

## Independent Auditor's Report

To the Members of M/s. Canbank Venture Capital Fund Limited

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of M/s. **Canbank Venture Capital Fund Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical

requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

1. Attention is invited to Note No. 25 read with Note No. 27 of Notes to accounts forming part of the financial statements, wherein, as a matter of practice the company files income tax in respect of accrued income from investments based on Form No.64 issued by Venture Capital Funds. Although the company does not recognize the accrued income from Venture Capital Funds in the books of account as brought out in note 2 (c) of Notes to accounts, the company is recognizing the income for IT return filing and paying taxes thereon (AY 2018-19 Income from Emerging India Growth Fund Rs.3,70,286/-, Capital gain income Rs. 1,60,393/- and Income from other sources Rs.1,95,609)

Our report is not qualified on the above matter.

**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, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting

records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process

## Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of



the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

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





independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c. The Balance Sheet, the Statement of Profit and Loss, 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 the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - 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 A".<sup>i</sup>
  - 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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143 (5) of the Act, we give in "Annexure C", a statement on the matters specified by the Comptroller and Auditor General of India for the company.

For YCRJ and Associates  
Chartered Accountants  
FRN: 0069275

  
Vijayendra R Nayak

Partner

Membership No.203184



Place : Bengaluru

Date : May 20, 2019

**“Annexure – A” to the Independent Auditor’s Report of even date on the Financial Statements of M/s. Canbank Venture Capital Fund Limited**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

1. We have audited the internal financial controls over financial reporting of M/s. Canbank Venture Capital Fund Limited (“the Company”) as of 31st March, 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**

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) 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**

3. 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 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.





4. 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.
5. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

7. 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

8. 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

9. In our opinion, the company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Place : Bengaluru  
Date : May 20, 2019

For YCRJ and Associates  
Chartered Accountants  
FRN: 006927S  
  
Vijayendra R Nayak  
Partner  
Membership No.203184



## “Annexure B” to the Independent Auditors Report

(referred to in paragraph 2 under the heading ‘Report on Other Legal & Regulatory Requirements’ of our report of even date to the financial statements of the company for the year ended 31st March, 2019.)

As per the books and records produced before us and as per the information and explanations given to us and based on such audit checks that we considered necessary and appropriate, we confirm that:

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As per the information and explanation given us, all fixed assets have been physically verified by the management during year which in our opinion, is reasonable having regard to size of the company and the nature of its assets; As explained to us no material discrepancies were noticed on such verification
- (c) The Company does not own any immovable properties in its own name and hence no disclosure is required regarding the same.
- ii. As explained to us, and as per the information and explanation provided to us, the Company has not purchased/ sold goods during the year nor is there any opening stock. Consequently, the requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion is not applicable to the Company
- iii. As per the information and explanation given 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 during the period under audit. Hence the provisions of clause (iii) of paragraph 3 of the CARO 2016 are not applicable to the company
- iv. According to the information provided and explanation given to us, there are no loans, investments, guarantees, and security under section 185 and 186 of the Companies Act 2013 Hence the provisions of clause (iv) of paragraph 3 of the CARO 2016 are not applicable to the company





- v. According to the information provided and explanation given to us, during the year ended the company has not accepted any deposits from public. Hence provisions of clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company
- vi. According to the information and explanations given to us and to the best of our knowledge, the Central Government has not specified maintenance of Cost records under sub-section (1) of section 148 of the Companies Act, 2013, for the activities of the Company
- vii.
- a. According the information given to us, the company has generally been regular in depositing undisputed statutory dues including Income tax, Goods and Service Tax, Cess and any other material statutory dues with the appropriate authorities.
- b. According to the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or GST which have not been deposited on account of any dispute.


Assessment year	Amount (Rs in Lakhs)	Appeal by	Forum where dispute is pending
Nil			

- viii. According to the information and explanations given to us, the company has not borrowed any loans or borrowing from a financial institution, bank, Government or issued any debenture. Therefore, the provisions of clause (viii) of paragraph 3 of CARO 2016 are not applicable to the company.
- ix. During the period under audit, according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans
- x. According to the information and explanations given to us, based on our audit checks and overall examination of the books and records of the company, no fraud by the company or any fraud on the company has been noticed or reported during the period under audit.

