
M Jagan Mohan  
Director  
DIN 07517204

  
K Sivaguru Prasada Rao  
Partner  
M.No. 028115



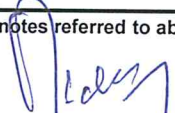
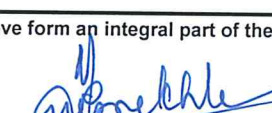

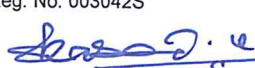


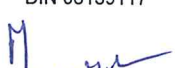

Date : 20.05.2019  
Place : Bangalore





Canbank Computer Services Ltd  
Statement of Profit and Loss for the year ended 31st March 2019



PARTICULARS	Note no.	As at 31st March 2019 (Rs.)	As at 31st March 2018 (Rs.)
<b>INCOME</b>			
Revenue from operations	18	14,64,02,391	23,89,73,034
Other income	19	2,47,86,661	2,58,13,342
		<b>17,11,89,052</b>	<b>26,47,86,376</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	20	16,76,746	50,43,465
Employee benefit expense	21	1,87,98,951	2,76,45,393
Depreciation and amortization expenses	11	10,87,841	61,30,164
Outsourcing & material expenses	22	9,08,95,391	14,34,00,693
Other expenses	23	1,79,63,183	2,31,89,569
		<b>13,04,22,112</b>	<b>20,54,09,284</b>
<b>NET PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS</b>		<b>4,07,66,940</b>	<b>5,93,77,092</b>
Exceptional and extraordinary Items		-	-
		<b>4,07,66,940</b>	<b>5,93,77,092</b>
<b>PRIOR PERIOD ITEMS</b>			
		-	-
<b>PROFIT BEFORE TAX</b>			
Continuing operations		4,07,66,940	5,93,77,092
Discontinuing operations		-	-
		<b>4,07,66,940</b>	<b>5,93,77,092</b>
<b>TAX EXPENSE</b>			
Current tax		1,15,92,135	2,17,52,130
Earlier year tax		-	-
Deferred tax charge/(credit)	6	(9,32,792)	(25,75,319)
<b>TOTAL TAX EXPENSE</b>		<b>1,06,59,343</b>	<b>1,91,76,811</b>
<b>PROFIT AFTER TAX</b>			
Continuing operations		3,01,07,597	4,02,00,281
Discontinuing operations		-	-
		<b>3,01,07,597</b>	<b>4,02,00,281</b>
<b>EARNINGS PER SHARE (32,40,000 Equity share, par value Rs. 10 each)</b>			
Basic and diluted including discontinuing operations		9.29	12.41
Basic and diluted excluding discontinuing operations		9.29	12.41
The notes referred to above form an integral part of the financial statements.			
<p> R A Sankara Narayanan Chairman DIN 05230407</p>	<p> A Manimekhalai Vice Chairperson DIN 08411575</p>	<p> S-K Senapati Managing Director DIN 08139117</p>	<p>For Ranga &amp; Co., Chartered Accountants Firm Reg. No. 003042S</p> <p> K Sivaguru Prasada Rao Partner M.No. 028115</p>
<p> R K Gurumurthy Director DIN 07264185</p>	<p> Lalit Tyagi Director DIN 08220977</p>	<p> M Jagan Mohan Director DIN 07517204</p>	<p style="text-align: center;"></p>
Date : 20.05.2019			
Place : Bangalore			





**CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2019**  
(Under Indirect Method) as per AS-3

Particulars	As at 31st March 2019	As at 31st March 2018
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation, and extraordinary item	4,07,66,940	5,93,77,092
<b>Add: Non Cash/Non-operating expenses</b>		
Provision for depreciation	10,87,841	61,30,164
	<b>4,18,54,781</b>	<b>6,55,07,256</b>
<b>Less: Non Cash/Non-operating income</b>		
Interest Income	2,47,19,983	2,37,41,636
Non - Operating Income	66,678	19,95,302
Gain on Sale of Fixed Assets	-	-
	<b>2,47,86,661</b>	<b>2,57,36,938</b>
<b>Operating Profit before changes in working capital (i)</b>	<b>1,70,68,120</b>	<b>3,97,70,318</b>
<b>Less: Changes In working capital</b>		
Increase/(Decrease) in current assets	27,79,597	(1,52,23,623)
Increase/(Decrease) in Current liabilities	(1,35,87,324)	6,60,58,345
<b>Net Increase/(Decrease) In working capital</b>	<b>(1,08,07,727)</b>	<b>(5,08,34,722)</b>
<b>Income tax paid</b>	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (i)-(ii) = [A]</b>	<b>62,60,393</b>	<b>(1,10,64,404)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Asset	(7,58,919)	(25,500)
Interest Received	2,47,19,982	2,37,41,636
Proceeds from sale of fixed assets	-	-
Other Income	66,678	19,95,302
<b>NET CASH FLOW FROM INVESTING ACTIVITIES [B]</b>	<b>2,40,27,741</b>	<b>2,57,11,438</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Dividend paid during the year	(64,80,000)	(97,20,000)
Dividend distribution tax paid	(13,71,881)	(20,33,894)
Rental deposit	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES [C]</b>	<b>(78,51,881)</b>	<b>(1,17,53,894)</b>
<b>NET CASH FLOW FROM ABOVE ACTIVITIES [A+B+C]</b>	<b>2,24,36,253</b>	<b>28,93,140</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>33,76,67,621</b>	<b>33,47,74,481</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>36,01,03,874</b>	<b>33,76,67,621</b>

*[Signature]*  
R A Sankara Narayanan  
Chairman  
DIN 05230407

*[Signature]*  
A Mammekhalai  
Vice Chairperson  
DIN 08411575

*[Signature]*  
S K Senapati  
Managing Director  
DIN 08139117

For Ranga & Co.,  
Chartered Accountants  
Firm Reg. No. 003042S

*[Signature]*  
R K Gurumurthy  
Director  
DIN 07264185

*[Signature]*  
Lalit Tyagi  
Director  
DIN 08220977

*[Signature]*  
M Jagan Mohan  
Director  
DIN 07517204

*[Signature]*  
K Sivaguru Prasada Rao  
Partner  
M.No. 028115

Date : 20.05.2019  
Place : Bangalore







Canbank Computer Services Limited

Notes Forming Part of Financial Statement for the year ended 31st March 2019

Particulars	As at 31st March 2019 (Rs.)	As at 31st March 2018 (Rs.)
<b>NOTE 4 :: SHARE CAPITAL</b>		
<b>Authorised</b>		
1,00,00,000 Equity Shares of Rs.10 each	10,00,00,000	10,00,00,000
<b>Issued , Subscribed and Fully paid up Capital</b>		
32,40,000 Equity Shares of Rs.10 each fully paid up, outstanding at the beginning and at the	3,24,00,000	3,24,00,000
a) 22,40,000 Shares are held by Canara Bank out of which 600 shares are held by 6 nominees of Canara Bank holding 100 shares each jointly with Canara Bank.		
b) Details of shareholders holding more than 5% shares:	<b>No. Of Shares</b>	
<b>Name of the Shareholder</b>	<b>% of Shareholding</b>	<b>As at 31st March 2018</b>
<b>As at 31st March 2017</b>		
Canara Bank	69.14%	22,40,000
Bank of Baroda	12.35%	4,00,000
Vijaya Bank	6.17%	2,00,000
Karur Vysya Bank Ltd	6.17%	2,00,000
Lakshmi Vilas Bank Ltd	6.17%	2,00,000
<b>Total</b>	<b>100%</b>	<b>32,40,000</b>
		<b>32,40,000</b>
c) Reconciliation of number of shares outstanding at the beginning & end of the Equity Shares		
Outstanding as at the beginning of the reporting period	32,40,000	32,40,000
Fully paid up (Rs.10 each)	3,24,00,000	3,24,00,000
Allotment / (buy back) during the period	-	-
Outstanding as at the end of the reporting period	32,40,000	32,40,000
Fully paid up (Rs.10 each)	3,24,00,000	3,24,00,000
	<b>3,24,00,000</b>	<b>3,24,00,000</b>
<b>NOTE 5 :: RESERVES AND SURPLUS</b>		
a) General reserve		
Opening Balance	3,55,32,543	3,15,12,515
Add: Transfer from Profit and loss account	30,10,760	40,20,028
Closing balance of General Reserve	3,85,43,303	3,55,32,543
b) Surplus:		
Profit and loss account		
Balance at the Beginning of the period	30,40,51,842	27,96,25,483
Add: Net Profit for the period	3,01,07,597	4,02,00,281
Profit before appropriation	33,41,59,439	31,98,25,764
Less: Allocation and Appropriation		
Less: Dividend	78,51,881	1,17,53,894
Proposed Dividend	64,80,000	97,20,000
Tax on proposed dividend	13,71,881	20,33,894
Less: Transfer to General Reserve	30,10,760	40,20,028
Closing balance at the end of the period	32,32,96,798	30,40,51,842
	<b>36,18,40,101</b>	<b>33,95,84,385</b>
<b>NOTE 7 :: LONG TERM PROVISIONS</b>		
a) Provision for employee benefits:		
Provision for Gratuity	65,828	1,50,315
b) Provision - Others:		
Provision for other contingencies	85,800	85,800
	<b>1,51,628</b>	<b>2,36,115</b>



