

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Canbank Factors Limited.**  
Report on the Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Canbank Factors Limited** ("the company"), which comprise the Balance Sheet as of **March 31, 2026**, the Statement of Profit and Loss and the Statement of Cash Flows for the year 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 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its Profit 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.



## **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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 for the Audit of the Financial Statements**

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 scepticism throughout the audit. We 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 an 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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, and its profit/loss and its cash flows for the year ended on that date.

### Emphasis of Matter

- a) We bring attention to the disclosure made in Note No.2.01 on the proposal of the disinvestment of shareholding of 70% in Canbank Factors Ltd. by Canara Bank.
- b) We bring attention to Note 2.09 in the financial statements, which indicates that *the company is in the process of disinvestment. In the event of successful disinvestment, the company has plans to pass on the DTA and MAT Credit to the prospective buyer. Since the company sees marketable value in the DTA and MAT Credit in the process of disinvestment, it is felt prudent to retain the same in the books.*  
We bring attention to the fact that, where the disinvestment fails, the DTA of Rs. 4,417.99 Lakhs and MAT Credit of Rs. 291.12 Lakhs should be written off to Profit and Loss Account. Accordingly, the profit and the shareholders' funds would be reduced to the tune of Rs. 4,709.11 Lakhs.
- c) We bring attention to Note 2.14 in the financial statements which indicates that *there is a stoppage of factoring business by the company as on the date of the balance sheet. The company has invested all amounts realized from the earlier factoring businesses in fixed deposits. The total amount of Cash and Bank Balance, including the Fixed Deposits as on 31st March, 2026 is Rs. 8,655.21 Lakhs. The company has a positive Reserves and Surplus of Rs. 11,407.21 Lakhs as on 31st March, 2026. The capital position of the company is adequate to meet its liabilities with no debts / borrowed funds. Due to Cash and Bank Balance and Net Worth being positive and sufficient to meet the past and future liabilities, the company is financially sound and does not pose a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.*

These conditions and disclosures made in Notes 2.09 and 2.14 reveal that the company is financially sound and hence does not pose any material uncertainty on the going concern assumption made in the financial statements.



- d) We bring attention to Note No. 2.11 in the financial statements wherein the company has disclosed that the Debts factored and other debts and Funds-In-Use as disclosed in the above-mentioned note are subject to confirmation.
- e) We further bring attention to Note No. 2.13 in the financial statements wherein the company has disclosed that the Security and other deposits and advances are subject to confirmation.

Our opinion is not modified in respect of matters mentioned above

### **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:**

#### **1.) 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 auto-classification of advances as NPA in accordance with the RBI Guidelines. However, the identification of NPA and the creation of provisions on such advances also involves key judgements relating to the 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 the 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 non-performing 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 concerning income recognition, asset classification and provisioning about 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.
- Ensured exceptions noticed during our audit procedures were 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.

#### **Report on Other Legal and Regulatory Requirements**

1. 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 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, 2026, taken on record by the Board of Directors, none of the Board of Directors is disqualified as on 31st March 2026, 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 2026, has been paid or provided by the Company to its directors 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, 2026 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, 2026 for which there were any material foreseeable losses; and
- c) There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended 31st March, 2026.
- 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 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;
  - 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 come 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.



- g) Based on our examination which included test checks, the Company has used eFactoring (Oracle Based) Accounting Software for maintaining its books of account for the year ended 31st March, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

In continuation of the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 being applicable from 1st April, 2023, we report under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 that the data and information on audit trail relating to period commencing from 1<sup>st</sup> April, 2023 have been preserved and record is retained by the company.

- h) 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 **Mallya & Mallya**

Chartered Accountants

FRN 001955S



CA Prashanth

Partner

M No., 218355

UDIN: 26218355ZDXUNM8056

Place: Bangalore

Date: 30-04-2026

## “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, 2026:

- i.
    - A. The Company has maintained proper records showing full particulars, including quantitative details and the situation of Property, plant and equipment
    - B. The Company has maintained proper records showing full particulars of intangible assets.
  - a. 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.
  - b. 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, 2026.
- ii. a. 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.  
  
b. As per the information and explanation given to us, the company has been granted working capital limits in excess of five crores from the parent group company on the basis of security against book debts.
  - 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 Sections 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.





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 a 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

xx.

a. During the period of the audit there is no unspent amount that needs to be transferred to the fund specified in Schedule VII of the Companies Act hence comment on this clause is not applicable.

b. During the year no such amount remained unspent under sub-section (5) of section 135 of the Companies Act, 2013. Hence comment on this clause is not applicable.

xxi. As the report pertains to the Standalone financial statement of the company, accordingly provision of clause 3(xxi) of the order is not applicable.

For **Mallya & Mallya**

Chartered Accountants

FRN 001955S



Partner

M No., 218355

UDIN: 26218355ZDXUNM8056

Place: Bangalore

Date: 30-04-2026

## **“Annexure - B” to the Independent Auditor’s Report**

(Referred to in paragraph 2(f) under the 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Canbank Factors Limited for the year ended 31st March, 2026.)

### **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 31st March, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended 31st March, 2026.

#### **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 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 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 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 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2026, 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.

Further we opinion that, based on our examination which included test checks, the Company has used eFactoring (Oracle Based) Accounting Software for maintaining its books of account for the year ended 31st March, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

For **Mallya & Mallya**

Chartered Accountants

FRN 001955S



CA Prashant C

Partner

M No., 218355

UDIN: 26218355ZDXUNM8056

Place: Bangalore

Date: 30-04-2026

## “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. Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	<p>The Company has invested in LIC Pension and Group Schemes Department towards Employees Gratuity Fund. The report from LIC is not certification under AS-15, however it is a report generated to help the company for proper accounting of employees’ liabilities.</p> <p>The Company has adopted Projected Unit Credit Method for valuation of Compensated Absence. This valuation approach is reasonable and in compliance with applicable regulations.</p>
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 the Company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has adequate systems in place to process all the accounting transactions through its IT system. There are no financial implications on the process of accounting transactions outside the IT system.
iv. Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	No grants / subsidy were received from the central government during the year of the audit.



<p>v. Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?</p>	<p>The Company has Risk Management Committee under the Board of Directors to manage integrated risks of the company. The company has Risk Management Policy comparable to global best practices. The company has identified data assets and has been valued appropriately.</p> <p>There is also an oversight vigilance by Group Chief Compliance Officer, Group Chief Risk Officer, Group CFO and also Head of Internal Audit by Parent Bank.</p>
<p>vi. Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.</p>	<p>Yes, the company is in due compliance with the regulations of the RBI and MCA.</p>

For **Mallya & Mallya**

Chartered Accountants

FRN 001955S



CA Prashanth

Partner

M No., 218355

UDIN: 26218355ZDXUNM8056

Place: Bangalore

Date: 30-04-2026

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31<sup>st</sup> March, 2026

TO  
THE MEMBERS,  
CANBANK FACTORS LTD.  
BANGALORE.

1. The Board of Directors have pleasure in presenting the 35<sup>th</sup> Annual Report of your Company along with the Audited Statement of Accounts for the year ended 31.03.2026.

The Annual Accounts of your Company have been drawn in accordance with the provisions of Companies Act, 2013 and the guidelines of the Reserve Bank of India (RBI) relating to Non-Banking Financial Companies (NBFC) with reference to Prudential Norms, Accounting Standards, Income Recognition, Provisioning, etc. The changes introduced by the Ministry of Corporate Affairs in the Schedule III – Notes wherever applicable to Balance Sheet/Accounts have been duly incorporated by us.