- xi. Based on the audit procedures and the information and explanation given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of sec 197 read with schedule V to the companies Act 2013.
- xii. The company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of CARO 2016 are not applicable to the company
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act,2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards
- xiv. According to the information and explanations given to us, 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 3(xiv) of the Order is not applicable
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence reporting under Clause 3(xv) of the order is not applicable
- xvi. According to the information and explanations given to us, the Company is not carrying on any NBFC activities and hence, is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently, the provisions of clause xvi of para 3 of the order are not applicable to the Company

Place: Bengaluru  
Date: May 20, 2019

For YCRJ & Associates  
Chartered Accountants  
FRN 006927S

  
Vijayendra R Nayak  
Partner

Membership No.203184



**"Annexure – C" to the Independent Auditors Report**

Directions indicating the areas to be examined by the Auditors during the course of audit of annual accounts of M/s. Can Bank Venture Capital Fund Limited for the year 2018-19 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013.

S. No.	Areas Examined	Observation/Finding
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	No, The company maintains its accounting transactions in Tally software
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.	The company has not borrowed any loans and therefore our reporting on this 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.	Nil

For YCRJ &amp; Associates

Place: Bengaluru  
Date: May 20, 2019Chartered Accountants  
FRN 006927S  
Vijayendra R Nayak  
Partner

Membership No.203184





**CANBANK VENTURE CAPITAL FUND LIMITED**

6th Floor, Naveen Complex, No.14, M G Road,

BANGALORE - 560 001.

CIN : U85110KA1995PLC017248

**BALANCE SHEET AS AT 31.03.2019**


(Amt in Rs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	3	2,500,000	2,500,000
(b) Reserves and Surplus	4	358,747,311	343,842,045
<b>(2) Share application money pending allotment</b>			
		-	-
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions	5	3,492,800	2,319,238
<b>(4) Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	6	911,783	5,448,762
(d) Short-term provisions	7	47,993,615	49,325,728
		<b>413,645,509</b>	<b>403,435,773</b>
<b>II ASSETS</b>			
<b>Non-current assets</b>			
<b>(1) (a) Fixed assets</b>			
(i) Tangible assets	8	2,146,051	1,919,526
(ii) Intangible assets		-	-
(b) Non-current investments	10	15,071,504	10,686,539
(c) Deferred tax assets (net)	22	1,228,926	873,255
(d) Long-term loans and advances	12	2,979,959	2,845,979
(e) Other non-current assets		-	-
<b>(2) Current assets</b>			
(a) Current investments	9	363,167,258	349,200,000
(b) Trade Receivables	11	5,829,767	13,650,255
(c) Cash and Cash equivalents	13	1,366,268	2,341,530
(d) Short-term loans and advances	14	3,792,375	3,462,830
(e) Other current assets	15	18,063,401	18,455,859
		<b>413,645,509</b>	<b>403,435,773</b>
Notes forming part of the financial statements		1 To 37	


  
**R A Sankara Narayanan**  
 Chairman  
 DIN: 05230407

  
**Debashish Mukherjee**  
 Vice -Chairman  
 DIN: 08193978

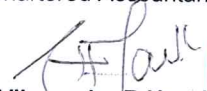
  
**K Baskaran**  
 Managing Director  
 DIN : 07176788

  
**M S Patil**  
 Executive Vice President

  
**Shibin Abraham**  
 Sr. Vice President

  
**K G Devaraju**  
 Project Manager

for YCRJ & Associates  
 Chartered Accountants

  
**Vijayendra R Nayak**  
 Partner

M No. 203184  
 FRN: 006927S



Place: Bangalore  
 Date: 20.05.2019

**CANBANK VENTURE CAPITAL FUND LIMITED**

6th Floor, Naveen Complex, No.14, M G Road,  
BANGALORE - 560 001.

CIN : U85110KA1995PLC017248

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2019**

(Amt in Rs)

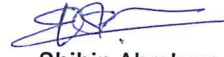
Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
I Revenue From Operations	16	60,146,958	72,455,392
II Other Income	17	25,040,027	20,830,814
III Total Revenue (I+II)		85,186,985	93,286,206
<b>IV Expenses</b>			
Employee benefits expense	18	17,423,163	18,971,222
Depreciation and amortization expense	8	688,855	954,893
Other expenses	19	4,643,070	4,971,345
		22,755,088	24,897,460
V Profit before exceptional and extraordinary items and tax (III-IV)		62,431,897	68,388,746
VI Exceptional items		123,817	299
VII Profit before extraordinary items and tax (V-VI)		62,555,714	68,389,045
VIII Extraordinary items		-	-
IX Profit before tax		62,555,714	68,389,045
X Tax expense			
(1) Current tax		17,800,000	19,200,000
(2) (Excess)/Shortage of tax made for earlier years		66,119	156,675
(3) (Deferred tax Asset)/liability		(355,671)	(246,138)
XI Profit after tax		45,045,266	49,278,508
		45,045,266	49,278,508
XII Profit/(loss) for the period (IX-X)		45,045,266	49,278,508
XIII Earnings per equity share Basic & diluted	21	180.18	197.11
Notes forming part of the financial statements	1 To 37		

