

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Canbank Factors Limited**

Opinion

We have audited the accompanying standalone financial statements of **Canbank Factors Limited** ("the company"), which comprise the Balance Sheet as of **March 31, 2022**, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by The Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with The Companies (Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st 2022, and its loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter: Adequacy of classification and provisions in respect of Debts factored.

Advances are classified as performing and non-performing assets in accordance with the prudential norms issued by RBI. The Company has a system of autoclassification of advances as NPA in accordance with the RBI Guidelines. However, the identification of NPA and creation of provision on such advances also involves key judgements relating to performance of borrowers, determination of



security value, sources of repayment, application of regulatory conditions, etc. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to involvement of management judgement and considering the materiality of the balances.

Auditor's Response to Key Audit Matter

Principal Audit Procedures: We assessed the Company's system in place to identify the nonperforming assets. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- Reviewed the operating effectiveness of the General IT controls over the key IT systems for the purpose of identification of nonperforming assets and provisioning thereon.
- Tested the relevant information technology systems used in identification and making provision for such NPA as per the RBI Guidelines including involvement of manual process and manual controls in relation to income recognition, asset classification and provisioning pertaining to advances.
- Evaluated and tested the management estimates and judgements for the purpose of identification of NPA and adequacy of provision required as per RBI's Prudential Norms.
- Considered branch concurrent audit reports for identification and provisioning for nonperforming assets.
- Ensured exceptions noticed during our audit procedures are duly corrected.

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

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

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

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

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other





irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 Standards on Auditing 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure - A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that.
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of The Companies (Accounts) Rules, 2014.
 - 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 Board of 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 - B".
 - g. With respect to the matter to be included in the Auditor's report under section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given





to us, the managerial remuneration for the year ended 31st March 2022 has been paid or provided by the Company to its directors are in accordance with the provisions of section 197 of the Act.

- h. 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 knowledge and belief and according to the information and explanations given to us.
- a) the Company does not have any pending litigations as of 31st March 2022 which would impact its financial position **OTHER THAN NON-PERFORMING ASSETS CASES** for which provision has been made as per RBI prudential norms.
 - b) the Company did not have any long-term contracts including derivative contracts as of 31st March 2022 for which there were any material foreseeable losses; and
 - c) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended 31st March 2022.
 - d) Omitted
 - e) Management has represented that,
- i. To the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds has 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;
- ii. To the best of its 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
- iii. Based on the audit procedure we have considered reasonable and appropriate in the circumstances, nothing has comes to our notice that has caused us to believe that the representations under sub-clause i and ii contain any material misstatement.
- f) The company has not declared or paid any dividend during the year in compliance with section 123 of the companies act 2013



RVKS And Associates

Chartered Accountants



- g) The company has used such accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has been operated through the year for all transaction recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per statutory requirements for record retention.
3. As required by the directions of The Comptroller & Auditor General of India in accordance with Section 143(5) of The Companies Act, 2013 and on the basis of such verification of the books and records as considered appropriate and available and according to the information and explanations given to us and as per the declarations given by the Company, we enclose in "Annexure - C" a statement on the matters specified in directions issued by The Comptroller & Auditor General of India.

For RVKS and Associates
Chartered Accountants
Firm Registration Number: 008572S


20/04/2022

Venugopal.C

Partner

Membership No. 226247

UDIN: 22226247AR-KDFN1129

Place: Bangalore

Date: 20/04/2022





"Annexure - A" to the Independent Auditor's Report

Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Canbank Factors Limited for the year ended 31st March 2022:

- i.
 - a.
 - A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment
 - B. The Company has maintained proper records showing full particulars of intangible assets.
 - b. Property, plant and equipment have been physically verified by the management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties as of 31st March 2022.
- ii. The Company is a service company, primarily rendering factoring services. It does not involve inventory. Consequently, comment on clause (ii) of the order is not applicable.
- iii. The Company has not granted any loans to parties covered in the register maintained under section 189 of The Companies Act, 2013 ('the Act'). Consequently, comment on clause (iii) of the order is not applicable.
- iv. The Company has not made any loans and investments, covered by provisions of Section 185 and 186 of the Act. Consequently, comment on clause (iv) of the order is not applicable.
- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public. Consequently, comment on clause (v) of the order is not applicable.
- vi. As explained to us, maintenance of cost records has not been prescribed for the company by the Central Government under section sub-section (1) of Section 148 of The Companies Act, 2013 for any of the services rendered by the Company. Consequently, comment on clause (vi) of the Order is not applicable.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing material undisputed statutory dues including provident fund, employee state insurance, income-tax, goods and service tax, cess, and other statutory dues, during the year with the appropriate authorities.
- b) Details of disputed statutory dues: The Company has filed an Appeal before Commissioner of Appeals in respect of demand raised (vide their order u/ s. 143(3) dated 31.12.2019) by the Income tax department for the AY 2017-18. The Company believes it has a strong case & stay of demand was allowed with 20% of payment of Rs.84.98 Lakhs on 26.02.2020. The appeal process is in progress & the outcome is unknown.





- viii. According to the information and explanations given to us no such income has been identified in assessments held during the year.
- ix. According to the information and explanations given to us, the company has not defaulted in repayment of loan/ borrowings from financial institutions or banks.
- x. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period. Consequently, comment on clause (ix) of the order is not applicable.
- xi. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during our audit.
- xii. The company is not a Nidhi Company and accordingly this clause is not applicable to the company. Accordingly, provision of this clause of the order is not applicable.
- xiii. According to the information and explanations given to us, the transactions with the related parties are in compliance with Section 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv.
- a. Based on our verification the company has an internal audit system with the size and nature of its business.
- b. The internal audit reports has been considered by us for carrying out audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non cash transactions with directors or persons connected with him during financial year under review.
- xvi.
- a. The Company is required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and accordingly the registration is obtained as NBFC-Factor with effect from 8th August 2014 vide registration number B02.00004.
- b. Based on our verification company has conducted non banking financial activities with valid certification of registration.
- c. The company is not core investment company accordingly provision of this clause of the order is not applicable
- d. Since the above clause is not applicable comment on this is also not required.
- xvii. According to the information and explanations given to us the company has not incurred any cash loss during the financial year and in the preceding financial year.
- xviii. During the year there is no resignation of the statutory auditor hence comment on this clause is not applicable.
- xix. As per our verification there is no such material uncertainty exists.



RVKS And Associates

Chartered Accountants



xx.

- a. During the period of audit there is no unspent amount which needs to be transferred to fund specified in schedule VII to the companies act hence comment on this clause is not applicable.
- b. During the year No such amount remaining unspent under sub-section (5) of section 135 of the Companies, hence comment on this clause is not applicable.

xxi. There have been no qualifications or adverse remarks by the us in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements

For RVKS and Associates
Chartered Accountants
Firm Registration Number: 008572S


20/04/2022

Venugopal.C

Partner

Membership No. 226247

UDIN: 226247

22226247A IKDFN1129

Place: Bangalore

Date: 20/04/2022





"Annexure - B" to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Canbank Factors Limited for the year ended 31st March 2022.)

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

We have audited the internal financial controls over financial reporting of Canbank Factors Limited ("the company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended 31st March 2022.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India ('ICAI')". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under The 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of The Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by The Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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





Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, except with respect to vendor master creation and control on vendor payments which needs to be strengthened, 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 RVKS and Associates
Chartered Accountants
Firm Registration Number: 008572S


20/04/2022

Venugopal.C

Partner

Membership No. 226247

UDIN: 22226247 AIDDFN1129

Place: Bangalore

Date: 20/04/2022



"Annexure - C" to the Independent Auditor's Report

Statement on the matters specified in directions issued by The Comptroller and Auditor General of India in accordance with Section 143(5) of The Companies Act, 2013

(Referred to in paragraph 3 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Direction	Reply
i. Whether the company has system in place to process all the accounting transactions through IT system? If yes, implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has adequate systems in place to process all the accounting transaction through their IT system. There are no implications on process of accounting transaction outside IT system on the integrity of the accounts along with the financial implications as the changes has been done by the competent authority to the client master.
ii. Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc., made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated? Whether such cases are properly accounted for?	There are no cases of waiver/write offs of debts/loans/interest etc., made by the lender to the company
iii. Whether funds (grants/subsidy etc.) received / receivable for specific schemes from Central/State Government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation?	Yes, Grants received from central government were properly accounted for as per the terms and conditions of the scheme.