### 2. FINANCIAL RESULTS

The highlights of the year's working are as under: -

(₹ in Crore)

	2025-26	2024-25
Profit / (Loss) before Depreciation	2.95	3.03
<b>Less:</b> Depreciation	0.02	0.05
Profit / (Loss) before Tax and Extraordinary Income	<b>2.93</b>	<b>2.98</b>
<b>Less:</b> Provision for Taxation		
Current Tax (Net of MAT Credit)		
Prior period Tax	0.59	0.26
Deferred Tax		
Profit / (Loss) After Tax and Before Extraordinary Income	<b>2.34</b>	<b>2.72</b>
Extraordinary Income	NIL	NIL
Net Profit/ ( Loss) after Extraordinary Income	2.34	2.72
<b>APPROPRIATION: -</b>		
Transfer to Statutory Reserve Funds	0.47	0.54
Proposed Final Dividend	-	-
<u>Dividend Tax, Surcharge &amp; Cess</u>	-	-
Reserve for Contingencies	-	-
Transfer to General Reserve	1.87	2.18
Balance available after appropriation	-	-
Carry forward loss from previous year	(96.87)	(96.87)
Balance carried to P & L a/c in the Balance Sheet	(96.87)	(96.87)



### **3. REVIEW OF PERFORMANCE:**

#### **A) FACTORING VOLUME & FUNDS-IN-USE:**

During the year under review, the Factoring Volume and the Funds-in-Use (FIU) stood at ₹ 82.44 Crore and ₹ 9.69 Crore respectively. The Average deployment of funds (i.e., Average Funds-in-use) stood at ₹ 44.41 Crore.

#### **PROFITABILITY:**

During the year under review, the company posted a Profit before tax of ₹ 2.93 Crore and the Profit after tax (PAT) of the company stood at ₹ 2.34 crore.

#### **B) REGISTRATION AS "NBFC FACTOR" WITH RBI, CREDIT RATING AND CAR:**

Your Company got the registration from Reserve Bank of India (RBI) as NBFC-Factor with effect from 8<sup>th</sup> August, 2014 with the registration No.B-02.00004 being continued. The Company is non-public deposit taking company. Therefore, the provisions of Chapter V of Companies Act, 2013 are not applicable

The Tier- I Capital Adequacy Ratio of the company stood at 1492.41 % as against 10% minimum stipulated by RBI and the total CRAR is 1492.41% (including Tier - II capital of 0.00%) as against 15% minimum stipulated by RBI.

The **Rating** of your company for Short Term Debt Programme of ₹500 crore continues at "**A1+**" by CRISIL and "**AA/Negative**" for Long Term Bank loan rating.

#### **D) RISK MANAGEMENT AND INTERNAL CONTROL:**

Your Company has an adequate MIS system, which gives wider coverage to detailed analysis of the Client's operations and incipient sickness. This would enable the management to take corrective action immediately. Your Company has also having Industry-wise exposure ceiling and overall exposure cap for various products and business. The Company also has in house developed integrated risk evaluation system for Client pricing. Your company has a Risk Management Policy and periodical Risk Management Committee meetings are conducted as per schedules to analyze the risk perception and suggest measures for mitigation of the same.

Your Company has sound Internal Control procedures and practices. All the Branches and the Registered Office are covered by a monthly Concurrent Audit System carried out by outside Chartered Accountants/Internal audit staff who go through the transactions every month and provide the management a detailed / exhaustive report. Besides, Inspection of the Branches is being undertaken once in a period of 12 to 18 months by the Internal Audit Department staff at Registered Office to cover the areas which are not handled by the Concurrent Auditors and also to oversee the areas of work done by Concurrent Auditors. The Audit Committee is fully apprised of the above Inspection / Audit periodically. The Company also covered under RBI and C&AG Audit at periodical intervals and management and IS audit by Canara Bank.

In terms of Sec. 134 (5) of the Companies Act, 2013 & Rule 8 (5) (VIII) of the Companies (Accounts) Rules, 2014, your company has a detailed "Manual of Instructions" covering all the functional areas of factoring from the concepts of Factoring, sanctions, post-sanction, Documentation, accounting systems, monitoring, follow up, MIS Reports, Mid-Term Review, Concurrent Audit, Inspection & prudential norms and guidelines of RBI. In the light of the above, your company has adequate financial controls with reference to the financial statements.



Further, our Concurrent Auditors are also advised to meticulously check and provide a report on the correctness and identification of material weakness if any in all important functional areas. However, we have not received any adverse opinion from the concurrent auditors.

#### **4. NPA MANAGEMENT:**

The Gross NPA of the Company stood at ₹9.43 Crore (7 accounts) as against the previous year figure of ₹18.29 Crore (10 accounts). The net NPA stood at ₹0.00 Crore as against previous year of ₹3.64 Crore.

Due to time-consuming legal actions i.e. getting the decree/judgments/orders from Judiciary, the targeted recoveries have been delayed and more time has to be given for recovery of dues. During the year, the company has prudentially written off 2 accounts amounting to ₹4.08 Crore. Despite this, during the year under review, the company has recovered an amount of ₹ 5.37 Crore from regular NPA accounts and ₹1.53 Crore in Written off Accounts, taking the total recovery during the year under review to ₹ 6.90 Crore.

The Company has made a provision of ₹ 2.65 Crore out of profits towards Non-Performing Assets scrupulously following the prudential norm guidelines of Reserve Bank of India. The total provision available in the books is ₹ 9.43 Crore. Standard Assets provision cumulatively stood at ₹ 0.00 Crore and the same has been shown under long term "provisions", eligible to be treated as "Tier 2" capital as per RBI guidelines.

The Company is following up all the NPA accounts individually for recovery through various legal processes.

#### **5. DIVIDEND:-**

The Company does not propose any dividend to the equity shareholders of the company for the FY ended 31.03.2026.

#### **6. DIRECTOR'S & KEY MANAGERIAL PERSONNEL (KMP):**

There were no changes in the Directors and Key Managerial Personnel during the period.

#### **7. CORPORATE GOVERNANCE:**

The Company has been following the principles of good corporate governance practices. The Company has been conducting periodical meetings of the Board of Directors, Committee of Directors, Audit committee, Risk Management Committee, Nomination & remuneration Committee, Corporate social responsibility Committee, IT Strategy Committee and Asset Liability Management Committee as per the requirement of the Internal Policy guidelines. The Quorum and other Governance requirements for conducting such meetings are scrupulously adhered to. The Company has 2 Independent Directors on the Board out of 7 Directors and the Chairman of the Board is a Non-Executive Director. There were 04 Audit Committee meetings, 03 Committee of Directors meetings, 01 Risk Management Committee meetings, 04 IT Strategy Committee meeting, 02 Nomination and remuneration Committee meeting, 1 corporate social responsibility Committee and 05 Board meetings conducted during the financial year. The Company is regular in conducting the Annual General Meeting of the Shareholders as per the stipulation of Companies Act.



The Annual Return pursuant to Sec 92(3) of the Companies Act, 2013, is uploaded on the company's website at [www.canbankfactors.com](http://www.canbankfactors.com). Link: <https://canbankfactors.com/financial-results/>

Further, the Form of Declaration of Independence from the Independent Directors under Sec 149(7) of the Companies Act, 2013 is attached as Annexure-II.

The Compliance Management of your Company is good and at every meeting of the Board, a Due Compliance report is being submitted. At Quarterly intervals, the said Compliance Management Report is supported by a Certificate from a practicing Company Secretary / Chartered Accountant and this is placed to Risk Management Committee of the company where the Compliance function is a part of it. In general, the Compliance standards / Management are satisfactory.

The Company has well laid out Grievance Redressal & Whistle blower Policy and periodical reports of any grievances / complaints placed to the Committee of directors on quarterly basis and to the Board half yearly. There is no Complaint pending to be resolved as on 31.03.2026.

The Company has a policy on Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal Act 2013) under HR Policy. There are no cases filed in the financial year 2025-26.

The Company has been filing with RBI the fraud monitoring reports regularly in FMR-1, 3 & 4. The details are provided in Notes to Accounts.

The Company did not receive any orders passed by the Regulators or Court or Tribunals impacting the going concern status and Company's operations in future.