**Canbank Computer Services Limited**

**Notes Forming Part of Financial Statement for the year ended 31st March 2019**



PARTICULARS	As at 31st March 2019 (Rs.)	As at 31st March 2018 (Rs.)
<b>NOTE 6 :: DEFERRED TAX LIABILITY/ (ASSET)</b>		
<b>a) Timing Difference on account of Depreciation:</b>		
WDV of Assets as per Books	43,70,261	46,99,183
WDV of Assets as per IT Act	65,22,632	67,86,531
Timing Difference on account of Depreciation	21,52,371	20,87,348
Reversal of Deferred Tax Assets/(Liability)	5,98,790	7,22,431
<b>b) Timing Difference on account of provision for employee benefits:</b>		
i. Provision for Gratuity	65,828	1,50,315
<b>Less:</b> Gratuity Paid during the year	-	-
Timing Difference on account of Gratuity	65,828	1,50,315
ii. Provision for Leave Encashment	29,73,727	48,19,451
<b>Less:</b> Leave Encashment Paid during the year	(18,38,974)	(18,45,714)
Timing Difference on account of leave encashment	11,34,753	29,73,737
Net Timing Difference on account of provision for employee benefits	12,00,581	31,24,052
Deferred Tax Asset	3,34,002	10,81,235
<b>Summary:</b>		
a) Reversal of Deferred Tax Assets/(Liability) on account of depreciation	5,98,790	7,22,431
b) Deferred Tax Asset/(Liability) for provision for employee benefits	3,34,002	10,81,235
<b>Deferred Tax Charge/(Credit) to Profit and Loss account</b>	<b>9,32,792</b>	<b>18,03,666</b>
<b>Less :</b> Deferred Tax Asset/(Liability) as on 31/03/2019	18,03,666	(7,71,653)
<b>Net Deferred Tax Asset/(Liability) as on 31.03.2019</b>	<b>27,36,458</b>	<b>(25,75,319)</b>





**Canbank Computer Services Limited**  
**Notes Forming Part of Financial Statement for the year ended 31st March 2019**



	As at 31st March 2019 (Rs.)	As at 31st March 2018 (Rs.)
<b>NOTE 8 :: TRADE PAYABLES</b>		
- Dues to Micro, Small and Medium Enterprises [Refer note below]		
- Trade Payables	91,44,929	1,72,16,508
	<b>91,44,929</b>	<b>1,72,16,508</b>
<b>Note:</b>		
<p><i>There are no Micro and Small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2019 and 31st March, 2018. This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.</i></p>		
<b>NOTE 9 :: OTHER CURRENT LIABILITIES</b>		
Duties and taxes	17,41,411	23,33,037
Tax Deducted at Source (Contract)	4,34,297	4,56,033
Tax Deducted at Source (Professional)		1,99,696
Tax Deducted at Source (Rent)		
TDS - Salaries	63,380	53,460
GST	11,19,756	15,51,907
GST -TDS	1,22,291	-
TDS Provisions	1,687	
Advance from customers	27,452	11,438
Advance from Clients	27,452	11,438
Creditors for expenses	4,60,039	3,24,039
Refundable Security Deposits	4,18,048	2,82,048
Retention Money	41,991	41,991
	<b>22,28,901</b>	<b>26,68,513</b>
<b>NOTE 10 :: SHORT TERM PROVISIONS</b>		
<b>a) Provision for employee benefits:</b>		
Provision for Bonus	11,080	1,69,096
Provision for Leave Encashment	21,73,698	31,05,316
<b>b) Provision - Others:</b>		
Provision for Proposed Dividend	64,80,000	97,20,000
Provision for Tax on Proposed Dividend	13,71,881	20,33,894
Provision for Income Tax		
1. Current Year (2018-2019)	1,15,92,135	-
2. Financial Year (2017-2018)	2,17,52,130	2,17,52,130
	<b>4,33,80,924</b>	<b>3,67,80,435</b>



Canbank computer services Ltd  
 Depreciation as per Companies Act, 2013  
 Note No. 11



Sl.No.	Asset category	Gross Carrying Value				Depreciation (Refer Annexure)				Net Carrying Value				
		As at 01/04/2018	Remaining Useful life as on 01/04/2018	Additions	Disposals	As at 31/03/2019	Upto Last year	For the year	Deletions	Adjustment	Total	Remaining Useful life as on 31/03/2019	As at 31/03/2019	
<b>Tangible assets :</b>														
1	Plant and Machinery	23,62,761		-	-	23,62,761	19,46,080	34,611	-	-	19,80,691	Refer Annexure	3,82,070	4,16,681
2	Furniture & Fixtures	72,43,500		-	-	72,43,500	48,46,473	5,79,094	-	-	54,25,567	Refer Annexure	18,17,933	23,97,027
3	Vehicles	7,19,663		-	-	7,19,663	3,83,777	82,521	-	-	4,66,298	Refer Annexure	2,53,365	3,35,886
4	Office Equipment	10,64,215		15,299	-	10,79,514	7,00,042	1,33,376	-	-	8,33,418	Refer Annexure	2,46,096	3,64,173
5	Computer & Peripherals	1,31,69,032		4,76,130	-	1,36,45,162	1,26,96,964	39,228	-	-	1,27,36,192	Refer Annexure	9,08,970	4,72,068
6	Electrical Installations	37,54,464		2,67,490	-	40,21,954	30,41,116	2,19,010	-	-	32,60,126	Refer Annexure	7,61,828	7,13,348
<b>TOTAL</b>		<b>2,83,13,635</b>		<b>7,58,919</b>	<b>-</b>	<b>2,90,72,554</b>	<b>2,36,14,452</b>	<b>10,87,841</b>	<b>-</b>	<b>-</b>	<b>2,47,02,293</b>		<b>43,70,261</b>	<b>46,99,183</b>
<b>Previous year figures</b>		<b>2,82,88,135</b>		<b>25,500</b>	<b>-</b>	<b>2,83,13,635</b>	<b>1,74,84,288</b>	<b>22,84,504</b>	<b>-</b>	<b>38,45,660</b>	<b>2,36,14,452</b>		<b>46,99,183</b>	<b>1,08,03,847</b>







Canbank computer services Ltd  
Depreciation as per Income Tax Act, 1961

Sl. No.	Description of Assets	Rate	WDV as on 01/04/2018	Additions		Deletions	Total	Depreciation	WDV as on 31/03/2019
				> 180 days	< 180 Days				
<b>Block - I</b>									
1	Computer & Peripherals	40%	2,97,559	4,130	4,72,000	-	7,73,689	2,15,076	5,58,613
<b>Block - II</b>									
2	Communication Equipments	15%	1,10,368	-	-	-	1,10,368	16,555	93,813
3	Electrical Installation	15%	6,67,961	15,299	2,67,490	-	9,50,750	1,22,551	8,28,199
4	Fire Alarm System	15%	3,42,910	-	-	-	3,42,910	51,437	2,91,474
5	Air Conditioning Systems	15%	7,06,001	-	-	-	7,06,001	1,05,900	6,00,101
6	Projectors & Xerox machine	15%	5,310	-	-	-	5,310	797	4,514
7	Office Equipments	15%	5,07,366	-	-	-	5,07,366	76,105	4,31,261
<b>Block - III</b>									
8	Vehicle	15%	3,89,853	-	-	-	3,89,853	58,478	3,31,375
<b>Block - IV</b>									
9	Furniture & Fixtures	10%	37,59,203	-	-	-	37,59,203	3,75,920	33,83,283
<b>Total</b>				<b>19,429</b>	<b>7,39,490</b>	<b>-</b>	<b>75,45,450</b>	<b>10,22,818</b>	<b>65,22,632</b>



Canbank Computer Services Limited

Notes Forming Part of Financial Statement for the year ended 31st March 2019



PARTICULARS	As at 31st March 2019 (Rs.)	As at 31st March 2018 (Rs.)
<b>NOTE 12 :: LONG TERM LOANS AND ADVANCES</b> <i>(Unsecured, considered good)</i>		
a) Security deposits:	27,19,811	21,96,103
b) ATMs rental deposits:	4,63,100	4,63,100
	<b>31,82,911</b>	<b>26,59,203</b>
<b>NOTE 13 :: INVENTORIES</b>		
ATM Consumables	2,33,380	2,39,996
	<b>2,33,380</b>	<b>2,39,996</b>
<b>NOTE 14 :: TRADE RECEIVABLES</b>		
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Unsecured, considered good	72,14,628	99,87,715
Less: Provision for doubtful trade receivables	51,18,685	51,18,685
	20,95,943	48,69,030
<b>Other Trade receivables</b>		
Unsecured, considered good	1,40,64,627	3,51,22,067
Less: Provision for doubtful trade receivables	-	-
	1,40,64,627	3,51,22,067
	<b>1,61,60,570</b>	<b>3,99,91,097</b>
<b>NOTE 15 :: Cash and Cash Equivalents</b>		
(i) Cash and cash equivalents		
(a) Balances with banks		
- In Current Accounts	24,71,933	63,22,309
- In Deposit Accounts	28,27,71,740	27,72,37,464
(b) Cash on hand	-	-
(ii) Bank deposits with more than twelve months maturity	7,48,60,201	5,41,07,848
	<b>36,01,03,874</b>	<b>33,76,67,621</b>
<b>NOTE 16 :: SHORT TERM LOANS AND ADVANCES</b> <i>(Unsecured, considered good, unless stated otherwise)</i>		
a) Loans and advances to employees	1,70,000	3,38,000
b) Prepaid expenses	2,88,412	5,42,401
c) Balances with government authorities		
TDS receivables	4,69,11,982	2,61,78,926
Other advances	26,82,557	26,80,677
	<b>5,00,52,951</b>	<b>2,97,40,004</b>
<b>NOTE 17 :: OTHER CURRENT ASSETS</b>		
a) Interest accrued on bank deposits	1,17,24,578	1,15,03,687
b) Earnest money deposits	5,70,000	5,70,000
c) Other current assets	11,500	11,500
	<b>1,23,06,078</b>	<b>1,20,85,187</b>







