



Canbank Computer Services Limited

(CIN: U85110KA1994PLC016174)

BALANCE SHEET AS AT 31ST MARCH 2022

(Rs. In Lakhs)

PARTICULARS	Note no.	As at 31st March 2022	As at 31st March 2021
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share capital	4	324.00	324.00
b. Reserves and surplus	5	4582.10	4352.62
		4906.10	4676.62
2. Share application money pending allotment		-	-
3. NON CURRENT LIABILITIES			
a. Long Term Borrowings	6	2100.81	-
b. Deferred tax liability	7	29.75	-19.44
c. Long term provisions	8	36.41	14.34
		2166.97	-5.10
4. CURRENT LIABILITIES			
a. Trade payables	9	-	-
i) Total outstanding Dues to MSMEs		-	-
ii) Total outstanding Dues to other than MSMEs		208.01	176.23
b. Other current liabilities	10	167.84	475.69
c. Short term provisions	11	0.35	0.74
		376.20	652.66
TOTAL		7449.28	5324.18
ASSETS			
1. NON CURRENT ASSETS			
a. Property, Plant & Equipment & Intangible Assets	12		
i) Property, Plant & Equipment		3937.65	1221.07
ii) Intangible Assets		-	-
b. Other Non-Current Assets	13	55.03	50.09
		3992.68	1271.16
2. CURRENT ASSETS			
a. Inventories	14	0.83	0.35
b. Trade receivables	15	637.43	419.73
c. Cash and Cash Equivalents	16	1740.76	3137.36
d. Short term loans and advances	17	29.06	28.26
e. Other current assets	18	1048.51	467.33
		3456.59	4053.02
TOTAL		7449.28	5324.18

Significant accounting policies

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

A Manimekhalai

Raju Mohan

Pushkar Sinha

Chairperson

Managing Director

Director

DIN 08411575

DIN 09166141

DIN 07156184

Nayak A Sudhakar

Director

DIN 09469915

Date : 20-04-2022

Place : Bangalore

As per our report of even date,

For B R V Goud & Co.,

Chartered Accountants

Firm Reg. No. 0009925

A B Shiva Subramanyam

Partner

M.No. 201108





Canbank Computer Services Limited

(CIN: U85110KA1994PLC016174)

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2022

(Rs. In Lakhs)

PARTICULARS	Note no.	2021-22	2020-21
INCOME			
Revenue from operations	19	3589.67	2089.88
Other income	20	62.93	218.79
Total Income		3652.61	2308.66
EXPENSES			
Cost of materials consumed	21	4.68	3.29
Employee benefit expense	22	199.07	185.45
Outsourcing & material expenses	23	1987.37	1496.32
Finance Cost	24	80.05	0.00
Other expenses	25	210.71	152.75
Depreciation and amortization expenses	12	490.63	11.04
Total Expenses		2972.50	1848.84
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS		680.10	459.82
Exceptional and extraordinary Items		-	-
Prior Period income/(expenses)		-	-
PROFIT BEFORE TAX		680.10	459.82
TAX EXPENSE			
(1) Current tax		135.63	94.02
(2) Earlier year tax		-0.96	8.23
(3) Deferred tax		49.20	17.19
(4) MAT Credit Entitlement		0.00	0.00
TOTAL TAX EXPENSE		183.86	119.44
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		496.24	340.38
Profit/(loss) from discontinuing operations		0.00	0.00
Tax expense of discontinuing operations		0.00	0.00
Profit/(loss) from Discontinuing operations (after tax)		0.00	0.00
Profit (Loss) for the period		496.24	340.38
EARNINGS PER SHARE (32,40,000 Equity share, par value Rs. 10 each)			
Basic & Diluted		15.32	10.51
Significant accounting policies The notes referred to above form an integral part of the financial statements.			
<div style="display: flex; justify-content: space-between;"> <div> A Manimekhalai Chairperson DIN 08411575 </div> <div> Raju Mohan Managing Director DIN 09166141 </div> <div> Pushkar Sinha Director DIN 07156184 </div> </div> <div style="text-align: right; margin-top: 20px;"> As per our report of even date, For B R V Goud & Co., Chartered Accountants Firm Reg. No. 0009925 A B Shiva Subramanyam Partner M.No. 201108 </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> </div>			
Nayak A Sudhakar Director DIN 09469915 Date : 20-04-2022 Place : Bangalore			