#### **A) AUDIT COMMITTEE:**

The Audit Committee of the Board has been constituted with 2 Independent Directors, a Director from Canara Bank and a Director from Union Bank of India. The Chief General Manager/GM & Group GCFO, Financial Management Wing in Parent Bank is an invitee to the committee. The meetings are chaired by an Independent Director. The Audit Committee of the Board has been meeting at regular intervals monitoring the operations of the internal audit systems, reviewing the quarterly performance reports, the internal inspection and RBI inspection report and the general systems and procedures followed by the Company.

#### **B) NOMINATION AND REMUNERATION COMMITTEE(NRC):**

The Company has constituted a Nomination and Remuneration Committee in terms of Sec 178 of Companies Act, 2013 and also the Establishment of Vigil Mechanism as per the rules framed there-under. The Committee has been formed with 3 Non-Executive Directors as members of which 2 are Independent Directors. The quorum for the meeting shall be 3 members. The Companies, which are required to constitute an audit committee (and such existing Audit Committee), shall oversee the vigil mechanism through that Committee. The vigil mechanism shall provide for adequate safeguards against victimization of employees and directors and also provide for direct access to the Chairperson of the Audit Committee.



### **Roles & Responsibilities of the NRC:**

The Nomination and Remuneration Committee shall identify persons, who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

### **C) Corporate Social Responsibility(CSR) Committee:**

The Company has constituted a CSR Committee in terms of Sec135 of Companies Act, 2013 and the rules framed there under. The Committee has been formed with three Directors as members and of which one is an Independent Director.

Corporate Social Responsibility (CSR) is the continuing commitment by business to achieve commercial success in ways that honor ethical values, address legal issues and contribute to economic development while improving the quality of the workforce and their families as well as the local community and society-at-large. The idea of Corporate Social Responsibility is not new to the business world. CSR is clearly on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions and upliftment of the marginalized and under-privileged section of the society. The emerging concept of CSR goes beyond charity and requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into the company's business process.

As per the Section 135 of the Act, a Company becomes eligible to pay CSR expenses which either has a net worth of Rs. 500 crore or more; or a turnover of Rs. 1,000 crore or more; or net profit of Rs. 5 crore or more in any financial year should spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities .i.e. only if it fulfills one of the conditions, out of the three mentioned above. But, for the financial year 2025-26, our Company had a net worth of Rs. 134.07 Crore, Turnover of Rs. 22.39 Crore and Profit before tax of Rs. 2.93 Crore only. As it does not fulfill all three conditions, CSR is not applicable for our Company in the Current Financial year.

### **8. AUDITORS:**

M/s Mallya & Mallya, Chartered Accountants, Bengaluru were appointed as Statutory Auditors of the Company by the Comptroller and Auditor General of India, New Delhi for the financial year 2025-26.

The Board of Directors at their 176<sup>th</sup> meeting held on 23.10.2025 have approved the Statutory Audit fees payable to auditors for the financial year 2025-26 at ₹3,20,000/- excluding out of pocket expenses & applicable taxes.

### **9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

The rules referring to Conservation of Energy, Technology Absorption and Foreign Exchange are not applicable to the Company.



## **10. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

**A. INDUSTRY STRUCTURE AND DEVELOPMENT:** M/s. Canbank Factors Ltd is one of the pioneers to commission factoring business way back in 1991, with a primary focus on helping MSMEs to overcome cash crunch. The major business activities of the Company are Domestic Factoring, Sales Bill Discounting, Purchase Bill discounting, Invoice discounting backed by LCs – Sales Bills / Purchase Bills and Vendor financing. The Company is also registered as Non Deposit Accepting Company with effect from 19.12.2005 and is not accepting public deposits.

### **B. OPPORTUNITIES/SEGMENT WISE OR PRODUCT WISE PERFORMANCE OUTLOOK:**

(Rs in crores)

PARAMETERS	TReDS	Non- TReDS Business	Total
Factoring volume (FV)	82.44	-	82.44
Funds in use (FIU)	2.95	6.74	9.69
Average Funds In Use (AFIU)	37.65	6.76	44.41
Discount Charges	2.70	0.09	2.79

#### **OPPORTUNITIES:**

Micro, Small and Medium Enterprises (MSMEs) play a major role in the Indian economy. MSMEs contribute significantly to the Indian economy in terms of Gross Domestic Product (GDP), exports, and employment generation.

With the establishment of TReDS Platforms (M1, RXIL, ATReDS), lakhs of MSME sellers are discounting invoices raised against corporate buyers, that are helping them manage their working capital demands. The TReDS platforms are bringing together the MSMEs, Corporate Buyers and the Financiers in a common digitized online platform, regulated by RBI. Factoring provides cash flow to the MSMEs. There is many opportunities for Factoring companies.

#### **THREATS:**

Factoring being unsecured finance/advances, in the event of default, though legal course available, it is more strenuous and time consuming and lengthy process for recovery.

### **C. RISK AND CONCERNS:**

The company has classified risks in the following two categories:

**Measurable risks:** In case of measurable risks, the company shall estimate, with the aid of historical data, wherever available, the range and distribution of possible losses which may arise from each of those identified risks and consider using stress tests to provide risk estimates. The risk estimates may then be used for determining capital requirement.

**Non-Measurable risks:** For some types of risks which are not measurable, the estimation shall be on qualitative basis. Indicators and proxy measures may be used for the qualitative assessment. In case of non-measurable risks, company shall have appropriate mitigation measures to keep the level of risk as low.

The detailed risk analysis and identification is given under ICAAP policy of the company.



**D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has sound Internal Control procedures and practices. All the Branches and the Registered Office are covered by a monthly Concurrent Audit System carried out by outside Chartered Accountants who go through the transactions every month and provide the management a detailed / exhaustive report. Besides, Inspection of the Branches is being undertaken once in a period of 9 to 18 months by the internal Audit Department staff at Registered Office to cover the areas which are not handled by the Concurrent Auditors and also to oversee the areas of work done by Concurrent Auditors.

**E. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

- Total income of the Company stood at ₹ 22.39 Crore as against ₹ 70.09 Crore of the previous year.
- Total expenses of the Company stood at ₹ 19.46 as against ₹ 67.11 Crore of the previous year.
- Profit after Tax of the Company stood at ₹ 2.34 crore during the period.
- Provision Coverage Ratio stood at 100%.
- CRAR of the company stood at 1492.41%.

**F. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT/INCLUDING NUMBER OF PEOPLE EMPLOYED**

- During the year under review, 3 resignations happened.
- As on 31.03.2026 the staff strength of the company was 28 (including 2 deputed staff and 1 contract employee). Out of the above, women staff comprised of 11 employees in various cadres.

**G. COMPLAINE OF SECRETARIAL STANDARDS**

The Board confirms that it has complied with the Secretarial Standards issued by Institute of Company Secretaries of India to the extent applicable to the Company.

**H. OTHER DETAILS**

There has been no change in the business of the Company and accounting policies. The financial summary of the performance is given under Financial Results of the Company. The Company has adequate internal financial controls in safeguarding and ensuring proper preparation and presentation of the Annual statements. There were no other major events during the year under review.

**11. DIRECTORS' RESPONSIBILITY STATEMENT:**

The Board of Directors is happy to inform the members that:-

- i. Your Company has followed all applicable and relevant "Accounting Standards" as prescribed and the accounts are prepared accordingly. Further as per RBI circular NoDBR.BP.BC.No.29/21.07.001/2018-19 the IND AS standards are not applicable to Canara Bank, our parent bank, and hence the same is not applicable to your Company.

- ii. The Accounting Policies were selected and applied consistently. The Judgments and estimates, that were made, were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year ended 31<sup>st</sup> March 2026 and the Profit and Loss Account of the Company for that period.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts have been prepared on a "Going concern basis."
- v. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **11. ACKNOWLEDGEMENT:**

The Board of Directors acknowledge with thanks the valuable guidance and support given from time to time by Canara Bank, Reserve Bank of India, Small Industries Development Bank of India and Union Bank of India, their top Executives and Officers, and above all, the valued clients and their customers for their continued patronage and co-operation.