For RVKS and Associates
Chartered Accountants
Firm Registration Number: 008572S


20/04/2022
Venugopal.C

Partner

Membership No. 226247

UDIN: A 22226247AIDDFN1129

Place: Bangalore

Date: 20/04/2022



CANBANK FACTORS LIMITED

U85110KA1991PLC011960

Balance Sheet for the year Ended 2022

Particulars	Note	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.01	2,000.00	2,000.00
(b) Surplus	2.02	10,127.30	10,833.14
		12,127.30	12,833.14
(2) Non Current Liabilities			
(a) Long-term Provisions	2.03	45.85	49.00
		45.85	49.00
(3) Current Liabilities			
(a) Short-term Borrowings	2.04	49,109.77	28,636.14
(b) Other Current Liabilities	2.05	716.77	374.33
(c) Short-term Provisions	2.03	6,115.63	9,929.75
		55,942.17	38,940.22
Total		68,115.32	51,822.36
II. ASSETS			
(1) Non-current assets			
(a) Property ,plant & Equipment			
(i) Tangible assets	2.06	30.01	22.31
(ii) Intangible assets	2.06	-	-
(c) Deferred tax Assets (net)	2.08	4,831.26	4,710.57
(d) Long term Loans & Advances	2.12	-	-
(e) Other Non Current Assets	2.09	170.70	199.74
		5,031.97	4,932.62
(2) Current assets			
(a) Trade Receivables	2.10	62,333.41	46,224.84
(b) Cash and Bank Balances	2.11	0.40	0.23
(c) Short term Loans & Advances	2.12	586.28	480.20
(d) Other Current Assets	2.09	163.26	184.47
		63,083.35	46,889.74
Total		68,115.32	51,822.36
Significant Accounting Policies and Notes on Account	1 & 2		

For and on behalf of the Board of Directors
Canbank Factors LimitedA MANIMEKHALAI
Chairperson

DIN-08411575

GOVIND SOLANKI
SENIOR EXECUTIVE VICE PRESIDENTDR RAJIB KUMAR SAHOO
Managing Director
DIN-09033877S BALASUBRAMANIAN
VICE PRESIDENT (FINANCE)
& COMPANY SECRETARYS ANANTHAN
Director
DIN-02123959BASANT SETH
Director
DIN-02798529As per our attached report of even date
FOR R V K S AND ASSOCIATES
Chartered Accountants
Firm Regn No. 0085725VENUGOPAL C
Partner
M. No. 226247Bangalore
Date:20.04.2022

Statement of Profit and Loss for the year ended 2022

	Note	For the Year Ended 31st March 2022 Lakhs	For the Year Ended 31st March 2021 Lakhs
I. Revenue from Operations	2.13	4,339.56	3,509.10
II. Other Income (Includes write back off NPA provision of INR 5625.63 Lakhs, as these assets were written off)	2.14	5,631.90	8,137.32
III. Total Revenue (I + II)		9,971.46	11,646.42
IV. Expenses:			
Employee Benefit Expenses	2.15	524.96	459.68
Other Expenses	2.16	2,438.29	1,048.88
Bad Debts Written off	2.16	5,625.63	8,130.82
Finance costs	2.17	2,202.81	1,636.46
Depreciation and Amortization expenses	2.06	6.32	6.36
IV. Total Expenses		10,798.01	11,282.20
V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		(826.55)	364.22
VI. Exceptional Items and Extraordinary Items		-	-
VII. Profit/(Loss) Before Tax (V - VI)		(826.55)	364.22
VIII. Tax Expense:			
(1) Current tax		-	-
(2) Deferred tax		(120.70)	108.87
(3) Prior Period Tax			
Total Tax Expense		(120.70)	108.87
IX. Profit/(Loss) after tax		(705.85)	255.35
X. Earnings Per Equity Share	2.26		
(1) Basic		(3.53)	1.28
(2) Diluted		(3.53)	1.28
Significant Accounting Policies and Notes on Account	1 & 2		

For and on behalf of the Board of Directors
Canbank Factors Limited

A MANIMEKHALAI
Chairperson
DIN-08411575

GOVIND SOLANKI
SENIOR EXECUTIVE VICE PRESIDENT

DR RAJIB KUMAR SAHOO
Managing Director
DIN-09033877

S BALASUBRAMANIAN
VICE PRESIDENT (FINANCE)
& COMPANY SECRETARY

S ANANTHAN
Director
DIN-02123959

BASANT SETH
Director
DIN-02798529

As per our attached report of even date
FOR R V K S AND ASSOCIATES
Chartered Accountants
Firm Regn No. 0085725

VENUGOPAL C
Partner
M. No. 226247

Bangalore
Date:20.04.2022



Statement of Cash Flows for the year ended 31.03.2022

Particulars	For the Year ended 31.03.2022		For the Year ended 31.03.2021	
	(Rs. In lakhs)		(Rs. In lakhs)	
Cash Flow From Operating Activities:				
Net Profit Before Tax and Extraordinary Items		-826.55		364.22
Add/(Less): Non Cash/Non Operating Expenses/(Incomes)				
(a) Depreciation on Fixed Assets	6.32		6.36	
(b) Finance Costs	2,202.81		1,636.46	
(c) Interest Income	(6.10)		(2.95)	
(d) Profit on Sale of Property, Plant and Equipments	(0.01)		(1.41)	
(e) Bad Debts Written off	5,625.63		8,130.82	
(f) Excess Provision Reversed	(5,625.63)		(8,130.82)	
(g) Loss on Sale of Property, Plant and Equipments	0.01		0.13	
		2,203.03		1,638.59
Operating Profit before Working Capital Changes		1,376.49		2,002.81
Working Capital Changes:				
(a) (Increase)/Decrease in Short Term Loans and Advances	(106.08)		3.55	
(b) (Increase)/Decrease in Trade Receivables	(16,108.57)		375.06	
(c) (Increase)/Decrease in Non Current Assets	29.04		(73.51)	
(d) (Increase)/Decrease in Other Current Assets	21.21		(107.64)	
(e) Increase/(Decrease) in Short Term Provisions	(3,814.12)		(7,435.08)	
(f) Increase/(Decrease) in Long Term loans and advances			(0.56)	
(g) Increase/(Decrease) in Long Term Provisions	(3.15)		16.48	
(h) Increase/(Decrease) in Other current Liabilities	342.44		96.87	
(h) Increase/(Decrease) in Deferred Tax		(19,639.23)		(7,124.83)
Cash Generated from Operations		(18,262.75)		(5,122.02)
Income tax Paid				
Net Cash Utilised in Operating Activities (A)		(18,262.75)		(5,122.02)
Cash Flow From Investing Activities:				
Additions to Property, Plant and Equipments	(14.06)		(12.59)	
Sale of Property, Plant and Equipments	0.04	(14.02)	2.95	(9.64)
(Increase)/Decrease in Long Term Loans & Advances				(9.64)
Net Cash Utilised in Investing Activities (B)		(14.02)		(9.64)
Cash Flow From Financing Activities:				
Increase/ (Decrease) In Short term Borrowings	20,473.63		6,765.10	
Finance Costs	(2,202.81)		(1,636.46)	
Interest Income	6.10	18,276.92	2.95	5,131.59
Cash Flow From Financing Activities (C)		18,276.92		5,131.59
Net Increase/ (Decrease) in Cash And Cash Equivalents (A+B+C)		0.17		(0.07)
Cash and Cash Equivalents at the beginning of the year		0.23		0.30
Cash and Cash Equivalents at the end of the year		0.40		0.23

Note:

1) The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on Cash Flow Statement issued by The Institute of Chartered Accountant Of India.

2) Previous Year's figures have been regrouped / rearranged wherever necessary.

For and on Behalf of the Board of Directors
Canbank Factors Limited

A. MANIJEKHALAI
Chairperson
DIN-08411575

DR. RAJESH KUMAR SAGODI
Managing Director
DIN-09033877

S. ANANTHAN
Director
DIN-02123959

BASANT SETH
Director
DIN-02798529

GOVIND SOLANKI
SENIOR EXECUTIVE VICE PRESIDENT

S. BALASUBRAMANIAN
VICE PRESIDENT (FINANCE)
& COMPANY SECRETARY

As per our attached report of even date
FOR R V K S AND ASSOCIATES
Chartered Accountants
Firm Regn No. 0085725

VENUGOPAL C
Partner
M. No. 226247

Bangalore
Date: 20.04.2022



CANBANK FACTORS LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

COMPANY OVERVIEW

Canbank Factors Limited, a subsidiary of Canara Bank is registered with Reserve Bank of India as a non-banking, non-deposit taking and systemically important Company. The Company is carrying on the business of factoring with a network of 11 branches across India. The Company has got registration from RBI with effect from 8th August, 2014.