PARTICULARS	As at 31st March 2019 (Rs.)	As at 31st March 2018 (Rs.)
<b>NOTE 18 :: REVENUE FROM OPERATIONS</b>		
a) Sale of services:		
i. Software services	38,97,000	1,99,11,500
ii. Software AMC service	72,25,411	35,85,517
iii. Consultancy service	12,65,93,368	20,63,59,810
iv. R & T service	86,86,612	91,16,207
	<b>14,64,02,391</b>	<b>23,89,73,034</b>
<b>NOTE 19 :: OTHER INCOME</b>		
a) Interest income		
Interest on fixed deposit	2,47,19,983	2,34,38,432
Interest on income tax refund		3,03,204
b) Other non- operating income	66,678	19,95,302
c) Prior period income		76,404
	<b>2,47,86,661</b>	<b>2,58,13,342</b>
<b>NOTE 20 :: COST OF MATERIALS CONSUMED</b>		
Opening stock	2,39,996	6,57,229
Add: Purchases	16,70,130	46,26,232
Less: Closing stock	2,33,380	2,39,996
Closing Stock of consumables	2,33,380	2,39,996
	<b>16,76,746</b>	<b>50,43,465</b>
<b>NOTE 21 :: EMPLOYEE BENEFIT EXPENSES</b>		
a) Salaries and wages		
Salary & Other allowances	1,27,87,159	1,75,43,305
Salary to Deputed staff - RO	17,97,028	16,69,467
Leave fare concession	12,29,043	15,14,825
Leave encashment- CCSL Staff	1,68,749	(87,347)
Leave encashment- Deputed Staff	1,64,385	41,104
Bonus	11,080	1,69,096
SVRS Compensation	-	23,70,023
Notice period on Termination	65958.00	-
b) Contributions to provident and other funds		
Contribution to providend fund	14,89,057	19,63,976
PF administration charges	76,413	1,41,517
Contribution to labour welfare fund	1,120	2,120
Gratuity - Deputed Staff	75,833	76,722
Gratuity- CCSL	24,392	7,00,000
c) Staff welfare expenses		
Deputed staff Medical Benefits	9,050	9,050
Deputed staff cleaning material	11,177	2,400
Medical benefits	4,11,140	7,03,520
Staff welfare expenses	4,77,367	8,25,615
<b>TOTAL</b>	<b>1,87,98,951</b>	<b>2,76,45,393</b>





<b>NOTE 22 :: OUTSOURCING &amp; MATERIAL EXPENSES</b>		
Outsourcing and Material Expenses	9,08,95,391	14,34,00,693
<p>The Company in pursuit of executing projects under ATM Managed Services and BPO services (Viz., Technical Helpdesk / Call Center) have been engaging the services of third party in the form of outsourcing of the activities. These activities constitute substantial part of their revenue and expenditure.</p>		
<b>TOTAL</b>	<b>9,08,95,391</b>	<b>14,34,00,693</b>
<b>NOTE 23 :: OTHER EXPENSES</b>		
(a) Auditors remuneration		
To statutory auditors		
- For Audit	35,000	35,000
- For taxation matters	25,000	25,000
Advertisement and publicity	25,080	31,215
AMC	6,51,928	6,98,315
Bank charges	11,352	12,789
Board meeting expenses	30,782	25,787
Books & Periodicals	67,558.00	80,699
Business development expenses	3,19,155	2,81,282
Communication expenses	652,184.05	10,51,410
Computer consumables & Hire charges	50,259	34,433
Corporate Social Responsibility (CSR)	27,98,496	19,65,000
Electricity charges	19,74,643	18,07,541
Insurance	3,06,545	2,89,956
Legal & Professional fees	2,35,000	1,30,300
Software License Fees	90,000	90,000
Miscellaneous expenses	1,31,892	2,09,411
Office expenses	1,08,021	1,11,880
Out of pocket expenses	24,94,571	22,87,384
Printing & Stationery	3,86,905	2,35,918
Rates & Taxes	4,25,305	18,76,732
Rent	34,75,152	31,59,212
Rent deputed Staff	3,54,194	4,08,000
Rent ATM Site	16,35,473	17,09,820
Repairs & Maintenance	69,423	2,23,339
Repairs & Maintenance - premises	9,57,449	7,88,565
Repairs & Maintenance - Vehicle	1,14,693	1,22,976
Training & seminar expenses		78,962
Travelling & Conveyance	5,37,125	7,50,836
Director sitting fees		-
Directors travel & conveyance		-
Doubtful Debts		45,18,512
Other Expenses		-
Accounts written off		1,49,296
	<b>1,79,63,183</b>	<b>2,31,89,569</b>







## Canbank Computer Services Limited

### NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019:

#### Note No.1.

##### BACKGROUND:

Canbank Computer Services Limited ('the Company') was incorporated on 31st August, 1994 with its registered office in Bangalore, India. The Company's main business is Software Development, IT Enabled and BPO Services. The Company also undertakes Registrars & Transfer Agency Services for its customers. Functionally, the operations of the Company are divided into following segments:

- 1) Software, Consultancy & Training
- 2) IT enabled Services & Business Process Outsourcing (BPO)
- 3) Registrar and Transfer Agents (R&T)

#### Note No.2.

##### BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

###### a. Accounting Assumptions

The financial statements are prepared in accordance with Indian GAAP under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards referred under section 2(2) & 133 of the companies Act 2013, Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

###### b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by management in the preparation of these financial statements include the estimates of the economic useful lives of the fixed assets, provisions for bad and doubtful debts, recognition of deferred tax asset, provision for employee benefits and provision for income taxes.

#### Note No.3.

##### SIGNIFICANT ACCOUNTING POLICIES:

###### a. Revenue Recognition

Revenue for software services are recognized over contractual period or on the basis of milestones of billing for work done as provided in the service contracts. The work in progress is valued on the basis of proportionate cost incurred taking into account the percentage completion of works, estimated project cost and such parameters. Revenue for R&T services is recognized as





## Canbank Computer Services Limited

per the terms provided in the contracts with the clients. Out of Pocket expenses are billed separately and charged to the revenue account.

**b. Expenditure:**

Expenses are accounted on accrual basis except reimbursement of employee benefits such as medical expenses which is accounted on cash basis.

**c. Procurement of Software:**

The procurements of software are treated as revenue expenditure and tools for development of software are treated as fixed assets and dealt with accordingly.

**d. Property, Plant & Equipment :**

Property, plant & Equipment are stated at cost of acquisition or construction. Depreciation is provided on straight line method on pro rata basis from the date of acquisition, on cost less residual value. The company has adopted the useful life as prescribed by the Companies Act, 2013. Those assets which were completely charged to Profit and Loss a/c in the previous years are not considered for re-calculation of Depreciation as per The Companies Act, 2013.

**e. Retirement and Other Benefits:**

Periodical contributions made towards Provident Fund of the employees of the Company are charged to revenue on accrual basis. Directly recruited employees of the Company are covered under the Group Gratuity Scheme of LIC and the contribution made to LIC every year is charged off as expenses. In respect of deputed employees, contributions are made to parent company Canara Bank and necessary provisions are made in the books of accounts.

The leave salary for the directly recruited employees of the company is not forming part of the terminal benefit of the employees. However, full provision has been made in the books for the leave balance of the employees as at 31.03.2019.

**f. Earnings per share**

Basic earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

**g. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.







## Canbank Computer Services Limited

### **h. Taxes on Income:**

Tax expense comprises of Current and Deferred taxes. Provision for current taxes is measured at amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 on the basis of estimated taxable income for the current accounting period. Deferred Income Taxes resulting from timing difference between book and taxable profit is accounted for using the rates and laws that have been enacted or substantially enacted as at the Balance Sheet date. The deferred Tax Asset is recognized and carried forward only to the extent there is a reasonable certainty that the assets can be realized in future.

### **i. Impairment of assets:**

At each balance sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognized immediately as income in the profit and loss account.

### **j. Provisions, Contingent Liabilities and Contingent Assets (AS- 29):**

The Company creates provisions when there is present obligation as a result of past event that probably requires an outflow of resources and reliable estimates can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in financial statements.

### **Note No. 24**

The requirements under Clause 5 (ii) (a) of Part II of Schedule III to the Companies Act, 2013 does not apply as the company is not engaged in manufacturing activity.