Your Directors also wish to acknowledge the whole-hearted support and co-operation extended by the staff members of the Company and appreciates with a sense of pride their contribution towards the growth of the Company.

**PLACE: BANGALORE**  
**DATE:**

**ON BEHALF OF THE BOARD OF DIRECTORS**



**CHAIRMAN**





**M/S CANBANK FACTORS LIMITED**  
# 67/1, KANAKAPURA MAIN ROAD BASAVANAGUDI, BANGALORE, KARNATAKA - 560004  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2026**

Amount in Lakhs.

Particulars	Notes	For the Period Ended 31st March 2026	For the Period Ended 31st March 2025
I. Revenue from Operations	2.14	278.83	3,858.97
II. Other Income	2.15	1,960.45	3,153.10
<b>III. Total Revenue (I + II)</b>		<b>2,239.28</b>	<b>7,099.07</b>
<b>IV. Expenses:</b>			
Employee Benefit Expenses	2.16	345.80	484.15
Other Expenses	2.17	1,583.05	3,596.79
Finance costs	2.18	15.33	2,625.52
Depreciation and Amortization expenses	2.07	2.08	4.90
<b>IV. Total Expenses</b>		<b>1,946.26</b>	<b>6,711.36</b>
<b>V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)</b>		<b>293.02</b>	<b>297.71</b>
<b>VI. Exceptional Items and Extraordinary Items</b>		-	-
<b>VII. Profit/(Loss) Before Tax (V - VI)</b>		<b>293.02</b>	<b>297.71</b>
<b>VIII. Tax Expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		58.59	25.24
(3) Prior Period Tax		-	-
<b>Total Tax Expense</b>		<b>58.59</b>	<b>25.24</b>
<b>IX. Profit/(Loss) after tax</b>		<b>234.43</b>	<b>272.47</b>
<b>X. Earnings Per Equity Share</b>	2.26		
(1) Basic		1.17	1.36
(2) Diluted		1.17	1.36
<b>Significant Accounting Policies and Notes on Accounts</b>	1 & 2		

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

  
**HARDEEP SINGH AHLUWALIA**  
Chairman  
DIN:09690464

  
**PALLAM RAVI VARMA**  
Nominee Director  
DIN:10878167

  
**BASANT SETH**  
Independent Director  
DIN:02798529

As per our attached report  
of even date

For **Mallay & Mallay**  
Chartered Accountants  
Firm Regn No: 0819555

  
**CA Prashanth S Reddy**  
Partner  
M. No. 218355  
UDIN:

  
**VIRAJM SAHA**  
Managing Director  
DIN:10597814

**GYANA RANJAN SARANGI**  
Nominee Director  
DIN:09412614

  
**RAVI CHATTERJEE**  
Independent Director  
DIN:03312963

**SREEPATHY SUBBARAO**  
Nominee Director  
DIN:09638305

  
**HELEN D JOY**  
CFO & Company Secretary

Date: 30/04/2026  
Place: Bengaluru

**M/S CANBANK FACTORS LIMITED**  
 # 47/2, KANAKAPURA MAIN ROAD BASAVANAGUDI, BANGALORE, KARNATAKA - 560004  
 CIN : U85110KA1991PLC011960

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2026**

Amount in Lakhs.

Particulars	For the Period Ended 31st March 2026	For the Period Ended 31st March 2025
<b>A. Cash flows from Operating activities</b>		
Profit before tax	293.02	297.71
Adjusted for:		
Depreciation and amortization	2.08	4.90
Interest on IT Refund	-	(1.61)
Bad Debts/advances written off	408.48	3,185.46
Finance Cost	15.33	2,625.52
Profit on Sale of Property, Plant and Equipments	(1.06)	(0.81)
Excess Provision Reversed	(408.48)	(3,185.46)
Loss on Sale of Property, Plant and Equipments	0.75	0.47
<b>Operating profit before working capital changes -</b>	<b>310.12</b>	<b>2,926.18</b>
<b>Movement in working capital</b>		
Increase/ decrease in trade receivables	9,904.42	47,929.40
Increase/ decrease in inventories	-	-
Increase/ decrease in short loans and advances	79.42	(22.81)
Increase/ decrease in other current assets	-	-
Increase/ decrease in other non current assets	5.01	3.21
Increase/ decrease in Short term provision	(620.12)	(3,346.11)
Increase/ decrease in other current liabilities	(147.63)	(643.96)
Increase/ decrease in other long term Provisions	(20.01)	6.95
Cash generated from operations Direct taxes paid (net of refunds)	-	-
<b>Net cash from operating activities</b>	<b>9,513.21</b>	<b>46,852.87</b>
<b>B. Cash flows from Investing activities</b>		
Purchase of fixed assets (including capital advances)	(0.43)	(1.27)
Proceeds from sale of fixed assets	2.25	4.27
Increase/ decrease in current investment	-	-
Dividend and Interest income	-	-
<b>Net cash used for investing activities -</b>	<b>1.82</b>	<b>3.00</b>
<b>C. Cash flows from Financing activities</b>		
Issue or proceeds from Share Capital	-	-
Repayment of Short term borrowings	(1,780.83)	(43,788.62)
Finance cost	(15.33)	(2,625.52)
Bad Debts/advances written off	-	-
<b>Net cash from (used for) financing activities -</b>	<b>(1,802.16)</b>	<b>(46,414.13)</b>
Exchange differences on translation of foreign currency cash and cash equivalents		
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>7,712.87</b>	<b>443.73</b>
Cash and cash equivalents at the beginning of the year	942.34	500.61
<b>TOTAL</b>	<b>8,635.21</b>	<b>942.34</b>
Cash and cash equivalents at the end of the year	8,635.21	942.34

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

As per our attached report of even date

For **Malliga & Malliga**

Chartered Accountants

Mem. Regn No. 0010055


Bengaluru


CA Prashanth


Partner

Pr. No. 218355

UDIN:

  
**HARDEEP SINGH AHLUWALIA**  
 Chairman  
 DIN:09650464

  
**PALLAM RAVIVARMA**  
 Nominee Director  
 DIN:10078167

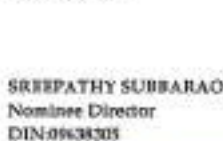
  
**BASANT SETH**  
 Independent Director  
 DIN:02798529


  
**CA Prashanth**  
 Partner  
 Pr. No. 218355  
 UDIN:

  
**VINOD KUMAR SAHA**  
 Managing Director  
 DIN:10597814

  
**GYANA RANJAN SARANGI**  
 Nominee Director  
 DIN:09412614

  
**RAVI CHATTERJEE**  
 Independent Director  
 DIN:03312963

  
**SREEPATHY SUBBARAO**  
 Nominee Director  
 DIN:09638305

  
**HELEN B JOY**  
 CFO & Company Secretary

Date: 30/04/2026  
 Place: Bengaluru

# CANBANK FACTORS LIMITED

## 1. SIGNIFICANT ACCOUNTING POLICIES

### COMPANY OVERVIEW

Canbank Factors Limited, a subsidiary of Canara Bank is registered with Reserve Bank of India vide registration number B02.00004 as a NBFC Factor. The Company is carrying on the business of factoring with a network of one branch and one TReDS Unit. The Company has registration from RBI with effect from 8<sup>th</sup> 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:**

Income is considered to accrue on time basis.



# CANBANK FACTORS LIMITED

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.4 INVESTMENTS

All Investments are valued on individual basis. Long-term investments are valued at cost. Premium, if any, paid in excess of the fair value is amortized over the remaining period.

### 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.

### 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 upto 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.



## CANBANK FACTORS LIMITED

### 1. SIGNIFICANT ACCOUNTING POLICIES

(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.