  
**R A Sankara Narayanan**  
Chairman  
DIN: 05230407

  
**Debashish Mukherjee**  
Vice -Chairman  
DIN: 08193978

  
**K Baskaran**  
Managing Director  
DIN : 07176788

  
**M S Patil**  
Executive Vice President

  
**Shibin Abraham**  
Sr. Vice President

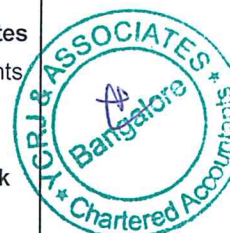
  
**K G Devaraju**  
Project Manager

for YCRJ & Associates  
Chartered Accountants

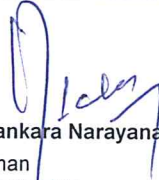
  
**Vijayendra R Nayak**  
Partner

Place: Bangalore  
Date: 20.05.2019

M No. 203184  
FRN: 006927S



Cash Flow Statement	31.03.2019	31.03.2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items	62,555,714	68,389,045
Adjustment for:		
Depreciation	688,855	954,893
Earlier Income tax provision		156,675
Interest income	(74,115)	(66,585)
Profit on sale of short term investments	(24,767,258)	(20,756,164)
(Profit) /loss on sale fixed assets	(123,817)	(299)
	38,279,379	48,677,565
Operating profit before working capital changes		
Adjustment for:		
(Increase)/Decrease in other current assets	7,749,421	(6,127,416)
Increase/(Decrease) in current liabilities for expenses	(3,345,530)	810,981
Cash generated from operations	42,683,270	43,361,130
Current taxes	(19,266,119)	(19,446,138)
Income tax refund of earlier years	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>23,417,151</b>	<b>23,914,992</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/( Purchase) of fixed assets	(791,562)	1
Interest received	74,115	66,585
Purchase of short term investments	(741,567,259)	(653,300,000)
Sale of short term investments	747,982,293	657,034,909
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>5,697,587</b>	<b>3,801,495</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend including dividend tax paid	(30,090,000)	(29,951,420)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(30,090,000)</b>	<b>(29,951,420)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(975,262)</b>	<b>(2,234,933)</b>
<b>Increase / (Decrease) in Cash And Cash Equivalents</b>		
Cash and Cash equivalents - Opening balance	2,341,530	4,576,463
Cash and Cash Equivalents - Closing balance	1,366,268	2,341,530

  
R A Sankara Narayanan  
Chairman  
DIN: 05230407

  
Debashish Mukherjee  
Vice -Chairman  
DIN: 08193978

  
K Baskaran  
Managing Director  
DIN : 07176788

  
M S Patil  
Executive Vice President

  
Shibin Abraham  
Sr. Vice President

  
K G Devaraju  
Project Manager

Place: Bangalore  
Date: 20.05.2019

As per our Report of even date  
for YCRJ & Associates  
Chartered Accountants

  
Vijayendra R Nayak  
Partner  
M No. 203184  
FRN: 006927S





# Canbank Venture Capital Fund Limited

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## Notes to financial statements

### 1. Corporate Information

Canbank Venture Capital Fund Ltd (“the company”) was incorporated in February 1995 as a Ltd Company under the Companies Act, 1956. The registered office of the company is in Bangalore, India.

The company is an Asset Management Company, presently managing the Venture Capital funds, the activities of the company revolve around this business and the operations are only in India. The company is a wholly owned subsidiary of Canara Bank.

### 2. Significant Accounting Policies

#### a) Basis of Preparation of Financial Statements:

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards as prescribed in Section 33 of the Companies Act, 2013, to the extent applicable. The financial statements have been prepared and presented in Indian rupees.

#### b) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from those estimates. Difference if any, between the actual results and the estimates are recognized in the period in which the results are known / materialized.

#### c) Revenue Recognition:

Accounting Standard - 9 deals with the bases for recognition of revenue in the statement of profit and loss of an enterprise. The Standard is concerned with the recognition of revenue arising in the course of the ordinary activities of the enterprise.