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 ACCOUNTING CONVENTION

The accounts have been prepared under the historical cost convention.

1.2 USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments estimates and assumptions that affect the reported balances, revenues, expenses, assets, liabilities and disclosures relating to contingent liabilities at the end of the reporting period. However, these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

1.3 REVENUE RECOGNITION

Income is accounted on accrual basis in terms of the guidelines issued by the Reserve Bank of India for Non-Banking Financial Companies. In respect of Non-Performing Assets (NPA's), no income is recognized/ accrued after it is classified as NPA and any income recognized before the asset became NPA and remaining unrealized is reversed. However, amount received in excess of book value of NPA's is treated as other receipts under revenue from Operations.

Discount charges:

Income is considered to accrue on time basis on the balances in the Prepayment Accounts at the rate of discount applicable.

Factoring charges:

Income is considered to accrue on the amount of debts factored at the applicable rate.

Processing charges:

Income is considered in full at the time of sanction of the factoring limits by the Company.

Interest on Investments:

The company does not hold any investments as at 31.03.2022.

1.4 INVESTMENTS

The company does not hold any investments as at 31.03.2022

1.5 FIXED ASSETS

Fixed Assets are valued at cost (inclusive of installation and other direct incidental expenses) less accumulated depreciation. Assets purchased but given on Lease are capitalized on installation at cost, net of cenvat.



CANBANK FACTORS LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

1.6 DEPRECIATION

Assets other than given on Lease:

Depreciation is provided on Written down Value Method on pro-rata basis in accordance with the useful life of assets as prescribed under Schedule II Part- "C" of the Companies Act 2013 in such a way that the residual value of an asset shall not be more than 5% of the original cost of the asset.

In case of small value of asset with the original cost price of individual asset is up to Rs.5000/- then the entire amount to be depreciated fully in the financial year of purchase.

The intangible assets like Computer software (Both custom made & market purchases), the useful life shall be for a maximum period of three years and be depreciated accordingly.

1.7 ASSET CLASSIFICATION

In terms of the guidelines of Reserve Bank of India, Debts Factored and other debts are classified into Standard or Performing asset and Non-performing asset based on the record of recovery of principal/discount charges; Non-performing Assets are further categorized as Sub-Standard, Doubtful and Loss Assets.

1.8 PROVISIONING

- a) Provision in respect of Non-performing asset is determined as under:

I) For Sub-standard Assets: - A general provision of 10% of total outstanding shall be made.

II) For Doubtful Assets: - (a). 100% provision to the extent to which the debt is not covered by the realizable value of the security to which the company has a valid recourse is made. The realizable value is estimated on a realistic basis.

(b). In addition to item (a) above, depending upon the period for which the asset has remained doubtful, provision to the extent of 20% to 50% of the secured portion (i.e. estimated realizable value of the outstanding) is made on the following basis: -

Period for which the asset has been considered as doubtful	% Provision
Up to one year	20
One to three years	30
More than three years	50

III) For Loss Assets: - The entire asset is written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding is provided for.

- b) In respect of Standard Assets, a general provision of 0.40% on the outstanding is made.



CANBANK FACTORS LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

1.9 FACTORED & OTHER DEBTS & FUNDS-IN-USE

Debts factored and other debts are included under Current Assets as Trade Receivables. The unpaid balance of debts factored and due to clients after collection is deducted from Gross Debts Factored and the Funds-in-use is arrived at.

1.10 RETIREMENT BENEFITS

The Provident Fund contribution for the directly recruited employees is a defined contribution scheme and is being remitted to the Regional Provident Fund Commissioner and accounted for on accrual basis and the Company has no further liability beyond its monthly contributions.

Gratuity is a defined benefit obligation for directly recruited employees. The company has taken a group gratuity policy from LIC of India. The liability for future gratuity benefits is accounted based on actuarial valuation as at the end of each year as disclosed by LIC of India. Further, a separate valuation from an approved Actuarial valuer has been taken by the company as per the requirement of AS-15 Standard.

The Company modified the terminal benefit provision to include the leave salary for the Directly Recruited Employees of the company (The leave salary was not a part of terminal benefits till 31.03.2022). The Company has taken an Actuarial Valuation of the Leave salary Liability from an Approved Actuarial valuer as at 31st March, 2022 and the provision has been made accordingly in the Books of accounts complying with the requirement of AS-15. As regards the payment of liability, it shall be accounted and be paid as and when the claim arises by debiting against the provision made in the books.

1.11 BORROWING COST

Borrowing Cost that is attributable to construction of fixed assets is capitalized as part of such assets for the period up to the date of installation. All other borrowing costs are charged to revenue on accrual basis. However, other expenses incidental to borrowings like stamp duty, I.P. Commission etc are charged off at the time of incidence.

1.12 FOREIGN EXCHANGE TRANSACTION

a) The company has not made any foreign transaction during the financial year 2021-22

1.13 TAXATION

- a) Provision for Current tax is made on the basis of taxable income estimated in accordance with the provisions of Income Tax Act, 1961.
- b) Deferred tax resulting from timing differences between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.
- c) Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future. Deferred tax Assets are carried forward to the extent it is reasonably/ virtually certain that future taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet date and written down/ written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.



CANBANK FACTORS LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

1.14 PRIOR PERIOD TRANSACTIONS

Prior period items of revenue & capital shall be recognized and shown separately in accounts whenever such transactions exceed 1% or Rs.100000/- whichever higher, of the total Revenue, Expenditure, and Assets & Liabilities as the case may be as per item No.5 of general instructions in preparation of P & L account, of the Companies Act, 2013.

1.15 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements. Company has the accounting policy of reversing the provisions made earlier which no longer required to credit of profit and loss and account and to write off bad debts to Profit and Loss Statement to the extent of bad debts which are actually written off during the year. Such write off policy has been duly approved by the Board of Directors.

1.16 EARNINGS PER SHARE

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of dilutive potential equity shares.



NOTES ON ACCOUNTS FOR THE YEAR ENDED 31.03.2022

2.01 SHARE CAPITAL

Particulars	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
AUTHORIZED SHARES 10,00,00,000 Equity Shares of ₹ 10/- each	10,000.00	10,000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP SHARES 2,00,00,000 Equity Shares of ₹ 10/- each	2,000.00	2,000.00

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	31st March 2022		31st March 2021	
	No's in Lakhs	Lakhs	No's in Lakhs	Lakhs
Equity Shares				
At the beginning of the period	200	2,000	200.00	2,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	200	2,000	200.00	2,000

b. Shares held by holding/ultimate holding company and/or their subsidiaries/associates:

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Canara Bank , the Holding Company 1,40,00,000 equity shares of ₹ 10 each fully paid	1,400.00	1,400.00
SIDBI, Co promoters 40,00,000 equity shares of ₹ 10 each fully paid	400.00	400.00
Union Bank of India (Erstwhile Andhra Bank), Co promoters 20,00,000 equity shares of ₹ 10 each fully paid	200.00	200.00

c. Details of shareholders holding more than 5% shares in the company:

Particulars	31st March 2022		31st March 2021	
	Lakhs	% holding in the class	Lakhs	% holding in the class
Equity shares of ₹ 10 each fully paid				
Canara Bank , the Holding Company	140	70%	140	70%
SIDBI, Co promoters	40	20%	40	20%
Union Bank of India (Erstwhile Andhra Bank), Co promoters	20	10%	20	10%

Shares held by promoters at the end of the year			
Promoter Name	No Of Shares (In Lakhs)	% of total shares	% Change during the year
Canara Bank (Parent Company)	140	70%	-
SIDBI	40	40%	-
Union Bank of India (Erstwhile Andhra Bank)	20	20%	-

d. Terms / rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity share holders.



e. Stock Option Plans:

The Company has no stock option Plans.

f. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The Company has not issued any bonus shares or shares for consideration other than cash or bought back any shares during the period of five years immediately preceding the reporting date.