### **Note No. 25**

Remuneration to the Managing Director from April 2018 included in the Profit and Loss Account is as under:





## Canbank Computer Services Limited

The total remuneration paid to the Managing Directors is as under:

### Shri S Azimuddin – Managing Director – 1<sup>st</sup> April 2018 to 25<sup>th</sup> May 2018

Particulars	Current Year (Rupees) (01.04.2018 -25.05.2019)	Previous Year (Rupees) (01.04.2017 -31.03.2018)
Salary & Allowances	3,00,119.20	18,86,932.70
Contribution to Provident Fund	14,696.00	95,182.00
<b>Grand total</b>	<b>3,14,815.20</b>	<b>19,82,114.70</b>

### Shri S K Senapati – Managing Director – 22<sup>nd</sup> May 2018 to 31<sup>st</sup> March 2019

Particulars	Current Year (Rupees) (22.05.2018 -31.03.2019)	Previous Year (Rupees) (01.04.2017 -31.03.2018)
Salary & Allowances	17,21,586.95	-
Contribution to Provident Fund	82,052.16	-
<b>Grand total</b>	<b>18,03,639.11</b>	<b>-</b>

#### Note No. 26

The Company has pledged Fixed Deposit of Rs. 47,17,629/- towards security deposit to Canara Bank for various purposes.

#### Note No. 27

The balances under Trade Receivable, Trade Payable, Advances from Customers, Short Term Deposits, Accrued Interest on Short Term Deposits and other advances are subject to confirmation from respective parties.

#### Note No.28

Trade Receivable includes the following sums due from Companies under the same management.

Sl. No.	Name of the Party	(Rupees)					
		Balance as at 01.04.2018		Sales / R&T Services during the year 2018-19		Balance as at 31.03.2019	
1	Canara Bank	RO	3,09,87,071	RO	14,61,38,304	RO	96,82,077
		R&T	5,97,867	R&T	20,39,707	R&T	5,71,302
2	Canara Robeco Asset Management Company Limited	R&T	5,94,323	R&T	18,79,285	R&T	3,57,515
3	Canfin Homes Ltd	RO	-	RO	-	RO	-
		R&T	3,02,641	R&T	16,38,677	R&T	2,92,954
4	Canbank Factors Ltd	RO	51,209	RO	69,030	RO	-
		R&T	-	R&T	7,868	R&T	7,868







## Canbank Computer Services Limited

5	Canbank Securities Ltd	RO	-	RO	-	RO	-
		R&T	-	R&T	17,700	R&T	-
6	Canbank Financial Services Ltd	RO	-	RO	-	RO	-
		R&T	-	R&T	7,868	R&T	7,868
7	Canbank Venture Capital Fund Ltd	RO	-	RO	-	RO	-
		R&T	-	R&T	7,868	R&T	7,868

Canara Bank, the parent bank, along with its nominees holds Rs. 2.24 crores in the equity share capital of the Company.

### Note No. 29

The remuneration including the Provident Fund and Gratuity Liability of the Officers / Executives of the Company who are on secondment from Canara Bank, which is calculated in accordance with the service rules of the Bank has been charged to the accounts on the basis of the advice received from the Bank. The company has been making payments towards Provident Fund in respect of staff directly recruited by the company to the Regional Provident Fund Commissioner's office regularly. As regards gratuity, the company has taken a master policy from LIC of India for covering the gratuity liability of its employees recruited directly and the premium is calculated by LIC of India on actuarial basis as per accounting standard AS 15. The said policy is being renewed every year by paying appropriate premium.

### Note No. 30

Retirement Benefits (AS – 15):

Reconciliation of Opening Balance and Closing Balances in Plan Assets:

	(Rupees)		
	Gratuity	Leave Encashment	Bonus
Opening Balance	1,50,315	29,73,737	169096
Amount paid during the year	1,60,320	18,38,974	169096
Net Amount	10,005	11,34,763	-
Provision made during the year	65,828	-	11,080
Excess Provision reversed	-	7,28,508	-
<b>Closing Balance</b>	<b>65,828</b>	<b>20,32,020</b>	<b>11,080</b>





## Canbank Computer Services Limited

### Note No. 31

Segment reporting for the period ended 31<sup>st</sup> March 2019 – (AS: 17)

(Rupees in lacs)

Business Segment	Software, Consultancy & Training Operations		R&T Activities		Total	
	Year ended 31.03.2019	Previous year ended 31.03.2018	Year ended 31.03.19	Previous year ended 31.03.18	Year ended 31.03.19	Previous year ended 31.03.18
Revenue	1625.02	2556.70	86.87	91.16	1711.89	2647.86
Profit before Tax	406.52	578.83	1.14	14.94	407.66	593.77
Unallocated Provisions						
Income Tax + Fringe Benefit Tax					115.92	217.52
Provisions & Contingencies						
Extraordinary items DTA/DTL					(9.33)	(25.75)
Taxation for earlier years						
Profit after Tax					301.07	402.00
Other Information						
Segment Assets	4464.11	4267.91	27.35	20.95	4491.46	4288.86
Unallocated Corporate Assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>4464.11</b>	<b>4267.91</b>	<b>27.35</b>	<b>20.95</b>	<b>4491.46</b>	<b>4288.86</b>
Segment Liabilities	113.53	195.21	1.01	3.64	114.54	198.85
Unallocated Corporate Liabilities					434.19	370.16
Capital & Reserves					3942.73	3719.85
<b>Total Liabilities</b>					<b>4491.46</b>	<b>4288.86</b>

Geographical Segment: Nil – As Operations are restricted to India only.







## Canbank Computer Services Limited

### Note No.32

The transactions with related parties as per Accounting Standard 18-Related Party Disclosures, issued by the Institute of Chartered Accountants of India are furnished below:

#### (A) Related parties:

##### Parent Bank

- Canara Bank

##### Subsidiaries / Joint Ventures of Canara Bank

- Canfin Homes Ltd.
- Canbank Factors Ltd.,
- Canbank Venture Capital Fund Ltd
- Canara Bank Securities Ltd.,
- Canbank Financial Services Ltd.,
- Canara Robeco Asset Management Company Ltd **(JV)**
- Canara HSBC Oriental Bank of Commerce Life Ins. Co Ltd.,**(JV)**

#### (B) Key Management Personnel :

Shri. S K Senapati

- Managing Director





## Canbank Computer Services Limited

(C) Details of transactions with Canara Bank and other subsidiaries of Canara Bank:

(Amount in Rupees)

Sl No	Nature of Transaction	Related entity	Expenditure	Income	Assets	Liabilities
1	Bank Charges	Canara Bank	11352.00			
2	Salary & Other Benefits of Deputed staff	Canara Bank	2843882.59			207506.00
3	R&T charges	Canara Bank		1728565.00		
		Canara Robeco Asset Mgmt Co Ltd (sub)		1592617.00		
		Canbank Secutires Ltd		15000.00		
		Canbank Factors Ltd		6668.00		
		Canbank Financial Services Ltd		6668.00		
		Canbank Venture Capital Fund Ltd		6668.00		
		Canfin Homes Ltd (sub)		1388713.00		
		SUB TOTAL				4744899.00
4	Sales	Canara Bank		123580615.00	12561940.10	
		Canbank Factors		58500.00		
		Pragathi Gramin Bank		3128572.00	332319.48	
		Kerala Gramin Bank		2433591.00	275277.48	
		SUB TOTAL				129201278.00
5	Bank balance	Canara Bank			2471933.00	
	Fixed deposits	Canara Bank			205027341.00	
6	Interest	Canara Bank		13388339.00		
7	Dividend	Canara Bank	6720000.00			
TOTAL			9575234.59	147334516.00	220668811.06	207506.00

The Managing Director deputed from Canara Bank is the key Managerial personnel of the Company.







## Canbank Computer Services Limited

### Note No.33

The Company has taken office premises under operating lease. This is cancelable and hence no specific obligation for renewal. Lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term.

- a) The company has recognized the lease expense in the statement of profit and loss for the period Rs. 34,75,152/-

### Note No.34

Earnings per share – (AS- 20):

Particulars	(Rupees)	
	Current Year	Previous Year
Profit After Tax	3,01,07,597	4,02,00,281
Weighted Average number of equity shares	32,40,000	32,40,000
Earning per share (Basic & Diluted)	9.29	12.17
Face Value per share	10.00	10.00

### Note No. 35

Accounting for Taxes on Income (AS – 22)

The company has recognized the deferred tax asset to the extent it is reasonably certain that there will be sufficient future taxable income to recover such deferred tax asset.

Earlier the company has not recognized the deferred tax asset fully because of lack of certainty in future taxable income, however the difference of such deferred tax asset is recognized in the current financial year.

### Note No. 36

Impairments of Assets (AS - 28):

All the fixed assets are in use and not physically damaged and they have useful life recorded in the Fixed Assets Register. In respect of financial and non-financial assets there is no permanent diminution in the value of these assets and all are good and recoverable and do not require any provision.





## Canbank Computer Services Limited

### Note No. 37

Provision for Contingencies (AS -29):

There is a case (of 1988 – M/s. Ratnakar Bank Limited) pending with Maharashtra State Consumer Dispute Redressal Commission, Mumbai. The Original case was awarded on 14.03.2002 asking the Company to pay along with interest amounting to Rs.85,800/-. But as per the expert legal opinion sought, the terminology of software will not come under the ambit of Consumer items and hence award requires to be quashed. However, as a matter of abundant caution, the Company had made a full provision for this amount during the financial year 2001-02. The Company is confident of winning the case once the hearing resumes and also of the view that this amount will be refunded.

There is an appeal pending with Employee State Insurance Corporation, Bangalore. The principal employer in relation to CCSL failed to pay contribution for the period from 1/1/1997 to 30/06/2013, a Show Cause notice of even no (NO.KAR.INS.I.53-00-00203910000607) dated 01/08/2013 was issued in Form C-18 to show cause within 30 days as to why contributions for the aforesaid period of default. However, the company has paid Rs.3,20,052/- to ESI corporation as a matter of abundant caution.