Accordingly, Annual Management and Trusteeship fee for managing the Venture Capital Funds is recognized as per the terms of the Agreement with the respective Funds

Interest income arising from deployment of surplus funds is recognized on a time proportionate basis using transactional interest rates.

Profit or loss on sale of investments is determined on the basis of simple average carrying amount of investments disposed.



Proportionate share of Income (under pass through status) from Investment in Venture Capital Funds (VCFs) is not recognized in the year VCFs generate income, as ultimate collection of revenue (i.e distribution of income by the VCFs) is unascertainable. Revenue is recognized in the year VCFs distribute the funds, in line with the terms of agreements with the VCFs.

**d) Fixed Assets :**

i) Tangible - Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets.

ii) Intangible – Assets like user license is recorded at their acquisition cost and are amortized over a period of 3 years.

**e) Depreciation/Amortization:**

**Depreciation:**

Depreciation is charged under the “Written Down Value Method”, in the manner prescribed in schedule II to the Companies Act, 2013. Depreciation on assets acquired during the year has been provided on pro-rate basis.

Company has adopted Useful Life of asset as specified in Part “C” of Schedule II of the Companies Act 2013. Residual value for all the assets is taken at 5% of the original cost.

Where the useful life of assets exceeded the useful life as specified in Part “C” of Schedule II of the Companies Act 2013, the assets are depreciated fully in the relevant year by keeping Re.1/- per item for inventory purpose.

**Amortization:**

The cost of software license is amortized over the estimated useful life of 3 years and charged off to P&L account every year.

**f) Investments:**

All investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments, however there are no diminishes in long term investments as on 31.03.2019.

**g) Employee Benefits:**

**Short term employee benefits**

All employee benefits falling due wholly within 12 months of rendering the service are classified as short term employee benefit. The benefits like salaries, wages, provident fund & short term compensation absence etc. and the expected cost of bonus, ex-gratia are charged to the profit & loss account of the year in which the employee renders the related service.





### **Long-term employee benefits**

Gratuity in respect of company employees is based on premium paid to LIC, which is computed on actuarial valuation method, and the same is charged to Profit and Loss Account. Leave encashment to company employees is based on actuarial valuation method.

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

### **h) Tax on Income:**

#### **Current Tax**

Current tax expense is determined in accordance with the provisions of the Income Tax Act 1961.

#### **Deferred Tax**

Deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

The Company offsets, on a year on year basis, current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

### **i) Cash flow statement**

Cash flow statement is reported using indirect method whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

### **j) Earning/(loss) per share**

The basic earnings/(loss) per share is computed by dividing the net profit/loss attributable to equity shareholders for the year by the weighted average number of equity share outstanding during the year.

### **k) Impairment of assets :**

The carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the statement of profit & loss in the year in which an asset is identified as impaired. The recoverable amount is greater of the assets' net selling price and value in use.





- l) Canara Bank Venture Development Trust (CBVDT) was formed and registered under SEBI (AIF) Regulations, 2012 with Canara Bank as Settlor & Trustee. CVCFL is appointed as the Investment Manager for all the schemes floated under this Trust. CVCFL, being the Investment Manager has plans to setup a New Fund, viz., Empower India Fund (EIF) for which it has incurred a sum of Rs. 35.74 lakhs towards the initial setup expenses and the same has been shown under Loans & Advances and considered as good as the same is reimbursable by EIF, once the same is operational.



## CANBANK VENTURE CAPITAL FUND LIMITED

### Notes forming part of Financial Statements

(Amt in Rs)

Note No.	Particulars	As at 31.03.2019		As at 31.03.2018	
		Number	Amount	Number	Amount
3	<b>Share Capital :</b>				
	<b>AUTHORISED:</b> Equity Shares of Rs.10/- each (P.Y : Rs.10/- each) with voting rights	1,000,000	10,000,000	1,000,000	10,000,000
	<b>ISSUED, SUBSCRIBED AND PAID UP</b> Equity share of Rs.10/- each fully paid up (P.Y : Rs.10/- each) with voting rights	250,000	2,500,000	250,000	2,500,000
3.1	<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the year</b>				
	<b>Equity Shares with voting rights</b>				
	Shares outstanding at the beginning of the year	250,000	2,500,000	250,000	2,500,000
	Add : Shares issued during the year	-	-	-	-
		250,000	2,500,000	250,000	2,500,000
	Less: Shares bought back during the year	-	-	-	-
	<b>250,000</b>	<b>2,500,000</b>	<b>250,000</b>	<b>2,500,000</b>	
3.2	<b>Disclosure of shares holders holding more than 5% of the aggregate shares in the company</b>				
	<b>Particulars</b>	<b>No.of shares held</b>	<b>% of holding</b>	<b>No.of shares held</b>	<b>% of holding</b>
	Canara Bank and its Nominees	250,000	100	250,000	100