As per Companies (Amendment) Act, 2019, the shares/securities shall be held or transferred only in Dematerialised form. Accordingly, all the shares of the Company are dematerialised through NSDL (Depository participant) and the ISIN allotted to our equity Shares is INE986D01016. The Registrar & transfer agent(RTA) is M/s Canbank computer services Limited

2.02 RESERVES AND SURPLUS

Particulars	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
STATUTORY RESERVE FUND		
As Per Last Balance Sheet	5,208.00	5,156.00
Add: Transferred from Profit & Loss account	-	52.00
TOTAL	5,208.00	5,208.00
RESERVE FOR CONTINGENCIES		
As Per Last Balance Sheet	3,360.00	3,360.00
Add: Transferred from Profit & Loss account*	-	-
TOTAL	3,360.00	3,360.00
GENERAL RESERVE		
Balance as per last financial statements	11,246.57	11,046.57
Add: Transferred from Profit & Loss account	-	200.00
TOTAL	11,246.57	11,246.57
PROFIT AND LOSS ACCOUNT		
Balance as per last financial statement	(8,981.43)	(8,984.78)
Add: Net Profit after tax transferred from Statement of Profit & Loss	(705.85)	255.35
Appropriations:		
Transfer to Statutory Reserve Fund	-	52.00
Proposed Dividend	-	-
Dividend Tax, Surcharge & Cess	-	-
Transfer to Reserve for Contingencies*	-	-
Transfer to General Reserve	-	200.00
Closing Balance of Profit & Loss Account	(9,687.28)	(8,981.43)
GRAND TOTAL - RESERVES & SURPLUS	10,127.30	10,833.14

* In the opinion of the management, the balance in Contingencies reserve is adequate and hence no transfer is considered necessary for the current financial year.

2.03 PROVISIONS

Particulars	Long Term		Short Term	
	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Provision for Standard Assets	-	-	221.76	233.98
Provision for Restructured Standard a/c	-	-	458.11	-
Provision for Doubtful Receivables	-	-	5,435.76	9,695.77
Provision for reimbursement of expenses-deputed employees	6.73	22.13	-	-
Provision for Employee Benefits	39.12	26.87	-	-
TOTAL	45.85	49.00	6,115.63	9,929.75

In terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as amended dated 27th March, 2015 a general provision of 0.40% of the outstanding standard assets is made. Accordingly, the provision is not netted from gross advances (Factored & Other Debts) but disclosed separately under "Provisions" in the balance sheet and considered for Tier II capital.

*Provision for employee benefits - The Company modified the terminal benefit provision to include the leave salary for the Directly Recruited Employees of the company (The leave salary was not a part of terminal benefits till 31.03.2020). The Company has taken an Actuarial Valuation of the Leave salary Liability from an Approved Actuarial valuer as at 31st March, 2022 and the provision has been made accordingly in the Books of accounts complying with the requirement of AS-15.



(a) The particulars of provision for bad and doubtful debts are given as under: -

Particulars	2021-22 (` Lakhs)	2020-21 (` Lakhs)
Balance as at beginning of the year	9,695.77	17,261.48
Add: Provision made during the year	1,601.19	620.24
Total	11,296.96	17,881.72
Less: Written off /excess written back	5,861.20	8,185.95
Balance as at the end of the year	5,435.76	9,695.77

In terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as amended dated 1st July, 2013 provision for doubtful assets have been made. As per that circular, the provision is not netted from gross advances (Factored Debts) but shown separately under "Provisions" in the Balance Sheet.

2.04 SHORT - TERM BORROWINGS

Particulars	As at 31st March 2022 ` Lakhs	As at 31st March 2021 ` Lakhs
Overdraft from Canara Bank	13,109.77	5,636.14
Commercial Paper(CP)	20,000.00	-
Working Capital Demand Loan (WCDL)- Canara Bank	16,000.00	23,000.00
TOTAL	49,109.77	28,636.14

The borrowing from Canara Bank is secured by a charge on Debts factored and repayable on demand and carries interest @ Marginal cost of funds based lending rate(MCLR).

2.05 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2022 ` Lakhs	As at 31st March 2021 ` Lakhs
Sundry Creditors for Expenses and others	153.77	92.71
Discount Charges received in Advance	483.78	148.85
Interest accrued but not due (Canara Bank -WCDL)	77.52	107.75
Retention Margin	1.70	25.02
Branch Adjustment	0.00	-
TOTAL	716.77	374.33

Details of dues to micro and small scale enterprises as defined under the MSMED Act, 2006:

Particulars	As at 31st March 2022 ` Lakhs	As at 31st March 2021 ` Lakhs
	MSME	NON MSME
The principle amount and the interest due there on remaining unpaid to any supplier as at the end of each accounting year:		
- Principle amount due to micro small enterprises	NIL(*)	NIL
- Interest due on above	NIL(*)	NIL

*Details of dues to micro and small scale enterprises as defined under MSMEd, 2006:

The Company has not received any intimation from the suppliers regarding their status under Micro, Small & Medium Enterprises Development Act, 2006. Hence no disclosure is made in respect of:

- Amount due and outstanding to suppliers as at the end of the accounting year.
- Interest paid during the year.
- Interest due and payable at the end of the accounting year.
- Interest accrued and unpaid at the end of the accounting year.

2.07 INVESTMENTS

Particulars	Non-Current		Current	
	As at 31st March 2022 ` Lakhs	As at 31st March 2021 ` Lakhs	As at 31st March 2022 ` Lakhs	As at 31st March 2021 ` Lakhs
TOTAL	-	-	-	-



2.6 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	AS AT 01-04-2021	ADDITIONS DURING THE YEAR	ADJUSTMEN T DURING THE YEAR	TOTAL AS AT 31-3-2022	DEPRECIATIO N UPTO 01-04-2021	DEPRECIATION FOR THE YEAR	ADJUSTMENT DURING THE YEAR	TOTAL AS AT 31-03-2022	W D V AS AT 31-03-2022	W D V AS AT 31-3-2021
TANGIBLE ASSETS:										
COMPUTERS & SOFTWARE	158.38	12.49	0.00	170.87	156.49	0.29	0.00	156.79	14.08	1.88
FURNITURES & FIXTURES	70.60	0.12	0.34	70.37	66.50	1.06	0.34	67.22	3.15	4.09
ELECTRICAL INSTALLATIONS	53.20	0.34	0.38	53.16	46.60	2.03	0.36	48.27	4.89	6.60
VEHICLES	14.54	0.00	0.00	14.54	5.86	2.70	0.00	8.56	5.97	8.67
OFFICE EQUIPMENTS	26.25	1.11	0.00	27.36	25.20	0.24	0.00	25.44	1.92	1.05
ASSETS GIVEN ON LEASE (Plant & Machinery)	-	-	-	-	-	-	-	-	-	-
Total Tangible Assets- I	322.96	14.06	0.72	336.30	300.66	6.32	0.70	306.28	30.01	22.30
INTANGIBLE ASSETS:										
SOFTWARE	106.73	-	-	106.73	106.74	-	-	106.74		-
Total Intangible Assets- II	106.73	-	-	106.73	106.74	-	-	106.74		-
GRAND TOTAL (I+II)	429.69	14.06	0.72	443.03	407.40	6.32	0.70	413.02	30.01	22.30
PREVIOUS YEAR TOTAL	442.29	12.59	25.25	429.70	424.61	6.36	23.58	407.39	22.31	17.68



2.08 DEFERRED TAXES (NET) (*)

Particulars	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Deferred Tax Assets		
Fixed Assets : Impact of difference between tax depreciation and depreciation charged for financial reporting	10.32	11.36
Provision for Doubtful Receivables	1,532.41	2,520.90
Carry Forward Income tax loss for the FY 2021-22	3,276.61	2,165.56
Provision for Employee Benefits	11.92	12.74
Deferred Tax Liabilities	-	-
On account of Gratuity Contribution to LIC in respect of Direct Recruited Employees	-	-
Deferred Taxes (Net)	4,831.26	4,710.57

Deferred Tax for the year has been computed at the current tax rate applicable to the Company of 26%(Including cess but No surcharge as there is carry forward loss)

2.09 OTHER ASSETS

Particulars	NON- CURRENT		CURRENT	
	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Loan Against Property(LAP)	142.81	175.48	163.26	184.47
Security and other Deposits	27.90	24.26	-	-
TOTAL	170.70	199.74	163.26	184.47

2.10 TRADE RECEIVABLES

Particulars	NON- CURRENT		CURRENT	
	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Sundry Debtors (Unsecured)				
Debts Factored & Other Debts				
a) Outstanding for a period exceeding 6 months from the date they are due for payment				
Unsecured Considered Good	-	-	1,241.30	322.87
b)Restructured-Standard			916.22	-
c)Unsecured Considered Doubtful	-	-	9,509.54	19,754.16
d) Others (Unsecured & Considered Good)	-	-	59,773.00	39,229.46
TOTAL	-	-	71,440.06	59,306.49
Less: Due upon Collection of Factored Debts	-	-	9,106.65	13,081.65
FUNDS-IN-USE	-	-	62,333.41	46,224.84

The Prime Security for Debts Factored and outstanding are the Trade Invoices and hence treated as unsecured.