During financial year 2009-10, the assessee under outsourcing expenses and ATM consumables claimed an amount of Rs. 99,95,044/- and Rs. 13,28,249/- respectively as expenses and the same is disallowed by the income tax authorities u/s 37 of the Income Tax Act, 1963. Due to the disallowance of such expenses, there is an income tax liability of Rs.43,83,815/-. In the financial year 2017-18 our Company went for an appeal by challenging the said Income Tax Assessment order by paying 20% of income tax liability i.e, Rs. 8,76,763/-.

### Note No. 38

Estimated amount of contracts remaining to be executed on capital account and not provided for – NIL

### Note No.39

Expenditure in Foreign Currency:

		2018-19	2017-18
1	CIF Value of Imports	Nil	Nil
2	Other Expenditure	Nil	Nil

### Note No.40

FOB value of exports and earnings in Foreign Exchange – NIL.







## Canbank Computer Services Limited

### Note No.41

The figures in paisa are rounded off to nearest rupee.

### Note No.42

The Company has transferred 10% of its current year profits to general reserves as per Sec 123 of the Companies Act 2013.

### Note No.43

#### Service tax on Deputed Staff

The Canara Bank (Holding company) issued a letter Vide IR no.HRW: HOSA E68:2012, dated 10/11/2012 to the company for the payment of Service tax on salaries of the personnel on deputation from Canara Bank to the CCSL (Subsidiary Company) paid by the company. Accordingly, the company has been remitting Service Tax at the applicable rates. The Canara Bank has deputed the personnel in GM, AGM, DGM and Manager Cadres for supervising and reporting the affairs of the company for which salary has been reimbursed by the company (CCSL) along with service tax which worked out to Rs. 4.47 lakhs for the year 15-16.

The company is of the opinion though the service tax is paid, the same is claimed by way of input credit and there is no net outflow of the taxes.

### Note No.44

#### Doubtful Debts

Provision for doubtful debts has been made on the basis of the outstanding bills which are unlikely to be recovered, for which approval of the Board is to be accorded for its full value and 10% of the debts outstanding for more than 180 days as per policy.





## Canbank Computer Services Limited

### Note No.45 :

#### TDS Receivable

Tax credit as per Form 26AS will not be matching with Books of Accounts due to tax credit Accounting in books on the date of receipt and not on the date of Invoice booking.

### Note No.46:

Previous year figures have been regrouped and recast wherever appropriate and necessary to confirm to current year's classification.

  
**R A Sankara Narayanan**  
Chairman  
DIN 05230407

  
**A Manirekhalai**  
Vice Chairperson  
DIN 08411575


  
**S K Senapati**  
Managing Director  
DIN 08139117

**For Ranga & Co.,**  
Chartered Accountants  
Firm Reg. No. 003042S

  
**R K Gurumurthy**  
Director  
DIN 07264185

  
**Lalit Tyagi**  
Director  
DIN 08220977

  
**M Jagan Mohan**  
Director  
DIN 07517204

  
**K Sivaguru Prasada Rao**  
Partner  
M.No. 028115

**Date : 20.05.2019**  
**Place : Bangalore**







## Directors' Report

### To The Members

The Directors have pleasure in presenting the **Twenty-fifth Annual Report** of the Company, together with the Audited Financial Statements of Accounts for the year ended 31<sup>st</sup> March 2019.

### 1. FINANCIAL SUMMARY FOR THE YEAR 2018-2019

#### i) FINANCIAL RESULTS & OPERATIONS:

Particulars	Amount in Rs.	
	2018-2019	2017-2018
Revenue from operations	14,64,02,391	23,89,73,034
Other Income	2,47,86,661	2,58,13,342
Gross Income	17,11,89,052	26,47,86,376
Expenditure	13,04,22,112	20,54,09,284
Net Profit before exceptional and extraordinary items	4,07,66,940	5,93,77,092
Exceptional and Extraordinary Items	-	-
Profit Before Tax	4,07,66,940	5,93,77,092
Total Tax Expense	1,06,59,343	1,91,76,811
Profit After Tax	3,01,07,597	4,02,00,281
Earnings per share	9.29	12.41
Proposed Dividend on Equity Shares	64,80,000	97,20,000
Tax on proposed Dividend	13,71,881	20,33,894
Transfer to General Reserves	30,10,760	40,20,028

#### ii) BUSINESS OVERVIEW OF THE COMPANY:

During the year under review the Company has generated revenue from its operations to the tune of Rs. 14,64,02,391 as compared to Rs. 23,89,73,034 in the previous year. Further during the year under review your Company has earned profit after taxation of Rs. 3,01,07,597 as compared to profit of Rs. 4,02,00,281 earned in the previous year.

#### a. SOFTWARE DEVELOPMENT AND OTHERS:

Your Company has developed the following Software Packages for Canara Bank.

- Debenture Trusteeship Package
- Enhancements in Shridhar Sales Plus Mobile App- inclusion of Geolocation Module
- Enhancements in Darpan Package
- Wing Audit System
- Premises Data Management System
- Branch Visit Reporting System (I-monitor)





Your Company continues to provide support for the following Web-Based Applications to different user Wings of Canara Bank

- Branch Inspection (Darpan)
- Concurrent Audit System
- Circle office Audit system
- Regional Office System
- Credit Monitoring Format (CMF)
- Web based Credit Sanction Report (WCSR)
- Premises Database Management system (PDMS)
- Advances Statements (PSR/PRR)
- Debenture trustee / FDD packages.
- Debt Restructuring
- New Nithya Nidhi Deposit(NNND)
- Client Web Portal for the clients of Canbank Factors Ltd.
- Printing & Stationery Inventory Management System (PSIMS)
- Power of Attorney (POA)
- Canara Shikar Sales Plus (Mobile APPS)
- Loan Management System for KCCS (for Canara Bank RRBs)
- Fixed Assets Management System (FAMS) – Phase I
- Fraud Reporting Management System (FRMS)
- Fixed Asset Management – Phase 2 (FAMS)
- Depositor's Education Awareness Fund (DEAF)
- Repository of External Auditors (RXA)
- Application Audit
- Consolidation of Form 15 CC
- Vehicle Maintenance (VIMS)
- Vigilance information System
- SME Sulabh Reporting System

Your Company is providing the following Services support to Canara Bank.

### **Customer Support (Call Center)**

Your Company has successfully managed the in-bound and out-bound Call Center for Canara Bank and the calls per day are in the average of 7000 and total Calls handled are about 1.42 crores since inception in March 2008. The Call Center is managed with 01 Manager, 08 Supervisors and 120 Call agents. The services were effective till November 2018

### **CBS-Helpdesk**

Your Company is successfully managing the Core Banking Help Desk for L0 (level zero) activities for Canara Bank from May 2010 with 34 resources – 30 Agents and 4 Supervisors.







### **CLAPS –Help Desk**

Your Company has contracted to support helpdesk activities for their EWIRM-Canara Loan Application Processing System. It is at present staffed with 25 agents plus 2 Supervisors.

### **CPPC-Help Desk & Data Entry**

Your Company is managing the Helpdesk activity by providing Back Office support for Central Pension Processing Cell. At present it is staffed with 8 resources plus 14 Resources for data entry and 3 resource for CPPC GST.

### **OBM-Help Desk**

Your Company has provided 5 resources to man the Internet & Mobile Banking helpdesk.

### **GBM – Help Desk**

Your Company is managing support to the Government Business Module activities with 4 resources.

### **ATM Managed Services for Canara Bank**

Your Company is successfully undertaking the ATM Managed Services for 297 ATMs in 16 Circles of Canara Bank and at 38 centers Pan-India. Consequent to take over of the ATMs by the Company, there has been substantial increase in the volume of transactions and there has also been appreciation of the services rendered by us. Your Company is also maintaining 15 ATMs under OPEX Model in Bangalore.

### **Canbank Factors Ltd**

Your Company is maintaining Centralized Factoring Package for Canbank Factors Ltd., a subsidiary of Canara Bank on resource basis.

### **NESL Call Center**

Your Company is providing resources / infrastructure for managing Call center for data enrichment of NESL.

### **DBS Help Desk**

Your Company is managing support to the Digital Banking Services Module activities with 20 resources plus 2 supervisors.

### **Karnataka Housing Board (KHB)**

Your Company has successfully managed EDP functions of KHB for over 15 years. The KHB's Customer Information System with a dedicated team of about 04 Software Engineers in the premises of Karnataka Housing Board, Bengaluru. The services were till March 2019







Your Company is continuing to provide Registrar and Transfer Agency Services to 11 Listed and 26 Unlisted Companies.

#### **R & T Business**

**iii) MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT i.e. AFTER 31<sup>ST</sup> MARCH 2019 BUT BEFORE DATE OF SIGNATURE OF DIRECTORS REPORT:**

No Material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financials position of the Company.

**iv) ANY CHANGE IN NATURE OF BUSINESS:**

There has been no change in the nature of business of the Company during the year under review.

**v) RESERVES:**

The Company has transferred Rs. 30,10,760 to the General Reserves during the year under review.

**vi) DIVIDEND:**

Your Directors have recommended a dividend of Rs. 2/- (Rupees Two only) per equity share for the financial year ending 31<sup>st</sup> March 2019, amounting to Rs.64,80,000/- (Rupees Sixty-four Lakhs Eighty Thousand only). The dividend pay-out is subject to the approval of the members at the ensuing Annual General Meeting.