Canbank Computer Services Limited (CIN: U85110KA1994PLC016174)		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST March 2022		
	(Rs. In Lakhs)	
Particulars	2021-22	2020-21
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the period (before tax)	680.10	459.82
Provision for Depreciation	490.63	11.04
Interest Income	60.56	211.26
Non - Operating Income	1.93	7.41
Gain on Sale of Fixed Assets	-	0.11
Net unrealised exchange (gain) / loss	1108.25	252.07
Operating Profit before changes in working capital (i)	1108.25	252.07
Changes In working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	-0.47	0.05
Trade receivables	-217.71	52.33
Short term loans and advances	-0.80	-0.23
Other current assets	-715.85	-276.30
	-934.84	-224.16
Adjustments for increase / (decrease) in operating liabilities:		
Total outstanding Dues to other than MSMEs	31.78	-140.87
Other current liabilities	-307.85	409.52
Short term provisions	-0.39	-3.12
	-276.46	265.53
Net Increase/(Decrease) In working capital	-1211.29	41.37
Security deposits	-4.94	7.93
Outstanding Employee benefit	22.07	3.31
Income tax paid	-	-
NET CASH FLOW FROM /(USED IN) OPERATING ACTIVITIES (A)	-85.92	304.68
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditure on fixed assets, including capital advances	-3230.97	-1190.01
Interest received	60.56	211.26
Proceeds from sale of long-term investments	-	1.82
Non - Operating Income	1.93	7.41
NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES (B)	-3168.49	-969.52
C) CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	2100.81	-
Dividends paid	-243.00	-
NET CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES (C)	1857.81	-
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS(A+B+C)	-1396.60	-664.84
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3137.36	3819.03
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR *	1740.76	3154.19
<p>As per our report of even date, For B R V Goud & Co., Chartered Accountants Firm Reg. No. 0009925</p> <p>A B Shiva Subramanyam Partner M.No. 201108</p> <p>A Manimekhalai Chairperson DIN 08411575</p> <p>Raju Mohan Managing Director DIN 09166141</p> <p>Pushkar Sinha Director DIN 07156184</p> <p>Nayak A Sudhakar Director DIN 09469915 Date : 20-04-2022 Place : Bangalore</p>		



Canbank Computer Services Limited

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2022:

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 Business Support 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 Support Services
- 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





Canbank Computer Services Limited

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 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 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 31.03.2022.

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.





Canbank Computer Services Limited

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.

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.





Canbank Computer Services Limited
(CIN: U85110KA1994PLC016174)

Notes forming part of Financial Statements for the year ended 31st March, 2022

Particulars	As at 31st March 2022 (Rs. In Lakhs)	As at 31st March 2021 (Rs. In Lakhs)
NOTE 4 :: SHARE CAPITAL		
Authorised Capital		
1,00,00,000 (Previous Year: 1,00,00,000) Equity Shares of Rs.10 each	1000.00	1000.00
Issued, Subscribed and Fully paid up Capital		
32,40,000 (Previous Year: 32,40,000) Equity Shares of Rs.10 each fully paid up, outstanding at the beginning and at the end of the Year.	324.00	324.00
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:	No. Of Shares	
Name of the Shareholder	% of Shareholding	As at 31st March 2022
Canara Bank	69.14%	22.40
Bank of Baroda	18.52%	6.00
Karur Vysya Bank Ltd	6.17%	2.00
The Development Bank of Singapore Limited	6.17%	2.00
Total	100%	32.40
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	32.40
Fully paid up (Rs.10 each)	32.40	32.40
Allotment / (buy back) during the period	0.00	0.00
Outstanding as at the end of the reporting period	32.40	32.40
Fully paid up (Rs.10 each)	32.40	32.40
	32.40	32.40
(i) Shares held by Promoters at the end of the year		
Promoter Name	No. of shares	% total Number of shares
Canara Bank	22,40,000	69.14%
Total	22,40,000	69.14%
NOTE 5 :: RESERVES AND SURPLUS		
a) General reserve		
Opening Balance	458.86	424.82
Add: Transfer from Profit and loss account	49.62	34.04
Closing balance of General Reserve	508.48	458.86
b) Surplus:		
Profit and loss account		
Balance at the Beginning of the period	3893.77	3587.43
Add: Net Profit for the period	496.24	340.38
Profit before appropriation	4390.00	3927.80
Less: Dividend	243.00	0.00
Transfer to General Reserve	49.62	34.04
Depreciation due to change in useful life of the asset (2020-21)	23.76	-
Closing balance at the end of the period	4073.62	3893.77
	4582.10	4352.62
NOTE 6 :: LONG TERM BORROWINGS		
a) Secured Loans	2100.81	0.00
	2100.81	0.00
Note - 1 Details of securities, repayments and interest on term loans from Banks :		
A. Name : CANARA BANK 31 March 2022 ₹ 2100.81 (31 March 2021: ₹ 0)		
Loan No.: 170000588870		
Rate of Interest: 10.45%		
Primary Security: Hypothecation of Cash Recycler Machine & UPS		
Total Repayment Term: 84 Months		
Principle and Installement		
(a) Total Outstanding as at 31st March 2022 - ₹ 2100.81 (31st March 2021 - ₹ 0)		
(b) EMI: 38,56,296		
(c) No. of Installment remaining as at 31st March 2022 : 77		
(d) Principle amount due :		
- Long Term: at 31st March 2022 - ₹ 2100.81 (31st March 2021 - ₹ 0)		
(e) Interest Accrued and due : NIL		
(f) Interest Accrued but not due : ₹ 8.42		
NOTE 7 :: DEFERRED TAX LIABILITY/(ASSET)		
Opening balance	-19.44	-36.64
Add/(Less): Deferred tax expenses for the current period	49.20	17.19
	29.75	-19.44