2.10 TRADE RECEIVABLES (Continued)

In terms of Factoring Regulation Act, 2011 and considering the Definition of "Factoring" provided thereunder, the debts factored / Other debts and the Funds-In-Use are classified as under:-

Particulars	Debts Factored & Other Debts	Percentage (%)	Funds-In-Use	Percentage (%)
Sale Bill Factoring	27,610.57	38.65	19,423.46	31.01
Trade Receivables discounting system	42,214.71	59.09	42,064.43	67.15
Purchase Bill Discounting	1,419.78	1.99	845.52	1.35
Invoice Discounting (Backed by LC)	195.00	0.27	0.01	0.00
Loan Against Property(LAP)	-	-	306.07	0.49
	71,440.06	100.00	62,639.48	100.00

Debt considered doubtful includes the amounts payable to the clients upon realization of the invoice. This amount has been deducted out of the Debts Factored as 'Due on Collection of Factored Debts'. Therefore, the net amount due from the Client is only the "Funds-in-use." Accordingly, the provision for Non-performing assets has been made only on funds-in-use in tune with the prudential norms of Reserve Bank of India. This treatment does not affect the computation of the Net Profit and Net Current Assets of the Company.



In terms of Accounting Policies No.1.7 based on RBI guidelines, the Debts Factored & Other Debts and Funds-in-use (FIU) of the Company have been classified as under:-

Particulars	(Amount ` Lakhs)		(Amount ` Lakhs)	
	As at 31st March 2022		As at 31st March 2021	
	Debts Factored & Other Debts	Funds-in-use	Debts Factored & Other Debts	Funds-in-use
Standard Asset	61,014.31	55,440.25	39,622.31	35,588.83
Restructured-Standard	916.22	916.22	-	-
Sub-standard Asset	150.29	123.19	623.00	552.87
Doubtful Asset	5,887.88	2,905.74	8,236.75	3,040.89
Loss Asset	3,471.36	3,254.08	10,824.43	7,402.22
TOTAL	71,440.06	62,639.48	59,306.49	46,584.81

Trade Receivables Ageing Schedule

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	
Undisputed Trade Receivables- Considered Good	-	61,014.31	-	-	-	61,014.31
Restructured-Standard	-	916.22	-	-	-	916.22
Undisputed trade Receivable - Considered Doubtful	-	9,509.54	-	-	-	9,509.54
DisputedTrade Receivables - Considered Good	-	-	-	-	-	0.00
DisputedTrade Receivables - Considered Doubtful	-	-	-	-	-	0.00

Movement of NPA's :-

Particulars	(` In Lakhs)	(` In Lakhs)
	31.03.2022	31.03.2021
Opening Balance	10,995.98	20,939.10
Add: Additions during the year	1,670.29	552.87
Total	12,666.27	21,491.97
Less:- (1) Realisation/ reduction during the year including OTS	463.85	2,130.33
(2) Recovered and Closed During the Year (without Book Liability write off)(SASHI+UNITED)	58.21	179.72
(3).Recovered and Closed During The Year (with Book Liability write off)	235.57	55.12
(4).Write off during the year (Prudential)	5,625.63	8,130.82
5. Adjustments	-	-
Closing Balance	6,283.01	10,995.98
Provision for NPA's	5,435.76	9,695.77
NET NPA	847.25	1,300.21

2.11 CASH AND BANK BALANCES

Particulars	Non-current		Current	
	As at 31st March 2022 ` Lakhs	As at 31st March 2021 ` Lakhs	As at 31st March 2022 ` Lakhs	As at 31st March 2021 ` Lakhs
Cash and Cash equivalents				
Balances with Banks				
- In Current Account	-	-	0.13	-
Cash on Hand	-	-	0.27	0.23
TOTAL	-	-	0.40	0.23



2.12 LOANS & ADVANCES

Particulars	Long Term		Short Term	
	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Advance Income tax		-	381.18	433.56
Unsecured and considered good:				
Gratuity Contribution - Advance			9.26	27.11
GST Input credit - Receivable from GSTN	-	-	29.21	-
Discount on Commercial Paper(CP)	-	-	148.85	-
Advances- Others	-	-	12.54	13.31
Pre Paid Expenses	-	-	5.24	6.22
TOTAL	-	-	586.28	480.20

The Security & Other Deposits and advances are subject to confirmation.

(*) Provision for taxation (current and deferred) has been made in the accounts on the basis of Company's own assessment as per the applicable statutory provisions. The advance income tax and TDS have been disclosed on net basis by adjusting the provision for tax, MAT credit Entitlement against it. The breakup is given below:

Particulars	Long Term	
	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Advance Tax including TDS	125.04	177.42
MAT Credit entitlement	278.00	278.00
Provision for Income Tax	(21.86)	(21.86)
TOTAL	381.18	449.12

Advance Tax includes an amount of Rs.84.98 Lakhs which is equivalent to 20% of the demand raised for AY 2017-18 vide their order u/s. 143(3) dated 31.12.2019

2.13 REVENUE FROM OPERATIONS

Particulars	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Discount charges	3,774.01	3,095.73
Factoring charges	195.42	167.45
Processing charges	129.43	197.82
Loan against Property (LAP) Income	37.84	33.51
Other Income (Resign. Chgs.) & Receipts from NPAs in Excess of book value	202.86	14.59
Total	4,339.56	3,509.10

(1.) As per RBI & FIMMDA guidelines, a uniform recognition of 365 days for a year is reckoned.

2.14 OTHER INCOME

Particulars	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Interest Income (on Trefund)	6.10	2.95
Other non-operating Income		
- Profit on sale of fixed assets	0.01	1.41
- Excess Provision no longer required written back (Tax charged)	5,625.63	8,130.82
- Miscellaneous Income	0.16	2.14
Total	5,631.90	8,137.32

2.15 EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Salary and other Allowances	471.24	420.59
Medical Benefits	2.63	3.53
Contribution to staff provident fund	32.78	31.30
Gratuity (Direct Recruits)	18.31	4.26
TOTAL	524.96	459.68

a. Employee Benefit Expenses includes Salary, Contribution to PF, Gratuity, Leave salary of employees/execution on deputation from Canara Bank which is calculated in accordance with the service rules of the Bank and has been reimbursed to the bank and charged to the accounts on the basis of the advice / Invoice received from the Bank. As regards to their entitlements / expenses reimbursements (as per the service rules in the Bank), it has been paid to them & charged to the P&L account of the Company. Canara Bank being the employer for the deputed staff, the Tax deducted at source has been considered and complied by them at the time of remitting their salaries directly to their bank accounts. The above procedure of reimbursement to the bank / accounting of the expenses has been followed consistently from the inception of the company. The Company has been remitting Provident Fund in respect of directly recruited Staff to the Regional Provident Fund Commissioner regularly.

b. The Company modified the terminal benefit provision to include the leave salary for the Directly Recruited Employees of the company (The leave salary was not a part of terminal benefits till 31.03.2020). The Company has taken an Actuarial Valuation of the Leave salary Liability from an Approved Actuarial valuer as at 31st March, 2022 and the provision has been made accordingly in the Books of accounts complying with the requirement of AS-15.