**vii) NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR ALONG WITH REASONS:**

The Company has no subsidiaries. Further during the year no joint ventures or associate companies were incorporated or ceased.

**viii) MAINTENANCE OF BOOKS OF ACCOUNT AND RELEVANT BOOKS AND PAPERS**

i)	Books of account of the Company are maintained at -	Registered Office of the Company
----	-----------------------------------------------------	----------------------------------





	In case the Books of account of the Company are not maintained at Registered Office of the Company.	Not Applicable
iii)	Mode of maintenance of the books of accounts and other books and relevant papers	The books of accounts and other books and relevant papers are maintained in Electronic Mode in accordance with the provisions of second proviso to Section 128(1) of the Companies Act, 2013.
iv)	Complete Postal Address of the Place of maintenance of computer servers (Storing Accounting Data)	Address: Regd. Office: J P Royale, 2 <sup>nd</sup> Main, Near 14 <sup>th</sup> Cross, Sampige Road, Malleswaram, Bangalore 560 003.  State/Union Territory: Karnataka District: Bangalore ISO Country Code: +91 Country: India Phone: 91-80-23469661/62
v)	Particulars of the service provider (if any)  Name of the service provider  Internet protocol address of service provider  Location of the service provider  Whether books of account and other books and papers are maintained on cloud If yes, address as provided by the service provider	NIL

## 2. DEPOSITS:

In terms of the disclosure required under Section 134(3) read with rule no. 8(5) of the Companies (Accounts) Rules, 2014, it is hereby stated that:

During the year, the Company has not accepted from the public any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## 3. NUMBER OF BOARD MEETINGS

During the financial year under review, the Board of Directors duly met four (4) times respectively on 22<sup>nd</sup> May 2018, 21<sup>st</sup> July 2018, 13<sup>th</sup> November 2018 and 23<sup>rd</sup> January 2019 in respect of which meetings proper notices were given and the proceedings were properly recorded and







signed in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

#### 4. DETAILS OF DIRECTORS - APPOINTED/ RESIGNED DURING THE YEAR:

The changes in Directorship and the Directors who held office during the year under review were as follows:

Name	DIN	Designation	Date of appointment	Date of resignation
RAMACHANDRA KRISHNAMURTHY GURUMURTHY	07264185	Director	14/10/2015	N.A.
JAGAN MOHAN MARGAPURI	07517204	Director	22/11/2017	N.A.
SANJAY KUMAR SENAPATI	08139117	Managing Director	22/05/2018	N.A.
LALIT TYAGI	08220977	Additional Director	13/11/2018	N.A.
ARUMUGAM MANIMEKHALAI	08411575	Additional Director (designated as Vice-Chairperson)	04/04/2019	N.A.
R A SANKARA NARAYANAN	05230407	Additional Director (designated as Chairman)	06/05/2019	N.A.
AZIMUDDIN SHAIK	07497383	Managing Director	06/05/2016	22/05/2018
SANAL KUMAR GOPINATHAN NAIR	07595428	Director	23/08/2016	02/07/2018
RAKESH SHARMA	06846594	Director	14/10/2015	31/07/2018
BHARATHI	06519925	Director	14/06/2017	31/01/2019

Mr. Ramachandra Krishnamurthy Gurumurthy (DIN: 07264185), and Mr. Jagan Mohan Margapuri (DIN: 07517204) retire by rotation and being eligible offer themselves for re-appointment. The Board recommends the same for approval of the members at the ensuing Annual General Meeting.

Mr. Lalit Tyagi (DIN - 08220977), Ms. Arumugam Manimekhalai (DIN - 08411575) and Mr. R A Sankara Narayanan were appointed as Additional Directors of the Company with effect from 13<sup>th</sup> November 2018, 4<sup>th</sup> April 2019 and 6<sup>th</sup> May 2019 respectively. Pursuant to Section 161(1) of the Companies Act, 2013 they hold office upto the date of forthcoming Annual







General Meeting (AGM) of the Company and are eligible for appointment as Directors. The Board recommends their respective appointment and accordingly resolutions seeking approval of the members for the appointment of Directors have been included in the Notice of forthcoming Annual General Meeting of the Company.

The Company is an unlisted Public Limited Company having a paid-up share capital less than the threshold limit of Rs. 10 Crore as prescribed by Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Consequently, it may be noted that the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended with respect to the appointment of Key Managerial Personnel are not applicable to this Company.

## **5. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
  - (i) the directors confirm that no frauds were reported by auditors under sub-section (12) of section 143;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **6. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149.**

In terms of the disclosure required under Section 134(3), it is hereby stated that:

The Company is an unlisted Public Limited Company and is exempted from the class of companies stipulated in Clause 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as the paid up capital of the Company is less than the threshold limit of Rs. 10 Crore, turnover was less than the threshold limit of Rs. 100 Crore and the





Company does not have in aggregate, any outstanding loans, debentures, deposits exceeding Rs. 50 Crore as on the date of last audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2018.

Consequently the Company is not required to appoint any Independent Directors and a statement on declaration given by independent directors under sub-section (6) of section 149 does not arise.

**7. RE-APPOINTMENT OF AN INDEPENDENT DIRECTOR AFTER COMPLETION OF 5-YEAR TERM.**

The Company is not required to appoint any Independent Directors and consequently the matter of reappointment of Independent Directors after completion of five-year term does not arise.

**8. IN CASE OF A COMPANY COVERED UNDER SUB-SECTION (1) OF SECTION 178, COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178**

The Company is an unlisted Public Limited Company and for the year ended 31<sup>st</sup> March 2019, the Company is exempted from the class of companies stipulated in Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 as the paid up capital of the Company was less than the threshold limit of Rs. 10 Crore, turnover was less than the threshold limit of Rs. 100 Crore and the Company does not have in aggregate, any outstanding loans, debentures, deposits exceeding Rs. 50 Crore as on the date of last audited Financial Statements of the Company.

Consequently the Company is not required to constitute Nomination and Remuneration Committee of the Board and hence is not required to furnish details of Company's policy on Directors' appointment and remuneration.

**9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 DURING THE FINANCIAL YEAR**

Details of any loan given to any person or other body corporate;  Details of any guarantee given or security provided in connection with a loan to any other body corporate or person; and  Details of acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate.  If prior approval accorded by shareholders by special	<b>NIL</b>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------







resolution in general meeting -  
date of the general meeting.

**10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)**

The particulars of every contract or 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 arms' length transactions under third proviso thereto are disclosed in **Form No. AOC -2 (ANNEXURE)**

**11. DISCLOSURE AS REQUIRED UNDER RULE 5 (2) AND 5 (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016.**

- a) During the financial year, the Company has not employed any person with the aggregate remuneration for Rs. 1,02,00,000/ per annum if employed throughout the year or Rs. 8, 50,000 per month if employed for part of the year.
- b) During the financial year, the Company has not employed any person throughout the financial year or part thereof, who was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager.
- c) None of the employees hold by themselves or along with spouse and dependent children, 2% or more of equity shares of the company.

**12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

<p><b><u>(A) Conservation of energy:</u></b> Steps taken / impact on conservation of energy, with special reference to the following: (i) Steps taken by the company for utilizing alternate sources of energy including waste generated  (ii) Capital investment on energy conservation equipments</p>	<p>Your Company's operations do not involve any manufacturing or processing activities, the particulars regarding conservation of energy and technology absorption, research &amp; development are not applicable.</p>
<p><b><u>(B) Technology Absorption:</u></b>  1. Efforts, in brief, made towards technology absorption.  2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import</p>	





<p>substitution, etc.</p> <p>3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:</p> <p>(a) Details of technology imported.</p> <p>(b) Year of import.</p> <p>(c) Whether the technology been fully absorbed</p> <p>(d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.</p> <p>4. Expenditure incurred on Research and Development</p>	
<p><b>(C) Foreign exchange earnings and Outgo:</b></p> <p>a) Foreign exchange Earnings</p> <p>b) Foreign exchange Outgo</p>	<p>NIL</p> <p>NIL</p>

### 13. AUDITORS

Your Company comes under the purview of Section 139(5) of the Companies Act, 2013. Accordingly, the Auditors of your Company are appointed by Comptroller & Auditor General of India (C&AG). The Central Government has appointed M/s. Ranga & Co. (Firm No.003042S), Chartered Accountants, Bangalore as the Statutory Auditors of the Company for the year 2018-2019.

### 14. COMMENTS OF C & AG ON THE ACCOUNTS

Comments of C&AG on the Annual Accounts of the Company for the financial year ended 31<sup>st</sup> March 2019 is appended along with the Auditor's report.

### 15. CORPORATE SOCIAL RESPONSIBILITY

In accordance with Rule 9 of the Companies (Accounts) Rules, 2014 & Companies (Corporate Social Responsibility Policy) Rules 2014 the details with regard to Corporate Social Responsibility are annexed herewith. **(Annexure-Report on CSR Activities)**

### 16. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM





The Company is an unlisted Public Limited Company which has not accepted any deposits from the public and has not borrowed money from banks and public financial institutions in excess of fifty crore rupees. Consequently in terms of Section 177(9) of the Companies Act, 2013 read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, establishment of vigil mechanism is not required.