#### 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 31.03.2019). The Company has taken an Actuarial Valuation of the Leave Salary Liability from an Approved Actuarial valuer as at 31<sup>st</sup> March, 2026 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.



## CANBANK FACTORS LIMITED

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 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) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- b) Current assets and current liabilities are translated at the year-end rate.
- c) The differences between the rate prevailing on the date of the transaction and on the settlement and also on translation of current assets and current liabilities at the end of the year are recognized as income or expenditure as the case may be and are adjusted in the statement of Profit & Loss accordingly.
- d) Liability on account of Exchange difference in respect of foreign currency loans utilized for the purpose of acquiring fixed assets and outstanding on the balance sheet date is added to the cost of the fixed assets. Exchange difference on such loan installments paid during the year is accounted for as revenue expense.
- e) In respect of Foreign Exchange Contracts, the difference between the forward rate and the exchange rate at the date of the transaction is recognized as income or expense over the life of the contract, except in respect of liabilities incurred for acquiring fixed assets in which case, such difference should be adjusted in the carrying amount of the respective fixed assets.
- f) Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognized as income or as expense for the period, except in case of a forward exchange contract relating to liabilities incurred for acquiring fixed assets, in which case, such profit or loss should be adjusted in the carrying amount of the respective fixed assets.

#### 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.



# CANBANK FACTORS LIMITED

## 1. SIGNIFICANT ACCOUNTING POLICIES

- 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.

### 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.



## 2.01 SHARE CAPITAL

Amount in Lakhs.

Particulars	As at 31st March 2026	As at 31st March 2025
<b>AUTHORIZED SHARES</b> 10,00,00,000 Equity Shares of Rs.10/-each	10,000.00	10,000.00
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP SHARES</b> 2,00,00,000 Equity Shares of Rs. 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	As at 31st March 2026		As at 31st March 2025	
	No Of Shares (In Lakhs)	₹ Lakhs	No Of Shares (In Lakhs)	₹ Lakhs
<b>Equity Shares</b>				
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 2026	As at 31st March 2025
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 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	As at 31st March 2026		As at 31st March 2025	
	No Of Shares (In Lakhs)	% holding in the class	No Of Shares (In Lakhs)	% holding in the class
<b>Equity shares of ₹ 10 each fully paid</b>				
Canara Bank , the Holding Company	140	70%	140	70%
SIDBI Co promoters	40	20%	40	20%
Union Bank of India	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	20%	-
Union Bank of India	20	10%	-

The Board has taken on record the communication from Canara Bank of its decisions to disinvest its shareholding of 70% and Reserve Bank of India Approval for the same has been obtained. As on 31st March,2026, Canara bank holds 70% stake in Carbank Factors Ltd.

## 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 BSE Financials Ltd.

**2.02 RESERVES AND SURPLUS**

Particulars	As at 31st March 2026	As at 31st March 2025
<b>STATUTORY RESERVE FUND</b>		
As Per Last Balance Sheet	5,418.49	5,364.00
Add: Transferred from Profit & Loss account	46.89	54.49
<b>TOTAL</b>	<b>5,465.38</b>	<b>5,418.49</b>
<b>RESERVE FOR CONTINGENCIES</b>		
As Per Last Balance Sheet	3,360.00	3,360.00
Add: Transferred from Profit & Loss account*	-	-
<b>TOTAL</b>	<b>3,360.00</b>	<b>3,360.00</b>
<b>GENERAL RESERVE</b>		
Balance as per last financial statements	12,081.54	11,863.56
Add: Transferred from Profit & Loss account*	187.54	217.98
<b>TOTAL</b>	<b>12,269.08</b>	<b>12,081.54</b>
<b>PROFIT AND LOSS ACCOUNT</b>		
Balance as per last financial statement	(9,687.25)	(9,687.25)
Add: Net Profit after tax transferred from Statement of Profit & Loss	234.43	272.47
<b>Appropriations:</b>		
Transfer to Statutory Reserve Fund	46.89	54.49
Proposed Dividend	-	-
Dividend Tax, Surcharge & Cess	-	-
Transfer to Reserve for Contingencies*	-	-
Transfer to General Reserve	187.54	217.98
Closing Balance of Profit & Loss Account	(9,687.25)	(9,687.25)
<b>GRAND TOTAL - RESERVES &amp; SURPLUS</b>	<b>11,407.21</b>	<b>11,172.78</b>

\* 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 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025
Provision For Income Tax	-	-	21.86	21.86
Provision For Standard Asset	-	-	-	36.19
Provision for Doubtful Receivables	-	-	943.37	1,465.04
Provision For Outstanding Expenses	-	-	11.12	73.39
Provision for Expense as per Decree order	-	-	25.36	25.36
Provision for-deputed employees ( Leave Salary & Gratuity )	32.43	36.50	-	-
Provision against Lease Rentals Receivable	-	-	-	-
Provisions -Others	-	-	-	-
Provision For Leave Salary	47.54	63.49	-	-
<b>TOTAL</b>	<b>79.97</b>	<b>99.98</b>	<b>1,001.71</b>	<b>1,621.83</b>

In terms of Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023 updated as on 05th May, 2025, 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.



2.07 PROPERTY, PLANT, EQUIPMENT & INTANGIBLE ASSET

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2026

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		₹ In Lakhs		
	AS AT 01-04-2025	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	DELETION	TOTAL AS AT 31/03/2026	AS AT 01/04/2025	ADDITIONS	DEPRECIATION FOR THE YEAR	ADJUSTMENT DURING THE YEAR	DELETION DURING THE YEAR		TOTAL AS AT 31/03/2026	WDV AS AT 31/03/2025
<b>TANGIBLE ASSETS:</b>													
COMPUTER DEVICES	115.06	24.10	0.00	36.36	102.82	111.83	21.41	0.34	0.00	35.35	100.22	3.25	2.60
FURNITURES & FIXTURES	44.17	5.67	0.00	18.44	31.39	41.81	4.84	0.09	0.00	17.43	29.52	2.35	2.68
ELECTRICAL INSTALLATIONS	40.57	2.85	0.00	9.62	33.80	35.08	2.07	0.72	0.00	8.08	30.70	4.59	3.10
VEHICLES	11.87	0.51	0.00	0.51	11.87	9.30	0.48	0.80	0.00	0.68	10.09	2.57	1.78
OFFICE EQUIPMENTS	19.00	3.40	0.00	11.83	10.57	18.12	3.19	0.13	0.00	11.37	10.08	0.68	0.89
ASSETS GIVEN ON LEASE (Plant & Machinery)	-	-	-	-	-	-	0.00	-	-	-	-	-	-
<b>Total Tangible Assets- I</b>	<b>230.67</b>	<b>36.53</b>	<b>-</b>	<b>76.75</b>	<b>190.45</b>	<b>217.05</b>	<b>33.99</b>	<b>2.08</b>	<b>-</b>	<b>72.71</b>	<b>180.41</b>	<b>13.64</b>	<b>10.04</b>
<b>INTANGIBLE ASSETS:</b>													
SOFTWARE	106.73	-	-	-	106.73	106.73	-	-	-	-	106.73	-	-
<b>Total Intangible Assets- II</b>	<b>106.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106.73</b>	<b>106.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106.73</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL (I+II)</b>	<b>337.40</b>	<b>36.53</b>	<b>-</b>	<b>76.75</b>	<b>297.18</b>	<b>323.78</b>	<b>33.99</b>	<b>2.08</b>	<b>-</b>	<b>72.71</b>	<b>287.14</b>	<b>13.64</b>	<b>10.04</b>
<b>PREVIOUS YEAR TOTAL</b>	<b>440.62</b>	<b>2.44</b>	<b>-</b>	<b>-</b>	<b>415.39</b>	<b>416.44</b>	<b>-</b>	<b>6.25</b>	<b>0.43</b>	<b>27.31</b>	<b>394.81</b>	<b>19.55</b>	<b>21.98</b>