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2.16 OTHER EXPENSES

Particulars	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Payment to Auditors	3.80	3.50
Rent, Rates & Taxes	125.41	110.07
Printing and Stationery	6.74	7.28
Postage, Telephone, Telex & Fax	19.22	7.64
Travelling and Conveyance	22.74	18.62
Business Development Expenses	2.00	2.58
Advertisement and Publicity	1.34	0.70
Director's Sitting Fees	2.90	4.10
Repairs and Maintenance -- Vehicles	1.63	1.50
Repairs and Maintenance -- Others	11.24	10.15
Insurance	0.23	0.20
Electricity Charges	11.08	11.99
Legal & Professional Charges #	133.50	67.39
Membership Fees & Subscription to Periodicals	0.92	0.90
House keeping chgs & office maintainace	41.00	43.30
Miscellaneous Expenses	0.45	8.09
CSR	7.00	0.00
Provision for Standard Assets	(12.22)	130.63
Provision for Restructured Standard a/c	458.11	-
Provision for Doubtful Debts	1,601.19	620.24
Bad Debts Written Off	5,625.63	8,130.82
TOTAL	8,063.92	9,179.70



- (1) The Company is eligible to claim 50% of ITC in view of a specific provisions in GST laws.
 (2) This includes expenditure incurred for filing of Mortgage/ Recovery Suits in respect of NPA accounts in the ordinary course of business
 (3) Details of Bad Debts written off during the year

CLIENT NAME.	Branch.	Amount (Rs in Lakhs)
Sintex Industries Ltd (TReDS - RXIL)	TReDS	553.93
Priyanka Communication Ltd (TReDS - M1)	TReDS	323.70
RCI Industries and Technologies (TReDS - M1)	TReDS	397.32
RSR India Mercantiles Ltd	CHENNAI	36.43
Ramalinga Fabrics Pvt Ltd	COIMBATORE	285.98
Revathy Impex	COIMBATORE	54.83
Dee Ess Buhin Pvt Ltd	DELHI	207.37
IAP Company Pvt Ltd	DELHI	1306.27
Shree Vaishnav Ispat Pvt Ltd.	MUMBAI	223.33
Copper and Copper Alloy Ltd	MUMBAI	25.73
Western India Metal processor Ltd	MUMBAI	507.56
Varia Engineering Works PVT LTD	MUMBAI	373.45
Pasad Impex Pvt Ltd	MUMBAI	162.57
Shree Vaishnav Wire and rod Pvt Ltd	MUMBAI	842.87
Indian Poly Chemical Industries	INDORE	91.00
Gian Chand and Sons Pvt Ltd	LUDHINA	133.44
Saber paper Board PVT Ltd	LUDHINA	99.85
TOTAL		5625.63

* As per the office note dt 23.03.2022 the approval for Rs.5647.33 Lakhs has been taken, however final bad debts written off in the books of accounts is Rs.5625.63 Lakhs.

Break-up for Auditors' Remuneration :

Particulars	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Audit Fees	3.00	3.40
For Certification etc.	0.80	0.10
Out of Pocket Expenses	0.00	0.00
TOTAL	3.80	3.50

2.17 FINANCE COSTS

Particulars	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
On WCDL from Canara Bank	1,485.20	1,384.70
On Bank Borrowings	372.80	227.61
Discount on Commercial Paper(CP)	308.19	-
Bank Charges	36.62	24.15
TOTAL	2,202.81	1,636.46

2.18 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
1. Contingent Liabilities:		
a) Claims against Company not acknowledged as Debts :(*)	424.92	424.92
b) Guarantee issued in favour of Hon. High court of Karnataka(**)	405.00	405.00
c) Other Money for which company is contingently liable :	Nil	Nil
2. Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for:	Nil	Nil

(*) The Company has filed an Appeal before Commissioner of Appeals in respect of a demand raised (vide their order u/s. 143(3) dated 31.12.2019) by the Income tax department for the AY 2017-18. We have filed the appeal before CIT(A) in January 2020. We have paid 20% of the total demand of Rs. 424.9 lacs. Later the same file has been transferred to Faceless system. Immediately after the transfer, we have received email communication to submit those files again online which we have filed the same on July 2021. We are yet to receive the communication from the NFAC. We have also raised the grievance thru the portal, in spite of the same the case was not heard. As of now, Company also not received any communication from NFAC. The appeal is pending.

(**) As at 31.03.2016, we have debited other current liabilities to the extent of Rs.405 Lakhs and crediting trade receivables (NPA) to the extent of Rs 190 Lakhs and other income by Rs 215 Lakhs as per the advise of the C&AG vide their letter dated 29.03.2016 and shown the Bank Guarantee given to Hon. High court of Karnataka as a contingent liability. The said Guarantee is being renewed thereafter and valid till 20.01.2023 and the same is being renewed for further one year period. The appeal of Karnataka Bank in the Hon. High court is yet to come up on Board.

Registration of Charges : We have created a charge in favour of Canara Bank for the ODBD Limit Sanctioned of Rs.480 Crore (Charge ID:90195275). However there was one Erroneous/Mistake entry (Charge ID:90193801) for the last 25 years which was created on 29.03.1994 and was modified on 06.11.1995 instead of recording for satisfaction of charge for Rs.550 Lakhs in favour of Corporation Bank. As on date we don't have any liability and no account exist with Corporation Bank.



2.19 SEGMENT REPORTING

The company is carrying on the business of "Factoring" as a single product and hence there are no identifiable segments (The risk and rewards are uniform and equal in all geographical locations/ centres) within that to comply with the requirements of the Accounting Standards 17.

2.20 RELATED PARTY DISCLOSURES

Name of the related Party	% of Shareholding as at 31st March 2022	% of Shareholding as at 31st March 2021
a) Canara Bank	70.00	70.00
b) Small Industries Development Bank of India (SIDBI)	20.00	20.00
Union Bank of India (Erstwhile Andhra Bank) Co promoters	10.00	10.00
d) Canbank Computer Services Limited(CCSL)	0.58	0.20
e) Canbank Factors employees Gratuity Fund trust - Contribution from the Company	2.00	35.39
b) Key managerial personnel & Remuneration	Rs. in Lakhs	
	3/31/2022	3/31/2021
1 Dr.Rajib Kumar Sahoo Managing Director	26.27	26.83
2. Mr. S Balasubramanian Vice president (Finance) & Company Secretary and CFO	12.13	12.74

II) Transactions with related Parties:

a) Canara Bank-Type of Transaction	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Overdraft Facility limit Sanctioned against Book Debts (Short Term Borrowings)	48,000	36,000
Outstanding Bank liability	49,110	28,636
Interest and Bank charges Paid	2,203	1,636
Number of Employees deputed from Bank	4 Nos	4 Nos
Salary and other employee benefits reimbursed to parent Bank for deputed staff (Including Managing Director's Salary and related benefits of Rs. in 26.27 lakhs (PY: Rs. in 26.83 lakhs)	124.24	94.56
Rent paid (Canara Bank premises)	21.97	34.66

There are no transactions carried out with SIDBI and Union Bank formally known as Andhra Bank

b) Canbank Computer Service Limited

Type of Transaction	For the year ended 31st March 2022 Lakhs	For the year ended 31st March 2021 Lakhs
Charges for resource provided for E-Factoring software	-	-
R&T Charges - Maintenance of Folios in electronic mode	0.58	0.20

C.) Canbank Factors Employees Gratuity Fund Trust-Type of Transaction	For the year ended 31st March 2022 Lakhs	For the year ended 31st March 2021 Lakhs
Contribution from the Company	2.00	35.39



2.21 LEASES

Obligations on long term non-cancellable Operating Leases

The lease rentals charged during the period and the maximum obligations on long term non-cancellable operating leases payable as per the rentals stated in the respective agreements for office premises are as follows:

Particulars	For the year ended 31st March 2022 Lakhs	For the year ended 31st March 2021 Lakhs
Lease rentals recognized during the period	-	-

Lease Obligations Payable	For the year ended 31st March 2022 Lakhs	For the year ended 31st March 2021 Lakhs
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-

2.22 IMPAIRMENT OF ASSETS

During the year, the Company has adopted the useful life for various categories of the Fixed Assets as provided in Schedule-II of the Companies Act, 2013 and accordingly reviewed all the Assets. On review, the impairment, if any, had already been taken note of and adjusted as Depreciation and charged to P & L Account. In respect of other Assets, the WDV has been carried in such a way that 95% of the original cost of the Asset will be depreciated over the useful life of the Asset and the residual/ resale value in no case shall be more than 5% of the Original Cost. Therefore, there are no indications of potential impairment loss in respect of assets for recognition under this Standard.

2.23 ACTIVITY IN FOREIGN CURRENCY

Particulars	As at 31st March 2022 Lakhs	As at 31st March 2021 Lakhs
Earnings in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil

2.24 PROPOSED DIVIDEND

The Board of Directors has not proposed any dividend in view of losses.