Particulars		As at 31st March 2022 (Rs. In Lakhs)	As at 31st March 2021 (Rs. In Lakhs)		
NOTE 8 :: LONG TERM PROVISIONS					
a) Provision for employee benefits:					
Provision for Gratuity		1.69	1.32		
Provision for Leave Encashment		33.86	12.17		
b) Provision - Others:					
Provision for other contingencies		0.86	0.86		
		36.41	14.34		
NOTE 9 :: TRADE PAYABLES					
- Payable to Micro, Small and Medium Enterprises [Refer note below]		-	-		
- Other Trade Payables		208.01	176.23		
		208.01	176.23		
Note:					
There are no Micro, Small and Medium enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2022 and 31st March, 2021 . 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.					
Trade Payables Due for Payment					
Trade Payables Ageing Schedule for Current Year :					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2years	2-3 Years	More than 3 years	Total
(i) MSME	0	0	0	0	0
(ii)Others	208.01	0	0	0	208.01
(iii)Disputed Dues -MSME	0	0	0	0	0
(iv) Disputed Dues-Others	0	0	0	0	0
Trade Payables Ageing Schedule for Previous Year :					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2years	2-3 Years	More than 3 years	Total
(i) MSME	0	0	0	0	0
(ii)Others	176.23	0	0	0	176.23
(iii)Disputed Dues -MSME	0	0	0	0	0
(iv) Disputed Dues-Others	0	0	0	0	0
NOTE 10 :: OTHER CURRENT LIABILITIES					
Duties and taxes :					
Tax Deducted at Source (Contract)			5.68		2.03
Tax Deducted at Source (Professional)			23.79		24.55
Tax Deducted at Source (Rent)			0.52		0.46
Tax Deducted at Source (194Q)			3.22		-
TDS - Salaries			0.63		0.51
TDS - Dividend			24.30		
GST -TDS			7.75		29.47
Advance from customers :					
Advance from Clients			1.12		0.30
Creditors for expenses :					
Refundable Security Deposits			12.28		10.80
Retention Money			88.56		407.58
			167.84		475.69
NOTE 11 :: SHORT TERM PROVISIONS					
a) Provision for employee benefits:					
Provision for Bonus			0.00		0.06
Provision for Leave Encashment			0.00		0.33
b) Provision - Others:					
Provision for Audit fee			0.35		0.35
			0.35		0.74



Canbank Computer Services Ltd													
Note No. 12 : Property, Plant, & Equipment & Intangible Assets as at 31st March 2022													
A) Property, Plant, & Equipment :													
Sl.No.	Asset category	Useful life of Assets	As at 01/04/2021	Additions	Disposals	As at 31/03/2022	Upto Last year	For the year	Deletions	Adjustment	Total	As at 31/03/2022	As at 31/03/2021
A) Tangible Assets :													
1	Plant and Equipment-CRM	8 Years	1169.10	3220.12	5.10	4384.12	0.41	480.53	0.65	23.76	504.04	3880.08	1168.69
2	Plant and Equipment-Others	15 Years	26.17	0.38	0.00	26.56	20.60	0.53	0.00	0.00	21.12	5.43	5.57
3	Furniture & Fixtures	10 Years	73.88	0.00	0.00	73.88	60.07	2.62	-	-	62.69	11.19	13.81
4	Vehicles	8 Years	11.23	0.00	0.00	11.23	1.30	1.33	-	-	2.63	8.60	9.93
5	Office Equipment	5 Years	10.88	0.00	0.00	10.88	10.32	0.02	-	-	10.33	0.54	0.56
6	Computer & Peripherals	3 Years	150.43	14.92	0.00	165.35	134.62	4.75	-	-	139.37	25.98	15.82
7	Electrical Installations	5 Years	40.85	0.00	0.00	40.85	34.16	0.85	-	-	35.01	5.84	6.69
TOTAL			1482.54	3235.42	5.10	4712.86	261.46	490.63	0.65	23.76	775.20	3937.65	1221.07
Previous year figures													
			299.72	1190.01	7.20	1482.54	255.91	11.04	5.49	0.00	261.46	1221.07	43.81
B) Intangible Assets :													
Sl.No.	Asset category	Use full life of Assets	As at 01/04/2021	Additions	Disposals	As at 31/03/2022	Upto Last year	For the year	Deletions	Adjustment	Total	As at 31/03/2022	As at 31/03/2021





Canbank Computer Services Limited Notes Forming Part of Financial Statement for the year ended 31st March 2022