\*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 31.03.2019).The Company has taken an Actuarial Valuation of the Leave salary Liability from an Approved Actuarial valuer as at 31st March,2026 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	2025-26	2024-25
	(₹ Lakhs)	(₹ Lakhs)
Balance as at beginning of the year	1,465.04	4,412.66
Add: Provision made during the year	943.37	237.84
<b>Total</b>	<b>2,408.41</b>	<b>4,650.50</b>
Less: Written off / excess written back	(1,465.04)	3,185.46
Balance as at the end of the year	943.37	1,465.04

In terms of Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023 updated as on 05th May, 2025, 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 2026	As at 31st March 2025
Overdraft from Canara Bank	-	11.83
Working Capital Demand Loan - Canara Bank	-	1,775.09
<b>TOTAL</b>	<b>-</b>	<b>1,786.83</b>

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 2026	As at 31st March 2025
Sundry Liability and others	16.86	87.23
Discount Charges received in Advances	-	76.36
Sundry Liability - Cut Back Margin	-	0.00
Duties & Taxes	0.16	1.07
<b>TOTAL</b>	<b>17.02</b>	<b>164.65</b>

#### 2.06 TRADE PAYABLES

Details of dues to Micro and Small Scale Enterprises as defined under the MSMED Act, 2006:

Particulars	As at 31st March 2026	As at 31st March 2025
	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 Act, 2006 (latest amended upto 2025)

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.

#### DETAILS TO TRADE PAYABLES:

Particulars	As at 31st March 2026	As at 31st March 2025
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-

#### 2.08 INVESTMENTS

Particulars	Non-Current		Current	
	As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**2.09 DEFERRED TAXES (NET) (\*)**

Particulars	As at 31st March 2026	As at 31st March 2025
<b>Deferred Tax Assets</b>		
Fixed Assets : Impact of difference between tax depreciation and depreciation charged for financial reporting	7.31	8.24
Provision for Doubtful Receivables	243.28	380.91
Carry Forward Income tax loss	4,144.61	4,061.44
Provision for Employee Benefits	20.79	26.00
<b>Deferred Tax Liabilities</b>		
On account of Gratuity Contribution to LIC in respect of Direct Recruited Employees	-	-
<b>Deferred Taxes (Net)</b>	<b>4,417.99</b>	<b>4,476.58</b>

Deferred Tax for the year has been computed at the current tax rate applicable to the Company of 25% plus cess of 4% (No surcharge is applicable as there is carry forward losses).

The company is in the process of disinvestment. In the event of successful disinvestment, the company has plans to pass on the DTA and MAT Credit to the prospective investor. Since the company sees marketable value in the DTA and MAT Credit in the process of disinvestment, it is felt prudent to retain the DTA and MAT Credit in the books.

Furthermore, due to Cash and Bank Balance and Net Worth being positive and sufficient to meet the liabilities, the company does not pose a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

**2.10 OTHER ASSETS**

Particulars	NON-CURRENT		CURRENT	
	As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025
Accrued Interest on Investment	-	-	-	-
Loan Against Property(LAP)	-	-	-	-
Unsecured (Restructured Loan)	-	-	-	-
Security and other Deposits	18.69	23.70	-	-
<b>TOTAL</b>	<b>18.69</b>	<b>23.70</b>	<b>-</b>	<b>-</b>

**2.11 TRADE RECEIVABLES**

Particulars	NON-CURRENT		CURRENT	
	As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025
<b>Sundry Debtors (Unsecured)</b>				
Debits Factored & Other Debts				
a) Outstanding for a period exceeding 6 months from the date they are due for payment Unsecured	-	-	435.84	435.84
b)Restricted Standard Account	-	-	-	-
b)Unsecured Considered Doubtful	-	-	1,664.17	4,510.52
c) Others (Unsecured & Considered Good)	-	-	322.86	9,621.97
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>2,422.88</b>	<b>14,568.32</b>
Less: Due upon Collection of Factored Debts	-	-	1,453.62	3,692.84
<b>FUNDS-IN-USE</b>	<b>-</b>	<b>-</b>	<b>969.06</b>	<b>10,875.48</b>

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

**2.11 TRADE RECEIVABLES (Continued)**

In terms of Factoring Regulation Act, 2011 (Amended as on 31-08-2021) 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	1,496.00	61.74	674.46	69.60
Trade Receivables discounting system	294.60	12.16	294.60	30.40
Purchase Bill Discounting	437.00	18.04	-	-
Invoice Discounting (Backed by LC)	195.00	8.05	-	-
Loan Against Property(LAP)	-	-	-	-
	<b>2,422.88</b>	<b>99.99</b>	<b>969.06</b>	<b>100.00</b>



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.

The Debts Factored and Other Debts and Funds In Use as disclosed above in respect of some clients are subject to confirmation

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 2026		As at 31st March 2025	
	Debts Factored & Other Debts	Funds-in-use	Debts Factored & Other Debts	Funds-in-use
Standard Asset	758.70	-	10,057.81	9,046.64
Sub-standard Asset	-	-	-	-
Doubtful Asset	590.30	451.55	3,436.65	1,336.99
Loss Asset	1,073.87	491.84	1,073.87	491.84
Litigation Asset	-	25.68	-	-
<b>TOTAL</b>	<b>2,422.87</b>	<b>969.06</b>	<b>14,568.33</b>	<b>10,875.47</b>

Movement of NPA's :-

Particulars	(₹ In Lakhs)	
	31/03/2026	31-03-2025
Opening Balance	1,828.84	5,129.21
Add: Additions during the year	-	-
<b>Total</b>	<b>1,828.84</b>	<b>5,129.21</b>
Less:-		
(1) Realisation/ reduction during the year including OTS	115.00	114.91
(2) Recovered and Closed During the Year (without Book Liability write off)	191.08	-
(3) Recovered and Closed During The Year (with Book Liability write off)	170.89	-
(4) Write off during the year (Prudential)	408.48	3,185.46
(5) Adjustments	0.02	-
<b>Closing Balance</b>	<b>943.37</b>	<b>1,828.84</b>
<b>Provision for NPA's</b>	<b>943.37</b>	<b>1,465.04</b>
<b>NET NPA</b>	<b>0.00</b>	<b>363.80</b>

## 2.12 CASH AND BANK BALANCES

Particulars	Non-current		Current	
	As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025
	Cash and Cash equivalents			
Balances with Banks				
- In Current Account	-	-	55.19	442.19
- In Fixed Deposits	-	-	8,600.00	500.00
- In Deposit Account	-	-	-	-
Cash on Hand	-	-	0.02	0.15
Cheques in Transit	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>8,655.21</b>	<b>942.34</b>

## 2.13 LOANS & ADVANCES

Particulars	Long Term		Short Term	
	As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025
	Income Tax	-	-	291.12
Unsecured and considered good:				
Gratuity Contribution Account	-	-	13.40	0.22
GST Input credit - Receivable	-	-	125.43	110.75
Advances- Others	-	-	4.42	27.30
Prepaid Rates,Taxes,Others	-	-	0.56	-
Lease Rental Receivable	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>434.93</b>	<b>514.35</b>



1. The Security & Other Deposits and advances are subject to confirmation.
2. With respect to the unreconciled GST, we are under regular follow up with the vendors for recovery.
3. The Company had paid as per the calculation of MAT amount of Rs.291.12 Lakhs during the FY 2018-19.