## CANBANK VENTURE CAPITAL FUND LIMITED

### Notes forming part of Financial Statements

Note No.	Particulars	As at 31.03.2019	As at 31.03.2018
		<b>Amount (in Rs.)</b>	
4	<b>Reserves and Surplus :</b>		
	<b>General Reserve:</b>		
	Opening Balance	52,288,000	47,288,000
	Transferred from Statement of Profit & Loss	4,600,000	5,000,000
	<b>Surplus in Statement of Profit and Loss</b>		
	Opening Balance	291,554,045	277,365,537
	<b>Add:</b> Profit for the year	40,445,266	44,278,508
	<b>Less:</b> Dividend	(25,000,000)	(25,000,000)
	<b>Less:</b> Dividend distribution tax	(5,140,000)	(5,090,000)
	Closing Balance	<b>358,747,311</b>	<b>343,842,045</b>
5	<b>Long-term provisions</b>		
	<b>Provision for employee benefits</b>		
	Gratuity & Leave Salary to deputed employees	1,886,138	1,257,137
	Leave Salary to Company staff	1,606,662	1,062,101
		<b>3,492,800</b>	<b>2,319,238</b>
6	<b>Other Current Liabilities</b>		
	Statutory remittances	606,970	1,656,184
	Arrears of salary payable	-	3,195,499
	Other payables	304,813	597,079
		<b>911,783</b>	<b>5,448,762</b>
7	<b>Short-term provisions</b>		
	(b) Leave Salary for Company Staff	53,615	35,728
	(c) Income-tax provision for current year	17,800,000	19,200,000
	(d) Dividend	25,000,000	25,000,000
	(e) Dividend distribution tax	5,140,000	5,090,000
		<b>47,993,615</b>	<b>49,325,728</b>

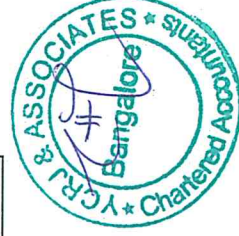




**CANBANK VENTURE CAPITAL FUND LIMITED**

**Note No.8 - FIXED ASSETS - Tangible**

Sr.No	Description of Assets	Cost				DEPRECIATION				NET CARRYING VALUE		
		Opening Balance	Additions/ (disposals)	Other adjustments	Gross Block at year end	Opening Balance	For the year	Withdrawn	Adjustments	Total at year end	As at 31st March 2019	As at 31st March 2018
1	Furniture & Fixtures	3,015,311	-	-	3,015,311	1,816,334	310,415	-	-	2,126,749	888,562	1,198,977
2	Vehicles	818,933	1,021,562 (818,933)	-	1,021,562	683,257	137,878	(712,751)	-	108,384	913,178	135,676
3	Office Equipments	1,147,584	(15,119)	-	1,132,465	964,737	86,129	(15,119)	-	1,035,747	96,718	182,847
4	Electrical Equipments	636,277	-	-	636,277	384,379	65,217	-	-	449,596	186,681	251,898
5	Computers Servers & Networks	102,142	-	-	102,142	79,515	8,687	-	-	88,202	13,940	22,627
	End user devices	924,824	-	-	924,824	797,323	80,529	-	-	877,852	46,972	127,501
	<b>Total</b>	<b>6,645,071</b>	<b>187,510</b>	<b>-</b>	<b>6,832,581</b>	<b>4,725,545</b>	<b>688,855</b>	<b>(727,870)</b>	<b>-</b>	<b>4,686,530</b>	<b>2,146,051</b>	<b>1,919,526</b>
	Previous year	6,650,565	(5,494)	-	6,645,071	3,776,415	954,893	(5,493)	-	4,725,545	1,919,526	2,874,420