2.25 Disclosure in respect of Gratuity Liability of Direct Recruited Employees

Reconciliation of net defined benefit liability/asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/asset and its components :

Particulars	31/03/2022	31/03/2021
Change in Present value of Defined Benefit Obligations		
Reconciliation of present value of defined benefit obligation		
Present Value of DBO at beginning of period*	133.88	121.36
Current Service cost	11.64	10.80
Interest cost	9.37	8.80
Benefits settled	(7.32)	(1.29)
Actuarial (gains)/ losses on the obligation	8.93	(5.80)
Present Value of DBO at the end of period	156.50	133.88



2.26 Disclosure In Respect of Compensated Leave Absences
Change in Present value of Defined Benefit Obligations

Particulars	31/03/2022	31/03/2021
Present Value of DBO at beginning of period	20.52	26.87
Current Service cost	3.72	3.75
Interest cost	1.46	1.83
Past Service Cost (Vested Benefits)	-	-
Past Service Cost (Non Vested Benefits)	-	-
Benefits paid by the company	3.20	(0.64)
Actuarial (gains)/ losses	(2.04)	7.31
Present Value of DBO at the end of period	26.87	39.12

Change in Fair Value of Plan Assets		
Particulars	31/03/2022	31/03/2021
Fair value of Plan assets at beginning of period	-	-
Expected return on plan assets	-	-
Actual Company contributions	(3.20)	0.64
Benefits paid by the company	3.20	(0.64)
Actuarial gain/(loss) on plan assets	-	-
Fair value of Plan assets at the end of period	-	-

Amounts to be recognized in the balance sheet		
Particulars	31/03/2022	31/03/2021
Present value of Defined Benefit Obligation	26.87	39.12
Fair value of plan assets	-	-
Funded status [Surplus/(Deficit)]	(26.87)	(39.12)
Unrecognised Past Service Costs	-	-
Net asset/(liability) recognised in balance sheet	(26.87)	(39.12)

Expense to be recognized in the Profit & Loss Statement		
Particulars	31/03/2022	31/03/2021
Current Service cost	3.72	3.75
Interest cost	1.46	1.83
Expected return on plan assets	-	-
Past Service Cost (Vested)	-	-
Past Service Cost (Non Vested)	-	-
Net Actuarial (Losses)/Gains	2.04	(7.31)
Total expense recognised in the Statement of Profit & Loss Statement	3.14	12.89

Movement in the liability recognized in the Balance Sheet		
Particulars	31/03/2022	31/03/2021
Net asset/(liability) recognised in balance sheet at beginning of period	(20.52)	(26.87)
Employer expense	3.14	12.89
Employer contributions paid	3.20	(0.64)
Net asset/(liability) recognised in balance sheet at end of the period	(26.87)	39.12



Reconciliation of present value of plan assets

Particulars	31/03/2022	31/03/2021
Fair value of Plan assets at beginning of period	160.99	118.71
Additions through business combination	-	-
Expected return on plan assets	11.63	954,149.70
Contributions	0.46	34.02
Remeasurement - Actuarial gain/(loss)	-	-
Return on plan assets recognised in other comprehensive income	-	-
Benefits paid from the fund	(7.32)	(1.29)
Fair value of Plan assets at the end of period	165.75	160.99
Net Defined benefit liability	322.25	294.87

Expense to be recognized in the Profit & Loss Statement

Particulars	31/03/2022	31/03/2021
Current Service cost	11.64	10.80
Interest cost	9.37	8.80
Expected return on plan assets	(11.63)	(9.54)
Net Actuarial (Losses)/Gains recognized in the period	8.93	(5.80)
Net Gratuity Cost	18.31	4.26

Defined benefit obligation - Actuarial Assumptions

Particulars	31/03/2022	31/03/2021
Discount rate	7.40%	7.25%
Expected Return on Assets	7.20%	7.00%
Salary Escalation	7.00%	7.00%
Withdrawal rate	1.00%	1.00%

Amounts to be recognized in the balance sheet

Particulars	31/03/2022	31/03/2021
Present value of Defined Benefit Obligation	156.50	133.88
Fair value of plan assets	165.75	160.99
Funded status [Surplus/(Deficit)]	9.26	27.11
Net asset/(liability) recognised in balance sheet	9.26	27.11

Note : An Independent Actuarial Valuation report from a qualified Actuary has been obtained as required under AS-15. As per summary results, the present value of defined benefit obligation is Rs. 145.35 Lakhs. However, the company had adopted a conservative approach and retained the defined obligation at Rs. 156.50 Lakhs as provided by LIC.



2.27 CORPORATE SOCIAL RESPONSIBILITY(CSR)

As per objectives/activities specified in Schedule VII of the Companies Act,2013 we have contributed an amount of Rs.7.00 Lakhs(2% of avg Profit of Previous Three years)

F.Y - 2021-22	
Particulars	Amount ` in Crores
PBT (FY 2018-19)	112
PBT (FY 2019-20)	559
PBT (FY 2020-21)	364
TOTAL	1035
Average	345
Min. Amount for CSR activities (2% of the average net profit during the three immediately preceding financial years on CSR activities)	6.9

2.28 ACCOUNTING RATIOS DISCLOSED as per MCA AMENDMENT IN SCHEDULE III NOTES TO ACCOUNTS.

RATIOS	FORMULA	2021-22	2020-2021
Current ratio	Current assets/ Current Liabilities	1.13	1.20
Debt - Equity ratio	Total Liabilities /Total Shareholders Equity	4.62	4.80
Debt Service Coverage Ratio	Net operating Income/ Debt Service Cost	-0.19	0.22
Return on Equity Ratio	Net Income/Shareholder's Equity	-0.10	0.03
Inventory Turnover Ratio	Not Applicable	NA	NA
Trade Receivable turnover Ratio	Credit Sales/Avg accounts receivable	NA	NA
Trade Payable Turnover Ratio	Credit Purchases/ Avg accounts Payable	NA	NA
Net Capital Turnover Ratio	Total sales/Shareholder's Equity	0.60	4.33
Net Profit Ratio	Net Profit/Total Income*100	-16.25	0.73
Return on Capital Employed	Earnings Before Interest & tax (EBIT)/ Capital Employed	-0.11	0.04
Return on Investment	Not Applicable	NA	NA

2.29 EARNINGS PER SHARE

Particulars	As at 31st March 2022 ` Lakhs	As at 31st March 2021 ` Lakhs
Profit/(loss) after tax as per statement of Profit & Loss	(705.85)	255.35
Amount used as numerator for calculation of Basic and Diluted EPS	(705.85)	255.35

	Nos. in Lakhs	Nos. in Lakhs
Weighted average number of equity shares used as denominator in calculating Basic and Diluted EPS	200.00	200.00

Nominal value of each Equity Share

` 10/-

` 10/-

Earnings per Equity Share (`)

-3.53

1.28

2.30 DISCLOSURES AS PER C&A G DIRECTION

We have been advised by CAG to disclose in the Annual report the following information

Particulars	Remarks
(i) Pending Printed " Audited Para's"	NIL
(ii) Pending RII Matters	NIL
(iii) Pending Vigilance Cases	As per below



Name of the Party	M/s Arvind Remedies Ltd	M/s Rajat Pharmachem Ltd	M/s IAP Company Pvt Ltd
Name of branch/office	Canbank Factors Ltd-Chennai Branch	Canbank Factors Ltd-Mumbai Branch	Canbank Factors Ltd-Delhi Branch
Amount involved (Rs. in lakhs)	761.44	722.47	1306.28
Fraud No	CBFL15030001	CBFL11040001	1
Date of first reporting	-	09.11.2011	22-01-2018
(a) Date of filing recovery suit with DRT/Court	-	23.02.2011	20-11-2017 (U/s 138 of NI Act)
b) Present position	No progress	The matter is listed for direction. The detailed report submitted to Vigilance Wing Cell, Canara Bank HO, Bangalore. Criminal Appeal filed in session court.. The matter was listed for hearing on 25.03.2022, The same. was adjourned to 20.04.2022 for orders.	The company is in IBC Process & stakeholders meetings are being held to sell the assets & liquidate the company and CBI enquiry is going on.

2.31 PRESENTATION OF AMOUNTS IN THE FINANCIAL STATEMENTS AND REGROUPING OF FIGURES

The financial Statements are presented in ` lakhs. Previous year's figures have been regrouped and recast wherever appropriate and necessary.