NOTE 13 :: OTHER NON-CURRENT ASSETS							
(Unsecured, considered good)							
a) Security deposits:						18.55	18.55
b) ATMs rental deposits:						14.88	14.71
C) Bank Deposit with maturity exceeding 12 Months						21.60	16.83
						55.03	50.09
NOTE 14 :: INVENTORIES							
ATM Consumables						0.83	0.35
						0.83	0.35
NOTE 15 :: TRADE RECEIVABLES							
A) Trade receivables outstanding for a period exceeding six months from the date they were due for payment							
Unsecured, considered good						24.99	28.90
Less: Provision for doubtful trade receivables						2.50	2.89
Total of (A)						22.49	26.01
B) Other Trade receivables							
Unsecured, considered good						614.94	393.72
Total of (B)						614.94	393.72
Total of (A+B)						637.43	419.73
(a) For Trade Receivables Outstanding, following ageing schedule shall be given							
Particulars		Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables -considered good		614.94	0.00	0.00	0.00	0.00	614.94
(ii) Undisputed Trade Receivables -considered doubtful		0.00	0.28	10.45	0.27	13.99	24.99
(iii) Disputed Trade Receivables considered good		0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables considered doubtful		0.00	0.00	0.00	0.00	0.00	0.00
NOTE 16 :: Cash and Cash Equivalents							
(i) Cash and cash equivalents							
(a) Balances with banks							
- In Current Accounts						31.26	16.43
- In Deposit Accounts						1709.50	3120.93
(b) Cash on hand						0.00	0.00
						1740.76	3137.36
NOTE 17 :: SHORT TERM LOANS AND ADVANCES							
(Unsecured, considered good, unless stated otherwise)							
a) Loans and advances to employees						2.25	1.45
b) Other advances						26.81	26.81
						29.06	28.26
NOTE 18 :: OTHER CURRENT ASSETS							
a) Interest accrued on bank deposits						26.58	63.98
b) GST Input						605.00	245.73
c) TDS &TCS receivable						389.64	154.45
d) Insurance Claim Receivable						13.68	0.00
e) Prepaid expenses						13.61	3.17
						1048.51	467.33





PARTICULARS	2021-22	2020-21
NOTE 19 :: REVENUE FROM OPERATIONS		
a) Sale of services:		
i. Software services	56.36	32.91
ii. Software AMC service	124.42	62.93
iii. Consultancy service	3332.64	1920.32
iv. R & T service	76.25	73.72
	3589.67	2089.88
NOTE 20 :: OTHER INCOME		
a) Interest income		
Interest on fixed deposit	60.56	203.65
Interest on Income tax refund	0.00	7.61
b) Other non- operating income	1.93	7.41
c) Gain on sale of Assets	-	0.11
d) Provision no longer required	0.45	-
	62.93	218.79
NOTE 21 :: COST OF MATERIALS CONSUMED		
Opening stock	0.35	0.40
Add: Purchases	5.15	3.24
Less: Closing stock	0.83	0.35
	4.68	3.29
NOTE 22 :: EMPLOYEE BENEFIT EXPENSE		
a) Salaries and wages		
Salary & Other allowances	103.30	100.50
Salary to Deputed staff - RO	31.12	35.46
Leave fare concession	8.20	7.84
Leave encashment- CCSL Staff	24.52	2.24
Leave encashment- Deputed Staff	8.11	0.56
b) Contributions to Provident and other funds		
Contribution to Provident Fund	11.58	11.23
PF administration charges	0.51	0.49
Contribution to labour welfare fund	0.01	0.01
Gratuity - CCSL Staff	0.20	20.20
Gratuity - Deputed Staff	6.33	0.52
c) Staff welfare expenses		
Medical benefits	2.41	3.19
Other Staff welfare expenses	2.79	3.24
	199.07	185.45





NOTE 23 :: OUTSOURCING & MATERIAL EXPENSES		
Call Center Suite Licenses	1.93	2.38
Cloud Services	16.24	17.00
Document Scanning, QC & Image Indexing	1.40	19.17
NB & IPG Transaction Charges	2.40	0.05
Man Power Supply Services	1390.49	1037.62
Professional Charges (Consultants)	119.23	113.72
Rent - Desktops	2.21	0.35
ATM/CRM Maintenance & Replenishment Services	440.70	286.52
AMC for Branch Audit System	0.00	2.95
Microsoft Visual Studio	0.00	3.15
Agri Platform Implementation	0.00	5.30
TLS Subscription and Installation Charges	2.53	0.00
UPS Testing Charges	1.01	1.37
Other Outsourcing and Material Expenses	9.23	6.71
	1987.37	1496.32
NOTE 24 :: FINANCE COST		
Interest on Term Loan	80.05	0.00
	80.05	0.00
NOTE 25 :: OTHER EXPENSES		
Auditors remuneration		
To Statutory auditors		
- For Statutory Audit	0.35	0.35
- For Tax Audit	0.25	0.25
Advertisement and publicity	0.36	0.43
Annual maintenance charges	9.52	8.50
Bank charges	0.11	0.13
Board meeting expenses	0.39	0.73
Books & Periodicals	0.51	0.42
Business development	1.76	0.57
Commission	1.40	1.33
Communication expenses	6.13	7.81
Computer consumables & Hire charges	0.89	0.47
Electricity charges	17.83	18.33
Insurance	1.76	6.62
Legal & Professional fees	5.87	3.56
Software License Fees	3.60	4.25
Office expenses	1.35	2.26
Printing & Stationery	0.81	1.00
Provision for Bad & Doubtful debts	-	0.65
Loan Processing Charges	50.90	-
Rates & Taxes	4.69	0.44
Rent	36.33	35.72
Rent Deputed Staff	6.20	4.20
Rent ATM Site	19.01	17.76
Repairs & Maintenance - ATM	1.37	1.10
Repairs & Maintenance - Premises	10.68	11.13
Repairs & Maintenance - Vehicle	0.98	0.83
Repairs & Maintenance - Others	0.42	1.14
Stamp Paper Charges	4.49	-
Training & Seminar expenses	0.03	-
Travelling & Conveyance	5.88	5.01
R&T & OPE	15.42	16.32
Miscellaneous expenses	1.42	1.45
	210.71	152.75