(\*) 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	Details to Advance Tax	
	As at 31st March 2026	As at 31st March 2025
Advance Tax Paid*	-	84.98
Mat Credit	291.12	291.12
<b>TOTAL</b>	<b>291.12</b>	<b>376.10</b>

#### 2.14 REVENUE FROM OPERATIONS

Particulars	As at 31st March 2026	As at 31st March 2025
Discount charges	278.28	3,540.42
Factoring charges	-	24.00
Processing charges	0.33	20.25
Penal Charges	0.22	6.48
Interest - Loan Against Property	-	-
Other Income - Reassignment Charges	-	264.83
<b>Total</b>	<b>278.83</b>	<b>3,855.98</b>

As per RBI & FIMMDA guidelines, a uniform recognition of 365 days for a year is reckoned. As per the Board instructions, the Company has temporarily stopped the factoring business. From the daily realisation amount out of the already deployed funds, the Company is creating fixed deposits with a tenor of 91 days with Parent Bank.

There is a stoppage of factoring business by the company as on the date of the balance sheet.

The company has invested all amounts realized from the earlier factoring businesses in fixed deposits.

The total amount of Cash and Bank Balance, including the Fixed Deposits as on 31st March, 2026 is Rs. 8,655.21 Lakhs.

The company has a positive Reserves and Surplus of Rs. 11,407.21 Lakhs as on 31st March, 2026.

The capital position of the company is adequate to meet its liabilities with no debts / borrowed funds.

Due to Cash and Bank Balance and Net Worth being positive and sufficient to meet the past and future liabilities, the company is financially sound and does not pose a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

#### 2.15 OTHER INCOME

Particulars	As at 31st March 2026	As at 31st March 2025
Receipts from Written Off Accounts	209.88	-
Interest on Income Tax Refund	30.08	-
Interest Income	217.09	25.21
Other non-operating income		
- Profit on sale of fixed assets	1.19	0.83
- Excess Provision no longer required written back (Tax charged) w.r.t Doubtful & Loss asset.	1,465.04	2,947.62
- Excess Provision no longer required w.r.t Standard assets	36.19	178.51
- Miscellaneous Income	0.29	0.91
Gratuity	0.70	-
<b>Total</b>	<b>1,960.45</b>	<b>3,153.10</b>

#### 2.16 EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31st March 2026	As at 31st March 2025
Salary - Direct Recruits	307.00	434.82
Medical Benefits	2.22	3.07
Staff Welfare Expenses	11.27	10.79
Staff Provident Fund	25.31	27.93
Gratuity	-	7.53
<b>TOTAL</b>	<b>345.80</b>	<b>484.15</b>



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 bank/accounting the expenses entitlements/expenses accounting entitlements 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 31.03.2019). The Company has taken an Actuarial Valuation of the Leave salary Liability from an Approved Actuarial valuer as at 31st March,2026 and the provision has been made accordingly in the Books of accounts complying with the requirement of AS-15.

#### 2.17 OTHER EXPENSES

Particulars	As at 31st March 2025	As at 31st March 2025
Payment to Auditors	3.60	3.65
Rent, Rates and Taxes	72.69	119.30
Stationeries	2.10	4.28
Postage, Telephone	4.21	8.74
Travelling and Conveyance	26.15	29.87
Business Development Expenses	1.67	2.35
Advertisement and Publicity	0.05	2.57
Directors Sitting Fees	9.45	9.45
Repairs and Maintenance (Including AMC)	13.59	17.03
Repairs and Maintenance-Others	0.64	1.96
Power & Fuel	1.80	2.26
Insurance-Fixed Asset	0.08	0.15
Insurance-Vehicle	0.10	0.18
Electricity Charges	7.56	12.69
Transaction Fees-Treds	6.53	70.82
Cersal Assignment Charges-Treds	0.28	3.68
Legal and Professional Charges	46.12	52.83
Life cover Premium	1.30	1.25
Membership Fees and Subscription to Periodicals	0.54	0.80
Housekeeping charges and office maintainace	29.42	39.66
Miscellaneous Expenses-Others	1.31	2.07
Expense as per Decreee Order	-	23.36
CSR	-	-
Provision for Standard Assets	-	-
Provision for Doubtful Debts	943.37	-
Bad Debts Written Off	408.48	3,185.46
Round off	0.01	-
<b>TOTAL</b>	<b>1,583.65</b>	<b>3,596.79</b>

(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(₹ in lakhs)
Delta Fashion ltd.	Mumbai	105.96
Rallison Electricals Pvt Ltd.	Ludhiana	302.53
<b>TOTAL</b>		<b>408.48</b>



## (4) Break-up for Auditors' Remuneration :

Particulars	As at 31st March 2026	As at 31st March 2025
Audit Fees	3.00	3.00
For Certification etc.,*	0.60	0.85
Out of Pocket Expenses	0.00	0.00
<b>TOTAL</b>	<b>3.60</b>	<b>3.85</b>

## 2.18 FINANCE COSTS

Particulars	As at 31st March 2026	As at 31st March 2025
Interest On WCDL from Canara Bank	1.03	2,525.02
Interest On Bank Borrowings	0.91	84.21
Bank Charges	13.39	16.29
<b>TOTAL</b>	<b>15.33</b>	<b>2,625.52</b>

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

Particulars	As at 31st March 2026	As at 31st March 2025
<b>1. Contingent Liabilities:</b>		
a) Claims against Company not acknowledged as Debts :(*)	-	424.92
b) Guarantee issued in favour of Honorable High Court of Karnataka(**)	405.00	405.00
c) Other Money for which company is contingently liable :	Nil	Nil
<b>2. Commitments:</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for:	Nil	Nil

(\*\*) 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 Honorable High court of Karnataka as a contingent liability. The said Guarantee is being renewed there after and valid till 29.01.2026 and the same is being renewed for further one year. The appeal of Karnataka Bank in the Honorable High court is yet to come up on Board.

## 2.18 (a) Additional Disclosures

(b) Provisions and Contingencies	As at 31st March 2026	As at 31st March 2025
Break up of Provisions and Contingencies shown under the head Expenditure in Profit and Loss accounts		
Provisions for Depreciation on Investment	NIL	NIL
Provisions towards NPA	NIL	NIL
Provision made Towards Income tax	NIL	NIL
Other Provisions and contingencies(With Details)	NIL	NIL
Provisions for Standard Assets	NIL	NIL

## 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, 2026	% of Shareholding as at 31st March, 2025
a) Canara Bank	70.00	70.00
b) Small Industries Development Bank of India (SIDBI)	20.00	20.00
c) Union Bank of India (erstwhile Andhra Bank) Co promoters	10.00	10.00
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

Name of the related Party	As at 31st March 2026	As at 31st March 2025
a) Canbank Computer Services Limited(CCSL)	8.00	8.82
b) Canbank Factors employees Gratuity Fund trust - Contribution from the Company	15.78	12.00

## b) Key Managerial Personnel &amp; Remuneration

		Rs. in Lakhs	
Particulars		As at 31st March 2026	As at 31st March 2025
1	Dr.Rajib Kumar Sahoo Managing Director	38.63	45.53
2	Mrs. Helen D Joy CFO & Company Secretary	4.60	6.63



**II) Transactions with related Parties:**

a) Canara Bank-Type of Transaction	As at 31st March 2026	As at 31st March 2025
Overdraft Facility limit Sanctioned against Book Debts (Short Term Borrowings)	450.00	12,500.00
Outstanding Bank liability	-	1,786.83
Interest and Bank charges Paid	15.33	2,625.52
Number of Employees deputed from Bank	2 Nos	3 Nos
Salary and other employee benefits reimbursed to parent Bank for deputed staff (Including Managing Director's Salary and related benefits of Rs. in 38.63 lakhs (FY: Rs. in 45.53 lakhs)	73.74	140.19
Rent paid (Canara Bank premises)	8.75	21.42

There are no transactions carried out with SIDBI and Union Bank of India formerly known as Andhra Bank

**b) Canbank Computer Service Limited**

Type of Transaction	As at 31st March 2026	As at 31st March 2025
Charges for resource provided for E-Factoring software	8.00	8.67
R&T Charges - Maintenance of Folios in electronic mode	-	0.15

c) Canbank Factors Employees Gratuity Fund Trust-Type of Transaction	As at 31st March 2026	As at 31st March 2025
Contribution from the Company	13.78	12.00