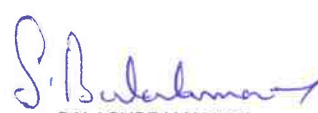
For and on behalf of the Board of Directors
Canbank Factors Limited


A MANIMEKHALAI
Chairperson
DIN-08411575


GOVIND SOLANKI
SENIOR EXECUTIVE VICE PRESIDENT

Bangalore
Date:20.04.2022

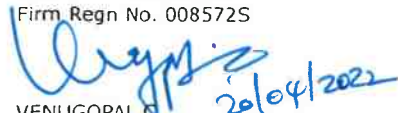

DR RAJIB KUMAR SAHOO
Managing Director
DIN-09033877


S BALASUBRAMANIAN
VICE PRESIDENT (FINANCE)
& COMPANY SECRETARY

S ANANTHAN
Director
DIN-02123959

BASANT SETH
Director
DIN-02 798529

As per our attached report of even date
FOR R V K S AND ASSOCIATES
Chartered Accountants
Firm Regn No. 008572S


VENUGOPAL
Partner
M. No. 226247
UDIN:



# Other loans include:		
Secured Loan from bank		29109.77
STDBI line of credit		0.00
Exempted deposits		0.00
Foreign currency line of credit(domestic)		0.00
Foreign currency line of credit(exports)		0.00
Short term unsecured loan/NCD's		0.00

Break up of (1) (f) above (outstanding public deposits inclusive)	Amount outstanding	Amount overdue
(a) In the form of Unsecured debentures	NIL	NIL
(b) In the form of partly secured debentures i.e debentures where the	NIL	NIL
(c) Other public deposits	0.00	NIL

*Please see note 1 below

ASSETS SIDE:		
Break up of Loans and Advances including bills receivables (ot		Amount outstanding
(a) Secured (Loan Against Property(LAP))		306.07
(b) Unsecured (Bills factored : Funds in Use)		62333.41
Total		62639.48
Break up of Leased Assets and stock on hire and hypothecatio		Amount outstanding
(i) Lease assets including lease rentals under sundry debtors:		
(a) financial lease		NIL
(b) Operating lease		NIL
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire		NIL
(b) Repossessed Assets		NIL
(iii) Hypothecation loans counting towards EL/HP activities		NIL
(a) Loans where assets have been repossessed		NIL
(b) Loans other than (a) above		NIL
Break up of Investments:		Amount outstanding
Current Investments :		
1. Quoted:		
(i) Shares: (a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others (Specify)		NIL
2. Unquoted		
(i) Shares: (a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others (Specify)		NIL
Long term Investments:		
1. Quoted:		
(i) Shares: (a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others (Specify)		NIL
2. Unquoted:		
(i) Shares: (a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others (Specify) (Indira Vikas Patra)		NIL



6) Borrower group wise classification of all leased assets, stock on hire and loans and advances (Please see note 2 below)			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other unrelated parties #	0	57203.71	57203.71
TOTAL		57203.71	57203.71
# Prepayments made on bills factored (FIU) less provision for doubtful debts and LAP			

7) Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see		
Category	Market value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties* *		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other unrelated Parties (YTM)	0.00	0.00
TOTAL	0.00	0.00
**As per Accounting Standard of ICAI (Note 3)		

8) Other information	
Particulars	Amount
(i) Gross Non Performing Assets	
(a) Related Parties	NIL
(b) Other than related Parties	6283.01
(ii) Net non performing Assets	
(a) Related Parties	NIL
(b) Other than related Parties#	847.25
(iii) Assets acquired in satisfaction of debt	NIL

9) Disclosure in accordance with RBI circular No. DNBR (PD) CC NO.002/03.10.001/2014-15 dated 10th November 2014 and Notification issued by RBI on 27th March, 2015 and 10th April 2015 relating to Non Banking Financial Companies - Corporate Governance Direction 2015		
1. Capital to Risk Asset Ratio (CRAR):		
Items	Current Year (31/03/2022)	Previous Year (31/03/2021)
(i). CRAR (%)	12.97	22.24
(ii). CRAR - Tier I Capital (%)	12.59	21.62
(iii). CRAR - Tier II Capital (%)	0.38	0.62
2. Exposure to Real Estate Sector and Capital Markets	NIL	NIL
3. Derivatives - Forward Contract	NIL	NIL
4. Disclosure on risk exposure in derivatives and relating to securitisation	NIL	NIL
5. Details of financing of parent Company products	Not Applicable	
6. Details of Single Borrower Limit(SBL)/ Group Borrower Limit(GBL) exceed by the NBFC	Current Year (31/03/22) RS in Lakhs	
a. Single Borrower Limit(SBL) (excluding NPA)	NIL	
b. Group Borrower Limit(GBL)	NIL	
7. Disclosure of penalties imposed by RBI and other regulators	NIL	
8. Rating Assigned by credit rating Agencies	Current Year (31/03/22)	
a. Short term debt programme - CRISIL Ratings	AA+	
b. Long term Bank Loan rating - CRISIL Ratings	AA-	
9. Concentration of Exposures		
a. Total Exposure to twenty largest borrowers	17891.11	
b. Percentage of exposures to twenty largest borrowers	28.56	
10. Concentration of Non performing Assets (NPAs)		
Total Exposure to top four NPA accounts	2251.70	
Movement of NPAs		
	(Rs In Lakhs)	(Rs In Lakhs)
	31/03/2022	31/03/2021
Opening Balance	10995.98	20939.10
Add: Additions during the year	1670.29	552.87
Total	12666.27	21491.97
Less:- (1) Realization/Reduction during the year	757.63	2365.17
(2) Closed During the Year	0.00	0.00
(3) OTS During the year (in progress)	0.00	0.00
(4) Write off During the year	5625.63	8130.82
(5) Adjustment During the year	0.00	0.00
Closing Balance	6283.01	10995.98
Provision for NPA's	5435.76	9695.77
NET NPA	847.25	1300.21
11. Overseas Assets (for those with joint ventures and subsidiaries abroad) -	Not Applicable	
12. Off Balance sheet SPVs sponsored -	Not Applicable	
13. Disclosure on client / customer Complaints		
No of Complaints pending at the beginning of the year		0
No of Complaints received during the year		0
No of complaints redressed during the year		0
No of complaints pending at the end of the year		0
14. In terms of RBI Circular no. DNBS.PD.CC.NO.256/03.10.042/2011-12 dated March 02, 2012 the company has to report Nos and amount of Fraud identified during the year		NIL
There was a complaint received regarding irregularity in accounts of the company, staff and another complaint from PMO PG portal regarding few NPA accounts. Once the irregularity was brought to the notice, timely action was taken by the company and the entire outstanding was recovered. There was no financial loss incurred by the company and based on the investigation report & explanation received from the staff/concerned employee the complaint was closed from staff angle. We have also issued caution letters to the concerned staff to be vigilant.		
15. Relief provided vide RBI COVID-19 - Regulatory Package in terms of DOR.No.BP.BC.47/21.04.048/2019-20 March 27,2020 (Extension of credit period and deferment of discount charges)- For Previous Year- 27 accounts of 80.36 lakhs		For F.Y 2021-22 NIL



10 Asset Liability Management as at 31st March, 2022
Maturity pattern of certain items of Assets and Liabilities

(Rs. In Lakhs)									
Particulars	1 day to 30/31 day (1 month)	Over 1 month to 2 month	Over 2 month to 3 month	Over 3 month to 6 month	Over 6 month to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities:									
Borrowings from Banks	0.00	0.00	0.00	20000.00	29109.77	0.00	0.00	0.00	49109.77
Market Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets:									
Advances (Debts O/s - Standard Asset)	15440.00	17490.00	21615.00	4927.00	0.00	0.00	0.00	0.00	59472.00
Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

A MANIMEKHALAI
Chairperson
DIN-08411575

GOVIND SOLANKI
SENIOR EXECUTIVE VICE PRESIDENT

DR RAJIB KUMAR SAHOO
Managing Director
DIN-09033877

S BALASUBRAMANIAN
VICE PRESIDENT (FINANCE)
& COMPANY SECRETARY

S ANANTHAN
Director
DIN-02123959

BASANT SETH
Director
DIN-02798529

As per our attached report of even date
FOR R V K S AND ASSOCIATES
Chartered Accountants
Firm Regn No. 008572S

VENUGOPAL C
Partner
M. No. 226247
UDIN:

Bangalore
Date: 20.04.2022