Canbank Computer Services Limited

Note No. 26

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. 27

Remuneration to the Managing Directors from April 2021 included in the Profit and Loss Account is as under:

The total remuneration paid to the Managing Directors:

Shri S K Senapati – Managing Director till 31.05.2021

Shri Raju Mohan – Managing Director From 29.04.2021

Particulars	Current Year (Rs)	Previous Year (Rs)
Salary & Allowances	31,22,793	32,92,603.00
Contribution to Provident Fund	1,83,422	2,53,324.00
Grand total	33,06,215	35,45,927.00

Note No. 28

The Company has liened Fixed Deposit of Rs. 4,02,00,000/- towards security deposit to Canara Bank for various purposes.

Note No. 29

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.





Canbank Computer Services Limited

Note No.30

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

(Rupees)

Sl. No.	Name of the Party	Balance as at 01.04.2021		Sales / R&T Services during the year 2021-22		Balance as at 31.03.2022	
1	Canara Bank	RO	3,01,47,791	RO	*	RO	5,60,34,366
		R&T	5,95,095	R&T	41,72,36,554	R&T	6,15,667
2	Canara Robeco Asset Management Company Limited	R&T	5,36,976	R&T	22,03,326	R&T	3,540
3	Canfin Homes Ltd	RO	4,04,246	RO	41,21,235	RO	5,08,243
		R&T	2,39,239	R&T	16,07,147	R&T	3,59,171
4	Canbank Factors Ltd	RO	-	RO	5,19,702	RO	5,19,702
		R&T	5,924	R&T	41,420	R&T	11,824
5	Canbank Financial Services Ltd	RO	-	RO	78,234	RO	-
		R&T	5,924	R&T	23,696	R&T	17,772
6	Canbank Venture Capital Fund Ltd	RO	-	RO	-	RO	-
		R&T	5,924	R&T	23,696	R&T	5,924
7	Canara Bank Securities Ltd	RO	-	RO	-	RO	-
		R&T	-	R&T	17,700	R&T	-
8	Syndbank Services Ltd	RO	-	RO	-	RO	-
		R&T	-	R&T	30,978	R&T	-

*including GST

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

Note No. 31

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.





Canbank Computer Services Limited

Note No. 32

Retirement Benefits (AS – 15):

Reconciliation of Opening Balance and Closing Balances in Plan Assets:

	(Rupees)		
	Gratuity	Leave Encashment	Bonus
Opening Balance	1,31,970	12,49,546	5,832
Amount paid during the year	1,31,970	6,43,346	-
Net Amount	-	6,06,200	-
Provision made during the year	1,69,303	27,79,941	-
Excess Provision reversed	-	-	5832
Closing Balance	1,69,303	33,86,141	-





Canbank Computer Services Limited

Note No. 33

Segment reporting for the period ended 31st March 2022 – (AS: 17)

(Rupees in lacs)

Business Segment	Software, Consultancy & Training Operations		R&T Activities		Total	
	Year ended 31.03.2022	Previous year ended 31.03.2021	Year ended 31.03.2022	Previous year ended 31.03.2021	Year ended 31.03.2022	Previous year ended 31.03.2021
Revenue	3513.43	2016.16	76.25	73.72	3589.68	2089.88
Profit before Tax	671.03	453.58	9.07	6.24	680.1	459.2
Unallocated Provisions	-	-	-	-	-	-
Income Tax + Fringe Benefit Tax	-	-	-	-	135.63	94.02
Provisions & Contingencies	-	-	-	-	-	-
Extraordinary items DTA/DTL	-	-	-	-	49.2	(25.42)
Taxation for earlier years	-	-	-	-	-0.96	
Profit after Tax	-	-	-	-	496.24	340.38
Other Information	-	-	-	-	-	-
Segment Assets	7420.08	5328.55	29.2	15.08	7449.28	5343.63
Unallocated Corporate Assets	-	-	-	-	-	-
Total Assets	7420.08	5328.55	29.2	15.08	7449.28	5343.63
Segment Liabilities	362.49	339.78	13.36	0.6	375.85	340.38
Unallocated Corporate Liabilities	-	-	-	-	2167.33	326.63
Capital & Reserves	-	-	-	-	4906.1	4676.62
Total Liabilities	-	-	-	-	7449.28	5343.63

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





Canbank Computer Services Limited

Note No.34

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 Managerial Personnel :

Shri S K Senapati	Managing Director till 31.05.2021
Shri Raju Mohan	Managing Director from 01.06.2021
Shri Rajkumar Anand	Executive Vice President from 17.08.2021
Shri R Raghuveer	Vice President – Projects