Note No.	Particulars	As at 31.03.2019	As at 31.03.2018
9	<b>Current Investments (At cost)</b>	Amount (in Rs.)	
	(1) Trade investments	-	-
	(2) Other investments - Short Term		
	(a) Canara Robeco Savings Fund -Direct Growth 11863874.7490 Units (Previous period : 12747456.5320 units) Present Market Value : Rs.350566821.35 (Previous period : Rs.349535258/-)	350,049,556	349,200,000
	(b) Canara Robeco Liquid Fund -Direct Growth 5813.9660 units (Previous period : NIL units) Present Market Value : Rs. 13131866.63 (Previous period : Rs.NIL/-)	13,117,702	-
		<b>363,167,258</b>	<b>349,200,000</b>
10	<b>Non-Current Investments (At cost)</b>		
	(1) Other investments - Long Term		
	(a) Canara Robeco Fixed Maturity Plan Series 8 - Direct Growth 500000 Units (Previous period : NIL) Present Market Value : Rs. 5296050 (Previous period : Rs. NIL)	5,000,000	-
	(b) Emerging India Growth Fund - 2966 units of Rs.100/- per unit. (Previous period: 7061 units of Rs.100/- per unit). Market Value: Rs.296600 (Previous period: Rs.706100)	296,600	706,100
	(c) Electronics Development Fund - 98.04391 units of Rs.100000/- per unit. (Previous period: 99.80439 units). Market Value: Rs.9804391 (Previous period: Rs.9980439)	9,774,904	9,980,439
		<b>15,071,504</b>	<b>10,686,539</b>
11	<b>Trade Receivables</b>		
	<b>Secured, considered good</b> Electronics Development Fund (Outstanding for a period exceeding six months : Rs. Nil)	5,829,767	13,650,255
		<b>5,829,767</b>	<b>13,650,255</b>
12	<b>Long-term loans and advances</b>		
	<b>Secured, considered good</b>		
	IT Refund due	2,958,959	2,834,979
	Security Deposits	21,000	11,000
		<b>2,979,959</b>	<b>2,845,979</b>
13	<b>Cash and Cash Equivalents</b>		
	(a) Balances with Bank - in current account	609,278	1,580,619
	(b) Cash on hand	6,990	10,911
	(c) Bank deposits - Refer note below	750,000	750,000
		<b>1,366,268</b>	<b>2,341,530</b>
	Note - The bank deposit is without lien and having a maturity period more than 12 months		



Note No.	Particulars	As at 31.03.2019	As at 31.03.2018
		<b>Amount (in Rs.)</b>	
14	<b>Short Term Loans and Advances</b>		
	<b>Secured, considered good</b>		
	Empower India Fund	3,573,571	3,204,985
	Advance -Others	218,804	257,845
		<b>3,792,375</b>	<b>3,462,830</b>
15	<b>Other Current Assets</b>		
	<b>Secured, considered good</b>		
	Interest accrued but not due on bank deposits	224,417	157,714
	Prepaid expenses	310,292	-
	Advance Income Tax - Current year	11,400,000	11,750,000
	Tax Deducted at Source ( TDS) - Current year	6,128,692	6,548,145
		<b>18,063,401</b>	<b>18,455,859</b>
16	<b>Revenue From Operations</b>		
	Management fee	57,646,958	69,955,392
	Trusteeship fee	2,500,000	2,500,000
		<b>60,146,958</b>	<b>72,455,392</b>
17	<b>Other income</b>		
	Interest on bank deposits	74,115	66,585
	Profit on sale of investments	24,767,258	20,756,164
	Miscellaneous Income	198,654	8,065
		<b>25,040,027</b>	<b>20,830,814</b>
18	<b>Employee benefits expense</b>		
	Salaries and Allowances (Company staff)	6,570,953	6,646,175
	Arrears of Salary ( Company staff)	36,061	3,195,499
	Salaries and Allowances (Canara Bank deputed staff)	9,374,719	8,544,581
	Contribution to Provident and other Funds		
	- Provident Fund	507,658	416,350
	- Gratuity with LIC	746,187	73,750
	Staff Training /Seminar	98,373	4,000
	Staff welfare expenses	89,212	90,867
		<b>17,423,163</b>	<b>18,971,222</b>
19	<b>Other expenses</b>		
	Power & Fuel	166,053	169,056
	Rent	993,252	993,252
	Vehicle Running Expenditure	680,693	553,756
	Repairs & Maintenance	197,177	278,577
	Travelling expenses	568,372	719,915
	Printing & Stationery	146,811	168,556
	Subscription	118,481	288,844
	Legal fee	75,251	130,900
	Bank Charges	1,434	1,097
	Telephone charges	67,187	92,557
	Trusteeship fee -CBVDT (Canara Bank)	400,000	400,000
	Other expenditure	1,149,359	1,107,835
	Payment to Auditors :		
	for Statutory Audit - YCRJ & Associates	50,000	40,000
	for Tax Audit - MSSV & Co	14,000	12,000
	for EDF Statutory & Tax Audit - MSSV & CO	15,000	15,000
		<b>4,643,070</b>	<b>4,971,345</b>