**17. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE—**

(i) by the auditor in his report;	No qualification, reservation or adverse remarks were made by the Auditors in their Auditors report for the year ended 31-March-2019.
(ii) by the company secretary in practice in his secretarial audit report;	Secretarial Audit is not applicable as the paid-up share capital of the Company was less than the threshold limit of Rs. 50 Crore and the turnover of the Company as on 31 <sup>st</sup> March 2019 was less than the threshold limit of Rs. 250 Crore.

**18. ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS**

The Company has not issued any equity shares with differential rights during the year under review.

**19. ISSUE OF SWEAT EQUITY SHARES**

The Company has not issued any sweat equity shares during the year under review.

**20. EMPLOYEES STOCK OPTION SCHEME:**

The Company has not implemented any Employees Stock Option Scheme during the year under review.

**21. PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFIT OF EMPLOYEES.**

The Company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

**22. A STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS**







## **OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY**

The Company follows well-established and detailed risk assessment and minimization procedures, which are periodically reviewed by the Board. The Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

### **23. DETAILS OF COMMISSION/REMUNERATION RECEIVED BY A MANAGING DIRECTOR/WHOLE-TIME DIRECTOR OF THE COMPANY FROM THE COMPANY'S HOLDING OR SUBSIDIARY COMPANY**

Mr. Sanjay Kumar Senapati was appointed as Managing Director of the Company with effect from 22<sup>nd</sup> May 2018 and Mr. Azimuddin Shaik resigned as the Managing Director of your Company with effect from 22<sup>nd</sup> May 2018. The Managing Director is deputed by Canara Bank, the parent bank of your Company. During the year the salary & allowances payable to Managing Director were being paid by Canara bank and the same were being reimbursed to Bank by the Company. The amount so reimbursed towards salary and allowances and contribution to Provident Fund during the year is detailed hereunder:

<b>Name</b>	<b>Azimuddin Shaik Managing Director (1<sup>st</sup> April 2018 to 22<sup>nd</sup> May 2018) Amount in Rs.</b>	<b>Sanjay Kumar Senapati Managing Director (22<sup>nd</sup> May 2018 to 31<sup>st</sup> March 2019)</b>
Salary & allowances	2,52,096.54	14,46,455.56
Contribution to Provident Fund	14,696.00	82,052.16
GST	48,022.66	2,75,131.39
<b>Total</b>	<b>3,14,815.20</b>	<b>18,03,639.11</b>

### **24. AUDIT COMMITTEE**

The Company is an unlisted Public Limited Company and for the year ended 31<sup>st</sup> March 2019, the Company is exempted from the class of companies stipulated in Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 as the paid up capital of the Company was less than the threshold limit of Rs. 10 Crore, turnover was less than the threshold limit of Rs. 100 Crore and the Company does not have in aggregate, any outstanding loans, debentures, deposits exceeding Rs. 50 Crore as on the date of last audited Financial Statements of the Company. Consequently, the Company is not required to set up any Audit Committee.

### **25. OTHER DISCLOSURES**

- The details of 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 year under review no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

- b) The details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has adequate internal control systems commensurate with the size of the Company and the nature of its business. The Company has a continuous monitoring mechanism which enables the organization to maintain consistent standard of control systems and helps them in managing any default on timely basis because of strong reporting mechanisms followed by the company.

- c) In case of any revision of financial statements or Board's report made during the financial year, detailed reasons for revision of financial statements or Board's report to be disclosed.

No revision of financial statements or Board's report was made during the financial year.

## **26. EXTRACT OF ANNUAL RETURN AS PRESCRIBED IN FORM MGT-9**

The provisions of Section 134(3)(a) of Companies Amendment Act, 2017 state that the web address, if any, may be provided in the Directors Report where annual return referred to in sub-section (3) of Section 92 has been placed. As the Company has not placed the annual return referred to in sub-section (3) of section 92 on its website, an extract of the annual return as provided under sub-section (3) of Section 92 in Form MGT-9 forms part of the Board's Report. **(ANNEXURE: FORM MGT-9)**

## **27. A STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

The Company is an unlisted Public Limited Company having a paid up share capital less than the threshold limit of Rs. 25 Crore calculated at the end of the preceding financial year (31<sup>st</sup> March 2018). Accordingly the aforesaid statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors is not required.

## **28. ACKNOWLEDGEMENT**





The Directors take this opportunity to thank all the Sponsor Banks viz., Canara Bank, Bank of Baroda, Vijaya Bank, The Karur Vysya Bank Ltd., and The Lakshmi Vilas Bank Ltd., for the valuable assistance, guidance and support given from time-to-time and also to the valued customers, for their continued support, patronage and co-operation.

The Directors thank the C&AG Principal Director and their Officials for extending support and guidance. The Directors also thank the Statutory Auditors for their support, guidance and cooperation. The Directors thank Canara Bank for deputing its personnel for the services of the Company. The Directors place on record their appreciation of the dedicated and sincere work of the Officers and Staff of the Company at all levels.

**FOR ON BEHALF OF BOARD  
FOR CANBANK COMPUTER SERVICES LIMITED**

**R A SANKARA NARAYANAN  
CHAIRMAN  
DIN : 05230407**

**DATE: 20.05.2019  
PLACE: Bangalore**







**ANNEXURE TO DIRECTORS' REPORT**  
**Form No. AOC-2**

**(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 arms' length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

a) Name(s) of the related party and nature of relationship	NIL
(b) Nature of contracts/arrangements/ transactions	NIL
(c) Duration of the contracts / arrangements/transactions	NIL
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
(e) Justification for entering into such contracts or arrangements or transactions	NIL
(f) date(s) of approval by the Board	NIL
(g) Amount paid as advances, if any:	NIL
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

**2. Details of material contracts or arrangement or transactions at arm's length basis**

(a) Name(s) of the related party and nature of relationship	Canara Bank and its subsidiaries/joint ventures (as detailed hereunder and in Notes to Accounts to the financial statements as at 31 <sup>st</sup> March 2019.)
(b) Nature of contracts/arrangements/ transactions	- Software Development & Consultancy Services
(c) Duration of the contracts / arrangements/transactions	Based on the agreements /mutual business arrangements entered into /renewed from time to time.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	The Company receives revenue from the related parties at an agreed mark up on costs as per the terms of the agreements/mutual business arrangements entered into from time to time.
(e) Date(s) of approval by the Board, if any:	The related party transactions are in ordinary course of business and at arm's length basis, accordingly necessary approvals have been obtained, wherever applicable.
(f) Amount paid as advances, if any:	NIL







The value of material contracts or arrangement or transactions at arm's length basis for 2018-2019:

(Amount in Rupees)

Sl No	Nature of Transaction	Related entity	Expenditure	Income	Assets	Liabilities
1	Bank Charges	Canara Bank	11352.00			
2	Salary & Other Benefits of Deputed staff	Canara Bank	2843882.59			207506.00
3	R&T charges	Canara Bank		1728565.00		
		Canara Robeco Asset Mgmt Co Ltd (sub)		1592617.00		
		Canbank Secutires Ltd		15000.00		
		Canbank Factors Ltd		6668.00		
		Canbank Financial Services Ltd		6668.00		
		Canbank Venture Capital Fund Ltd		6668.00		
		Canfin Homes Ltd (sub)		1388713.00		
<b>SUB TOTAL</b>				<b>4744899.00</b>		
4	Sales	Canara Bank		123580615.00	12561940.10	
		Canbank Factors		58500.00		
		Pragathi Gramin Bank		3128572.00	332319.48	
		Kerala Gramin Bank		2433591.00	275277.48	
<b>SUB TOTAL</b>				<b>129201278.00</b>	<b>13169537.06</b>	
5	Bank balance	Canara Bank			2471933.00	
	Fixed deposits	Canara Bank			205027341.00	
6	Interest	Canara Bank		13388339.00		
7	Dividend	Canara Bank	6720000.00			
<b>TOTAL</b>			<b>9575234.59</b>	<b>147334516.00</b>	<b>220668811.06</b>	<b>207506.00</b>

The Managing Director deputed from Canara Bank is the key Managerial personnel of the Company.

FOR ON BEHALF OF BOARD  
FOR CANBANK COMPUTER SERVICES LIMITED

R A SANKARA NARAYANAN  
CHAIRMAN  
DIN : 05230407  
DATE : 20.05.2019





PLACE : Bangalore

## ANNEXURE TO DIRECTORS' REPORT REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company's CSR policy, includes eradicating extreme hunger and poverty, Promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, Contributions to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Government for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women and such other activities as may be permissible from time to time.

2. The Composition of the CSR Committee:

Managing Director, CCSL, as Chairman, CSR Committee  
Two Directors representing Stake-holder Banks as CSR Committee Members.  
Nominee Director is also a Member of CSR Committee.

3. Average net profit of the company for last three financial years:  
Rs.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):Rs.
5. Details of CSR spent during the financial year: NIL
  - i) Total amount to be spent for the financial year: Rs. 17,15,814
  - ii) Amount unspent , if any: NIL
  - iii) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and District where projects	Amount outlay (budget) project or program wise	Amount spent on the project or programs Sub-headings :	Cumulative expenditure upto reporting period	Amount spent: Directly or through implementing agency (IA)*







			or programs were undertaken		projects or program s 2.Overhe ads		
1.	Promoting healthcare, education & training	Promoting education, including special education and employe ment enhancing vocation skills, promoting preventive healthcare	Bangalore , Karnatak a	1715814	1715814	1715814	IA- Canara Bank Relief & Welfare Society
			Total	1715814	1715814	1715814	

\*Details of implementing agency (IA):

S. No.	Name of the Implementing Agency	Address	Trust/Society/NGO /Private institution etc	Activities involved in
1	Canara Bank Relief & Welfare Society	27 <sup>th</sup> Cross, Banashankari 2 <sup>nd</sup> Stage, Bangalore – 560 070	Registered Under Societies Registration Act	1. Sevakshetra Hospital 2. Mathruchhaya 3. Braille Transcription Centre (BTC) 4. Home for Elders and Geriatric Care Centre 5. Educational Sponsorship for Poor Students 6. Counselling Centre

**Note:** The Company has contributed to CSR projects & activities – Rs.10,82,682 for the year 2015-2016 to Canara Bank Relief & Welfare Society, and Rs. 19,65,000 for the year 2017-2018 to Sri Ramakrishna Ashrama Charitable Trust.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.