Canbank Computer Services Limited

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

(Amount in Rupees)

(Amount in Rupees)						
Sl No	Nature of Transaction	Related entity	Expenditure	Income	Assets	Liabilities
1	Bank Charges #	Canara Bank	51,01,483.00 (PY:13,250)			
2	Salary & Other Benefits of Deputed staff	Canara Bank	45,88,823 (PY:35,45,927)			4,97,335.00 (PY:1,07,681)
3	R&T charges	Canara Bank		17,15,058 (PY:15,37,197)		
		Canara Robeco Asset Mgmt. Co. Ltd		18,55,227 (PY:24,27,909)		
		Canbank Secutires Ltd		15,000 (PY:15,000)		
		Canbank Factors Ltd		35,100 (PY:20,074)		
		Canbank Financial Services Ltd		20,080 (PY:20,090)		
		Canbank Venture Capital Fund Ltd		20,080 (PY:20,074)		
		Canfin Homes Ltd (sub)		13,61,989 (PY:10,48,103)		
		Synd Bank Services Ltd		26,250 (PY: Nil)		
		Canara Robeco Demat A/c		12,000 (PY: Nil)		
SUB TOTAL				50,60,784.00 (PY:50,88,447.00)		
4	Sales	Canara Bank		29,34,87,945 (PY:17,51,33,778)		
		Canbank Factors		4,40,425 (PY:3,42,581)		
		Karnataka Gramin Bank		1,90,36,428 (PY:1,84,45,118)		
		Kerala Gramin Bank		43,35,377 (PY:34,35,476)		
		Canbank Financial Ser Ltd		66,300 (PY:1,29,355)		
		Canfin Homes Ltd		34,92,572 (PY: 4,04,246)		
SUB TOTAL				32,08,59,047 (PY:19,70,14,372)		
5	Bank balance	Canara Bank			31,26,446 (PY:16,43,455)	21,00,80,687 (PY: Nil)
	Fixed deposits	Canara Bank			17,31,09,745 (PY:31,37,75,566)	
6	Interest	Canara Bank	80,04,692 (PY: Nil)	60,55,818 (PY:2,03,64,755)		
7	Dividend	Canara Bank	1,68,00,000 (PY:Nil)			
TOTAL			3,44,94,935 (PY:35,59,177)	33,19,75,649 (PY:22,24,67,574)	17,62,36,191 (PY:31,54,19,021)	21,05,78,022 (PY:1,07,681)

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





Canbank Computer Services Limited

Note No.35

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. 34,06,050

Note No.36

Earnings per share – (AS- 20):

Particulars	(Rupees)	
	Current Year	Previous Year
Profit After Tax	496.24	340.38
Weighted Average number of equity shares	32,40,000	32,40,000
Earning per share (Basic & Diluted)	15.32	10.51
Face Value per share	10.00	10.00

Note No. 37

Accounting for Taxes on Income (AS – 22)

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

Note No. 38

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. 39

Provision for Contingencies (AS -29):

- (a) 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.
- (b) 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. The total amount demanded by ESIC, Bengaluru is Rs. 12,80,208 and appeal is filed before Hon'ble Karnataka High Court against the said demand. However, the company has paid Rs.3,20,052/- to ESI corporation as a matter of abundant caution.

Note No. 40

Capital Commitments:

As on 31.03.2022, the company has future capital commitment of Rs. Nil

Note No.41

Expenditure in Foreign Currency:

		2021-22	2020-21
1	CIF Value of Imports	Nil	Nil
2	Other Expenditure	Nil	Nil

Note No.42

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





Canbank Computer Services Limited

Note No.43

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

Note No.44

Doubtful Debts

Provision for doubtful debts has been made on the basis of 10% of the debts outstanding for more than 180 days as per policy.

Note No.45:

TDS Receivable

There is a mismatch of Tax Credit between the Books of Accounts and Form No. 26AS (Income Tax Portal) and the same is subject to reconciliation.

Note No.46:

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

Note No.47:

Impact of Covid-19:

There is no major impact on the business operations and on the going concern of the company during the year ended March 2022.

Note No.48:

Expenditure on Corporate social responsibility activities:

As per section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities, the threshold limit of Rs.5 Crores has been met for the first time during the year and the average net profit of the company for the immediate preceding three financial years works out to Rs.537.79 lakhs. The necessary actions as specified in Schedule VII of the Companies Act 2013, are being initiated in this direction.





Canbank Computer Services Limited

Note No.49:

Ratios:

Sl.No.	Name	Formula	Values	Current year	Previous year
1	Current equity ratio	Current Asset/Current Liabilities	3456.59 /376.20	9.18%	6.21%
2	Debt Equity Ratio	Long-term Debt/ Shareholders equity	2100.81/4906.10	0.42%	NA
3	Return on equity ratio	Net profit after taxes - Preference Dividend (If any)/Net worth (or) Equity shareholders fund*100	496.24/4906.10*100	10.11%	7.28%
4	Trade Receivables turnover ratio	Net Annual Credit Sales / Closing Trade Receivables	3589.67/637.43	5.63%	4.98%
5	Trade payables turnover ratio	Net Credit Purchase/Closing Trade Payables	1987.37/208.01	9.55%	8.49%
6	Net Capital turnover ratio	Total Sales/Shareholders Equity	3589.67/4906.10	73.17%	44.69%
7	Net Profit Ratio :	Net Profit /Sales *100	496.24/3589.67*100	13.82%	16.28%





Canbank Computer Services Limited

Note No.50

The figures appearing in the Financial Statements are rounded off to nearest Lakhs.