## 20. Related Party Disclosures:

### (i) Related Parties:

- Canara Bank – Parent Bank
- Canara Robeco – Associate Company

### (ii) Material transactions with Related Parties:

Nature of Transactions	Volume of Transactions (Rs. in lakhs) during the year		Year End Balance (Rs. in lakhs)	
	2018-19	2017-18	2018-19	2017-18
<b>a) Canara Bank:</b>				
Equity Contribution: All the shares are held by Canara Bank and its nominees	-	-	25.00	25.00
Lease Rent for the company's RO premises (incl.tax)	11.72	11.65	-	-
Quarters' Rent to deputed staff	10.75	12.73	-	-
Bank Deposit with Canara Bank branch			7.50	7.50
Interest accrued but not due on bank deposits	0.74	0.67	2.24	1.57
Salary & other allowances to deputed staff (incl.tax)	84.62	75.18	18.86	12.57
Premises maintenance	2.94	2.26	0.21	0.23
Final Dividend	250.00	250.00	250.00	250.00
Canara Robeco – Investment in Mutual Fund	14641.67	12869.00	3681.67	3492.00
Profit on sale of Mutual Fund investments	247.67	207.56	-	-
Canbank Computer Services Ltd. (CCSL) - R&T Agents for handling CVCFL shares with NSDL.	0.01	-		

### (iii) Participation in Management including deputation of employees:

(a) Members of the Board of Directors.

(b) The Managing Director deputed from Canara Bank (Parent Bank) is the key Managerial personnel of the company.



## 21. Earnings Per Share (EPS)

	(Amount in Rs.)	
	<u>31.03.2019</u>	<u>31.03.2018</u>
Profit After Tax	45050266	49278508
Weighted average number of equity shares	2,50,000	250000
Earnings Per Share (Basic and Diluted)	180.20	197.11
Face Value per share	10	10

## 22. Deferred Tax Assets/Liabilities:

Calculation of Deferred Tax Assets/Liabilities is as under -

	(Amount in Rs.)	
	<u>31.03.2019</u>	<u>31.03.2018</u>
Timing difference of Depreciation	87025	234657
Timing difference due to disallowance U/s 43B of Income-tax Act, 1961.	1191449	658864
Net timing difference	1278474	893341
Transfer through statement of Profit & Loss	355671	246138
Opening balance - Deferred tax	873255	627117
Closing balance - Deferred tax	1228926	873255

23. The Company is also a Trustee, which facilitates transactions on behalf of Canbank Venture Capital Fund (CVCF) and the transactions of the Funds are not accounted in the Books of the Company. Further, all the investments in the shares of the investee companies are made on behalf of CVCF which is a Trust, continue to be held in the name of the company as a Trustee due to requirement of Section 88 of the Companies Act, 2013.

The value of equity investments (including preference shares) held by the Company on behalf of CVCF as at the end of financial year is Rs.20775.72 lakhs (Previous year : Rs. 24248.18 lakhs).

Further any amount received by the company in respect of the fund/employee along with TDS is transferred to the respective funds/employees as the same pertains to them.

24. Ministry of Electronics and Information Technology (MeitY), Government of India (GOI) has formulated the Electronics Development Fund (EDF) policy for setting up of 'Fund of Funds' to invest in other Private Equity / Venture Capital Funds (Daughter Funds) for providing risk capital to companies developing new technologies in the area of Electronics, Nano-electronics and IT. CVCFL has been assigned the mandate by Meity, GOI for managing the Electronics Development Fund. The Performance Guarantee of Rs.50 lakhs is given by the Company for EDF for which Rs.7.50 lakhs has been kept as deposit with Canara Bank as margin money.

CVCFL is eligible for the management fee based on the commitments issued to the daughter funds. The rates of management fee have been brought out in the EDF's Contribution Agreement. The management fee has been so charged by CVCFL at the agreed rates in the EDF's Contribution Agreement only after the agreements with the Daughter Funds have been executed. Thus, the Management Fee earned by CVCFL during the current financial year is Rs.1,02,92,358.



25. EDF has paid Rs. 2,05,535/- towards partial redemption of corpus for FY 2018-19. Accordingly, the investment in EDF has been reduced in line with the distribution waterfall of EDF.