Not Applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The Responsibility Statement of the CSR Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

**(Chairman CSR Committee)**  
**DIN:**

**(Member of the Committee)**  
**DIN:**

**(Member of the Committee)**  
**DIN:**

**DATE:**  
**PLACE: Bangalore**







**ANNEXURE TO DIRECTOR'S REPORT  
FORM NO. MGT.9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31.03.2019**

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

**Of**

**CANBANK COMPUTER SERVICES LIMITED**

**I. REGISTRATION AND OTHER DETAILS:**

Sl. No	Particulars	Details					
i.	CIN:	U85110KA1994PLC016174					
ii.	Registration No.	016174					
iii.	State Code	08					
iv.	Registration Date	31/08/1994					
v.	Category of the Company:	Public Company					
	Sub Category of the Company:	Limited by shares Company having Share Capital					
vi.	Whether shares listed on recognized Stock Exchange(s) - Yes/No	<table border="1"> <tr> <td>YES</td> <td><input type="checkbox"/></td> <td rowspan="2">If yes, details of stock exchanges where shares are listed</td> </tr> <tr> <td>NO</td> <td><input checked="" type="checkbox"/></td> </tr> </table>	YES	<input type="checkbox"/>	If yes, details of stock exchanges where shares are listed	NO	<input checked="" type="checkbox"/>
		YES	<input type="checkbox"/>	If yes, details of stock exchanges where shares are listed			
		NO	<input checked="" type="checkbox"/>				
<table border="1"> <thead> <tr> <th>Sl. No</th> <th>Stock Exchange Name</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>NOT APPLICABLE</td> <td></td> </tr> </tbody> </table>	Sl. No	Stock Exchange Name	Code	1	NOT APPLICABLE		
Sl. No	Stock Exchange Name	Code					
1	NOT APPLICABLE						
vii.	<b>Name and Registered Office Address of the Company:</b>						
	Company Name	CANBANK COMPUTER SERVICES LIMITED					
	Address	# 218, J.P. ROYALE, 1ST FLOOR, 14TH CROSS, 2ND MAIN, SAMPIGE ROAD, MALLESWARAM, BANGALORE - 560003					
	Town/City	BANGALORE					
	State	KARNATAKA					
	Telephone	91-80-23469661/62					
	Fax No:	91-80-23469667					
	E-Mail Address	ccsl@ccsl.co.in					
	Name of the Police Station having jurisdiction where registered office is situated:	MALLESWARAM POLICE STATION					
	Address for correspondence, if different from address of registered office:	NOT APPLICABLE					
(In case of foreign company, please give address of principal place of business in India) :	<b>NOT APPLICABLE</b>						





Name Address and Contact Details of Registrar & Transfer Agents ( RTA ) if any;	
viii.	Name of Registrar & Transfer Agents
	Address
	Town/City
	State
	Telephone
	Fax No:
	E-Mail Address

NOT APPLICABLE

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Consultancy Services, software development	6202	86.0%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1	CANARA BANK AND ITS NOMINEES	112 J.C ROAD, Bangalore	NA	HOLDING	69.14	2(46) of Companies Act 2013

## IV. SHARE HOLDING PATTERN: (Equity Share Capital Breakup as Percentage of total Equity)

### i. 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				% Change during the year
	Dem at	Physi cal	Total	% of Total Shares	Dem at	Physi cal	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a. Individual/ HUF	-	-	-	-	-	-	-	-	-
b. Central	-	-	-	-	-	-	-	-	-







Govt	-	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-
Govt (s)	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	-	-	-	-	-	-	-	-	-
e. Banks/FI									
Canara Bank and its nominees hold 69.14 % in the equity capital of the Company	-	22400 00	22400 00	69.1 4	-	22400 00	22400 00	69.1 4	-
Bank of Baroda, Vijaya Bank, Karur Vysya Bank, Lakshmi Vilas Bank hold 30.86% in the equity capital of the Company	-	10000 00	10000 00	30.8 6	-	10000 00	10000 00	30.8 6	-
f. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	<b>32400 00</b>	<b>32400 00</b>	<b>100. 0</b>	-	<b>32400 00</b>	<b>32400 00</b>	<b>100. 0</b>	-
<b>(2) Foreign</b>									
a. NRIs Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks/FI	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>32400 00</b>	<b>32400 00</b>	<b>100. 0</b>	-	<b>32400 00</b>	<b>32400 00</b>	<b>100. 0</b>	-
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/FI	-	-	-	-	-	-	-	-	-
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance	-	-	-	-	-	-	-	-	-





Companies									
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institutions</b>									
<b>(a) Bodies Corp.</b>									
<b>(i) Indian</b>									
<b>(ii) Overseas</b>									
<b>(b) Individuals</b>									
a. Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
b. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
<b>(c) Others (specify)</b>									
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A+B+C)</b>	-	32400 00	32400 00	100. 0	-	32400 00	32400 00	100. 0	-

**ii. Shareholding of Promoters**

Sl.	Shareholder'	Shareholding at the beginning	Share holding at the end of the
-----	--------------	-------------------------------	---------------------------------







No	Name	of the year			year			% 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	
1.	CANARA BANK	22,39,400	69.11	-	22,39,400	69.11	-	-
2.	BANK OF BARODA	4,00,000	12.34	-	4,00,000	12.34	-	-
3.	VIJAYA BANK	2,00,000	6.17	-	2,00,000	6.17	-	-
4.	KARUR VYSYA BANK LTD	2,00,000	6.17	-	2,00,000	6.17	-	-
5.	LAKSHMI VILAS BANK LTD	2,00,000	6.17	-	2,00,000	6.17	-	-
6.	N SIVASANKARAN & CANARA BANK	100	0.003	-	100	0.003	-	-
7.	V JAYARAMAN CANARA BANK	100	0.003	-	100	0.003	-	-
8.	C G SAHA & CANARA BANK	100	0.003	-	100	0.003	-	-
9.	C SANTHALINGAM & CANARA BANK	100	0.003	-	100	0.003	-	-
10.	S A KADUR & CANARA BANK	100	0.03	-	100	0.03	-	-
11.	B MAHESH KUMAR & CANARA BANK	100	0.03	-	100	0.03	-	-
	<b>TOTAL</b>	<b>3240000</b>	<b>100</b>		<b>3240000</b>	<b>100</b>		

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3240000	100	3240000	100
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	<b>NO CHANGE IN PROMOTERS' SHAREHOLDING DURING THE YEAR</b>			
	At the End of the year	3240000	100	3240000	100





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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>				
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	<b>NOT APPLICABLE</b>			
	<b>At the End of the year (or on the date of separation, if separated during the year)</b>				

**v. Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	<b>NIL</b>			
	<b>At the End of the year</b>	-	-	-	-

**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction				







Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Net Change	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Azimuddin Shaik Managing Director (1 <sup>st</sup> April 2018 to 22 <sup>nd</sup> May 2018)	Sanjay Kumar Senapati Managing Director (22 <sup>nd</sup> May 2018 to 31 <sup>st</sup> March 2019)	Total Amount
1.	Gross salary	252096.54	1446455.56	<b>1698552.1</b>
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 and allowances			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission			
	- as % of profit			
	- Others, specify...			
5.	Others please specify (Medical, Quarters and Maintenance, and Subscription etc.) Contribution to Provident Fund, GST	14696.00 48022.66	82052.16 275131.39	
	<b>Total (A)</b>	<b>314815.20</b>	<b>1803639.11</b>	<b>2118454.31</b>
	Ceiling as per the Act	WITHIN THE LIMITS PRESCRIBED BY THE ACT		

### B. Remuneration to other directors:







Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
		-	-
1	<b>INDEPENDENT DIRECTORS</b>	-	-
•	Fee for attending board / committee meetings	-	-
•	Commission	-	-
•	Others, please specify	-	-
	<b>TOTAL (1)</b>	-	-
2	<b>OTHER NON-EXECUTIVE DIRECTORS</b>	-	-
•	Fee for attending board / committee meetings	-	-
•	Commission	-	-
•	Others, please specify	-	-
	<b>TOTAL (2)</b>	-	-
	TOTAL (B) = (1 + 2)	-	-
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	-	-

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	-	-	-	-
•	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
•	Value of perquisites u/s 17(2) Income-tax Act, 1961				
•	Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
•	as % of profit				
•	others, specify...				
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-





**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**FOR ON BEHALF OF BOARD  
FOR CANBANK COMPUTER SERVICES LIMITED**

*[Signature]*  
**R A SANKARA NARAYANAN  
CHAIRMAN  
DIN : 05230407**

**DATE : 20.05.2019  
PLACE: Bangalore**