A Manimekhalai

Chairperson

DIN 08411575

Raju Mohan

Managing Director

DIN 09166141

Pushkar Sinha

Director

DIN 07156184

As per our report of even date,
For B R V Goud & Co.,
Chartered Accountants
Firm Reg. No. 000992S

A B Shiva Subramanyam

Partner

M.No. 201108

Nayak A Sudhakar

Director

DIN 09469915

Date : 20-04-2022

Place : Bangalore



INDEPENDENT AUDITORS' REPORT

To the members of CANBANK COMPUTER SERVICES LIMITED

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of M/s. CANBANK COMPUTER SERVICES LIMITED (the "Company"), which comprise the Balance Sheet as at 31st March 2022, and 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 the Significant Accounting Policies and other explanatory information (herein after referred to as "financial statements").
2. 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 31st March 2022, and its **Profit** and its cash flows for the year ended on that date.

Basis for Opinion

3. 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* in Annexure-A, which forms part of our Auditors 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.

Information Other than the Financial Statements and Auditor's Report Thereon

4. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.
5. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
7. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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 read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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.
9. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. 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

11. 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

12. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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.
13. 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 2022 taken on record by the Board of Directors, none of the directors is

disqualified as on 31st March 2022 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-C**.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;
In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its Directors during the year is in accordance with the provisions of Section 197 of the Act
- h. With respect to 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 explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in Note 39 of its financial statements.
 - ii. The Company does 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.
 - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, **no** funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

- c) Based on the audit procedures performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The interim dividend paid by the Company during the year is in compliance with Section 123 of the Companies Act, 2013
14. 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 D, a statement on matters specified therein

Place: Bangalore
Date: 20th April 2022

For B R V Goud & Co
Chartered Accountants

Firm Reg No :0009923

A B Shiva Subramanyam

Partner

Membership No. 201108

UDIN: 22201108AHPTIM861



ANNEXURE A TO THE AUDITORS' REPORT

Auditor Responsibility Statement

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

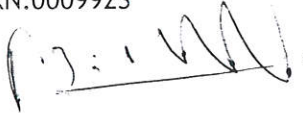
Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (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 communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

For B R V Goud & Co.,
Chartered Accountants
FRN:000992S


(A B Shiva Subramanyam)
Partner
Membership no.201108



Bangalore, 20th April, 2022

UDIN - 22201108AHPTIM8610



The Annexure B referred to in the Independent Auditor's Report to the Members of **Canbank Computer Services Limited** for the year ended 31 March 2022, we report that:

i. In respect of Property, Plant and Equipment:

- a) The Company has maintained proper records showing full including quantitative details and situation of Property, Plant and Equipment.
- b) According to the information and explanations given to us, the Property, Plant and Equipment have been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) The Company does not own an any immovable property. Therefore, the provisions of sub clause (c) of clause (i) of paragraph 3 of the Order are not applicable.
- d) The Company has not revalued its Property, Plant and Equipment or Intangible Assets during the year.
- e) According to the information and explanations given by the management, no proceedings has been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

ii. In respect of Inventories:

- a) The Company is primarily engaged in the business of Software Consultancy & Training, IT enabled Services, Business Process Outsourcing (BPO), Business Support Services and Registrar & Transfer Agents (R&T) and does not carry any inventories other than stationery and hence sub clause (a) of clause (ii) of paragraph 3 of the order is not applicable.
- b) The Company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Therefore, the provisions of sub clause (b) of clause (ii) of paragraph 3 of the Order are not applicable.

iii. The Company has not provided any guarantee or security and the company has not made any investments or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

- a) The Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity during the year.
- b) The company has not made any investments, hence reporting under this sub clause is not applicable.
- c) The Company has not granted any loans and advances in the nature of loans, hence reporting under this sub clause is not applicable.
- d) The Company has not granted any loans and advances in the nature of loans, hence it does not have any overdue amounts. Therefore, reporting under this sub clause is not applicable.