26. Canara Bank Venture Development Trust (CBVDT) was formed and registered under SEBI (AIF) Regulations, 2012 with Canara Bank as Settlor & Trustee. CVCFL is appointed as the Investment Manager for all the schemes floated under this Trust. EDF is the first scheme under this Trust. The Contribution cum Management Agreement with Meity for EDF was executed on 21.02.2017. In terms of the said CMA, CVCFL, so far, has invested its commitment of Rs. 100 lacs in Electronics Development Fund (EDF) and the outstanding corpus as on 31.03.2019 stands at Rs.97.75 lakhs.

27. Under the provisions of the Income-tax Act, 1961 an investment fund established or incorporated in India and registered with the Securities and Exchange Board of India (SEBI) as a Category I or a Category II Alternative Investment Fund (AIF) (erstwhile Venture Capital Fund registered under SEBI VCF Regulations 1996) is accorded tax pass through status, i.e., income of the AIF shall be chargeable to tax directly in the hands of its investors. However, where the income of the investment fund (registered under SEBI AIF Regulations 2012) is characterized as income under the head "Profits and gains of business or profession", the investment fund would be taxable in respect of such income at the maximum marginal rate of tax. The income considered under different heads while filing Income tax return based on Form No. 64 issued for previous Assessment Year and not recognized in books is here below:

Particulars	AY 2018-19 Rs.	AY 2017-18 Rs.
<b>Income under the head Capital Gain</b>		
<u>STCG</u>		
EIGF	0.00	13829.00
EDF	0.00	0.00
<u>LTCCG</u>		
EIGF	1,60,393	-1411.00
EDF	0.00	0.00
<b>A</b>	<b>1,60,393</b>	<b>12418.00</b>
<b>Income under the head Other Income</b>		
<u>Dividend</u>		
EIGF	14,284	8679.00
EDF	0.00	0.00
<u>Interest Income</u>		
EIGF	0.00	0.00
EDF	1,95,609	0.00
<u>Any Other Income</u>		
EIGF	0.00	0.00
EDF	0.00	0.00
<b>B</b>	<b>2,09,893</b>	<b>8679.00</b>
<b>Total Share (A+B)</b>	<b>3,70,286</b>	<b>21097.00</b>





## 28. Provisions and contingencies

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made

	(Amount in Rs.)	
	<u>31.03.2019</u>	<u>31.03.2018</u>
Provisions – Leave Salary		
The carrying amount at the beginning of the year	10,97,829	7,88,289
Additions during the year	7,47,443	3,47,540
Less: Amount used during the year	1,84,995	38,000
Less: Excess provision made reversed during the year	-	-
Net Amount available	16,60,277	10,97,829
Contingent liabilities & commitments		
(a) Contingent liability	50,00,000	50,00,000
(Performance guarantee given to Deity for EDF)		
(b) Commitments		

Estimated amount of the liability on Corporate Social Responsibility to be spent Rs. 89.47 lacs (Current year: Rs.14.39 lacs , till previous year: Rs.75.08lacs).

## 29. Corporate Social Responsibility:

As per the requirement of Section 135 and Schedule VII of the Companies Act 2013 and the provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014. Company has to provide for 2% of the average net profit of the last 3 financial years (calculated in accordance with the provisions of Section 198) which the company proposes to utilize shortly on the activities specified in Schedule VII of Companies Act 2013.

## 30. Proposed Dividend:

Dividend at 1000% is proposed to be declared and paid for the financial year 2018-19 (The dividend paid for Previous year : 1000%)

## 31. Segment Reporting:

The Company is an Asset Management Company, presently managing two 'Venture Capital Funds' and one 'Fund of Funds' as at the end of this financial year. The activities of the company revolve around this business and the operations are only in India. As such there is no other reportable segment as defined by the Accounting Standard 17 - Segment Reporting prescribed by the Companies ( Accounting Standards) Rules,2006.

## 32. GST :

GST Input Tax Credit is accounted in the books, wherever the Company is eligible, in the period in which the underlying service received and when there is no uncertainty in availing /utilizing the credits.



33. During the year company has dematerialized its shares complying with the MCA notification 'Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018' dated 10.09.2018 and have appointed Canbank Computer Services Ltd. (CCSL) as Registrar & Transfer Agents for handling CVCFL shares with NSDL.

34. Previous year's figures have been re-worked, re-grouped, re-arranged and re-classified wherever necessary to conform to the revised presentation of the accounts.

35. The exceptional item reported in the statement of profit & loss includes Profit on sale of fixed asset.

36. The balances shown under loans & advances are subject to confirmation.

37. Figures are rounded off to the nearest rupee.

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