- e) The Company has not granted any loans and advances in the nature of loans, hence, there is no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties. Therefore, reporting under this sub clause is not applicable.
- f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Therefore, reporting under this sub clause is not applicable.
- iv. The Company has not made any investments nor given any loan or guarantee or provided any security to any party covered under Section 185 and 186 of the Act
- v. The Company has not accepted any deposits or has any amounts which are deemed to be deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act rules framed thereunder and the directions issued by the RBI are applicable. Hence paragraph 3 (v) of CARO is not applicable to the company.
- vi. The Central government has not prescribed maintenance of cost records under section 148(1) of the Act for any of the products/services of the Company. Thus paragraph 3(vi) of CARO is not applicable to the Company.
- vii. In respect of statutory dues:
- a) The Company has been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues. Further, there were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31st March 2022 for a period of more than six months.
- b) There are no dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax or Goods and Services Tax that have not been deposited with the appropriate authorities on account of any dispute.
- c) Details of dues of Provident Fund, Employees State Insurance, Income Tax, Sales tax, Service tax, Custom duty, Excise duty and value added tax which have not been deposited as on account of disputes is given below:

Name of the Statute	Nature of Dues	From 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 /-

Out of Rs.12,80,208 demanded by ESIC, Bengaluru, the company had paid Rs.3,20,052 to ESI Corporation as a matter of abundant caution.

- viii. We have been informed by the Company, there were no transactions, made by the Company and which are not recorded in the books of account and according to the information provided to us no amount has been surrendered or disclosed as income of the Company during the year (with respect to the above transactions) in the tax assessments under the Income Tax Act, 1961. Therefore, the provisions of clause (viii) of paragraph 3 of the Order are not applicable.

ix. In respect of Repayment of loans and other borrowings:

- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) Based on the information and explanations made available to us, the Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (c) The Term Loans taken by the company were applied for the purpose for which the loans were obtained.
- (d) Based on the information and explanations made available to us and based on our examination of the books of the Company, no funds were raised on short term basis which have been utilized for long term purposes.
- (e) Based on the information and explanations made available to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. In respect of public offers and allotment of Shares:

- (a) The Company has not raised any money by way of initial public offer or further public offer.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year.

Therefore, the provisions of sub clause (a) & (b) of clause (x) of paragraph 3 of the Order are not applicable.

xi. In respect of Fraud:

- a) No material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- b) Based on the information and explanations made available to us, there are no reports filed under sub-section (12) of section 143 of the Companies Act, by the auditors in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) Based on the information and explanations made available to us, there were no whistle-blower complaints received during the year by the Company.

Therefore, the provisions of sub clause (a) to (c) of clause (xi) of paragraph 3 of the Order are not applicable

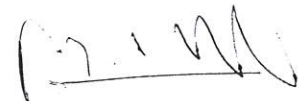
- xii. In our opinion, the Company is not a Nidhi Company. Hence, reporting under sub clause (a) to (c) of clause (xii) of Paragraph 3 of CARO 2020 is not applicable to the Company.

- xiii. The Company has disclosed all transaction with related parties in the standalone financial statements and all the transactions with related parties are in compliance with section 188 of the Act, and is disclosed in Note 32 of the standalone financial statements as required by the applicable accounting standards. We are informed that the provisions of section 177 of the Act are not applicable to the Company.

xiv. In respect of Internal Audit:

- a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. The Company has not entered in any non-cash transactions with its directors or persons connected with them. Accordingly, clause (xv) of paragraph 3 of the Order is not required.
- xvi. The Company is not a Non-Banking Finance Company; and is not required to register under section 45-IA of Reserve Bank of India Act, 1934. Therefore, the reporting of sub clause (a) to (d) of clause (xvi) of paragraph 3 of Order are not applicable.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year. Therefore, reporting under clause (xvii) of paragraph 3 of Order is not required.
- xviii. There has not been any change in statutory auditor during the year, Therefore, reporting under clause (xviii) of paragraph 3 of the Order is not required.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. In our opinion, no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. In respect to Corporate Social Responsibility (CSR) expenditure:
The Company meets the criteria specified in Section 135 of the Companies Act, 2013, related to corporate social responsibility for the year ended March 31, 2022, as the threshold limit of profit has exceeded the limit of Rs.5 Crores for the first time during the year.

For B R V Goud and Co.,
Chartered Accountants
FRN: 000992S



(A B Shiva Subramanyam)
Partner
Membership No.201108

Place: Bengaluru

Date: 20th April 2022

UDIN- 22201108AHPTIM8610



ANNEXURE C TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub-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 31 March 2022 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and 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 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and 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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) 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 authorization of the Management and directors of the Company;
- c) 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 policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.R.V. Goud & Co.,

Chartered Accountants,
F R No.000992S


(A.B. Shiva Subramanyam)

Partner

Membership no.201108



Bangalore, 20th April, 2022

UDIN - 22201108AHPTJM861D

ANNEXURE D TO THE INDEPENDENT AUDITOR'S REPORT

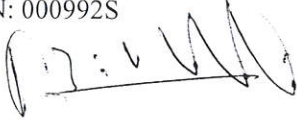
Directions under Section 143(5) of Companies Act 2013("The Act")

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 systems? If yes, the implications of processing of accounting transactions outside IT systems on integrity of accounts along 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.	The Company has borrowed Rs.22 Crores from Canara Bank during the year and the Loan is being repaid as per the Repayment Schedule. Hence, the question of restructuring of the Loan 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 **B R V Goud & Co.**

Chartered Accountants

FRN: 000992S



(**A B Shiva Subramanyam**)

Partner

Membership No.201108



Bangalore, 20th April, 2022

UDIN - 22201108AHP7IM861D