**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	As at 31st March 2026	As at 31st March 2025
Lease rentals recognized during the period:	-	-
<b>Lease Obligations Payable</b>	<b>As at 31st March 2026</b>	<b>As at 31st March 2025</b>
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 2026	As at 31st March 2025
Earnings in Foreign Currency	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil

**2.24 PROPOSED DIVIDEND**

The Company have not propose any dividend to the equity shareholder's of the company for the FY ended 31/03/2026



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 :

₹ in Lakhs

Particulars	31-03-2026	31-03-2025
<b>Change in Present value of Defined Benefit Obligations</b>		
<b>Reconciliation of present value of defined benefit obligation</b>		
Present Value of DBO at beginning of period	138.60	127.60
Current Service cost	7.15	7.82
Interest cost	10.05	9.25
Benefits settled	(8.40)	(5.89)
Actuarial (gains)/ losses on the obligation	(7.43)	(0.18)
<b>Present Value of DBO at the end of period</b>	<b>139.97</b>	<b>138.60</b>

Reconciliation of present value of plan assets

Particulars	31-03-2026	31-03-2025
Fair value of Plan assets at beginning of period	138.82	124.60
Additions through business combination	0.00	0.00
Expected return on plan assets	10.47	9.36
Contributions	12.48	10.75
(Remeasurement - Actuarial gain/loss)	0.00	0.00
Return on plan assets recognised in other comprehensive income	0.00	0.00
Benefits paid from the fund	(8.40)	(5.89)
<b>Fair value of Plan assets at the end of period</b>	<b>153.37</b>	<b>138.62</b>
<b>Net Defined benefit liability</b>	<b>153.37</b>	<b>138.82</b>

Expense to be recognized in the Profit & Loss Statement

Particulars	31-03-2026	31-03-2025
Current Service cost	7.15	7.82
Interest cost	10.05	9.25
Expected return on plan assets	(10.47)	(9.36)
Net Actuarial (Losses)/Gains recognized in the period	(7.43)	(0.18)
<b>Net Gratuity Cost</b>	<b>(0.70)</b>	<b>7.53</b>

Defined benefit obligation - Actuarial Assumptions

Particulars	31-03-2026	31-03-2025
Discount rate	7.60%	6.50%
Expected Return on Assets	0.00%	7.00%
Salary Escalation	7.00%	7.00%
Withdrawal rate	1.00%	1.00%

Amounts to be recognized in the balance sheet

Particulars	31-03-2026	31-03-2025
Present value of Defined Benefit Obligation	139.97	138.60
Fair value of plan assets	153.37	138.82
Funded status [Surplus/(Deficit)]	13.40	0.22
<b>Net asset/(liability) recognised in balance sheet</b>	<b>13.40</b>	<b>0.22</b>



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

₹ in Lakhs

Particulars	31-03-2026	31-03-2025
Present Value of DBO at beginning of period	63.48	59.71
Current Service cost	3.72	4.85
Interest cost	4.03	4.07
Past Service Cost (Vested Benefits)	-	-
Past Service Cost (Non Vested Benefits)	-	-
Benefits paid by the company	(2.92)	(6.25)
Actuarial (gains)/ losses	(20.78)	1.09
Present Value of DBO at the end of period	47.53	63.48

Change in Fair Value of Plan Assets		
Particulars	31-03-2026	31-03-2025
Fair value of Plan assets at beginning of period	-	-
Expected return on plan assets	-	-
Actual Company contributions	2.92	6.25
Benefits paid by the company	(2.92)	(6.25)
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	31-03-2026	31-03-2025
Present value of Defined Benefit Obligation	47.53	63.48
Fair value of plan assets	-	-
Funded status [Surplus/ (Deficit)]	(47.53)	(63.48)
Unrecognized Past Service Costs	-	-
Net asset/ (liability) recognised in balance sheet	(47.53)	(63.48)
Expense to be recognized in the Profit & Loss Statement		
Particulars	31-03-2026	31-03-2025
Current Service cost	3.72	4.85
Interest cost	4.03	4.07
Expected return on plan assets	-	-
Past Service Cost (Vested)	-	-
Past Service Cost (Non Vested)	-	-
Net Actuarial (Losses)/Gains	(20.78)	1.09
Total expense recognised in the Statement of Profit & Loss Statement	(13.03)	10.02

Movement in the liability recognized in the Balance Sheet		
Particulars	31-03-2026	31-03-2025
Net asset/ (liability) recognised in balance sheet at beginning of period	(63.48)	(59.72)
Employer expense	(13.03)	10.02
Employer contributions paid	(2.92)	(6.25)
Net asset/ (liability) recognised in balance sheet at end of the period	(47.53)	(63.48)



**2.27 CORPORATE SOCIAL RESPONSIBILITY(CSR)**

As per Section 135 of Schedule VII of the Companies Act,2013 the company has not met the applicability criteria to carry out CSR Activities for the FY-2025-26.

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

RATIOS	FORMULA	2025-26	2024-25	Variation
Current Ratio	Current Assets/ Current Liabilities	9.87	3.85	186%
Debt - Equity Ratio *	Total Debt /Total Shareholders Equity	0.00	0.14	-100%
Debt Service Coverage Ratio*	Net operating Income/ Debt Service Cost	20.25	1.12	1716%
Return on Equity Ratio *	Net Income/Shareholder's Equity	0.02	0.02	-15%
Inventory Turnover Ratio	Not Applicable	NA	NA	NA
Trade Receivable Turnover Ratio	Credit Sales/ Average accounts receivable	NA	NA	NA
Trade Payable Turnover Ratio	Credit Purchases/ Average accounts Payable	NA	NA	NA
Net Capital Turnover Ratio	Total income/Shareholder's Equity	0.02	0.29	-93%
Net Profit Ratio *	Net Profit/Total Income*100	10%	4%	169%
Return on Capital Employed*	Earnings Before Interest & tax (EBIT)/ Capital Employed	0.02	0.22	-90%
Return on Investment	Not Applicable	NA	NA	NA

**Reason for Change in Ratios:**

1.Current Ratio : The change in ratio is due to increase in the bank balance in Current Assets

2.Debt-Equity Ratio : The change in ratio is due to repayment of all debts

3.Net Capital Turnover Ratio: The change in ratio is due to fall in Revenue from Operations.

4.Return on Capital Employed: The change in ratio is due to fall in Earnings Before Interest & Tax.

5. Debt Service Coverage Ratio : The change in ratio is due to fall in Finance Cost

6. Net Profit Ratio : The change in ratio is due to fall in Total Expenses.

**2.29 EARNINGS PER SHARE**

Particulars	As at 31st March 2026	As at 31st March 2025
Profit/ (loss) after tax as per statement of Profit & Loss	2,34,42,989.16	2,72,46,944.51
Amount used as numerator for calculation of Basic and Diluted EPS	2,34,42,989.16	2,72,46,944.51

Particulars	No of Equity Shares As on 31.03.2026	No of Equity Shares As on 31.03.2025
Weighted average number of equity shares used as denominator in calculating Basic and Diluted EPS	20000000	20000000
Nominal value of each Equity Share	₹ 10/-	₹ 10/-
Earnings per Equity Share (₹)	1.17	1.36



**2.30 DISCLOSURES AS PER C&AG 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
Name of branch/office	Canbank Factors Ltd-Chennai Branch	Canbank Factors Ltd-Mumbai Branch
Amount involved (Rs. in lakhs)	761.44	722.47
Fraud No	BAN00026201503-001	BAN00026201104-001
Date of first reporting	13-06-2015	09.11.2011
(a) Date of filling recovery suit with DRT/Court	-	23.02.2011
b) Present position	No progress	<p>Summary suit filed before Hon'ble High Court of Mumbai (Suit No.929/2011) The suit is filed on 23.02.2011 against STCI, client &amp; Guarantors in the High Court of Mumbai. The court in its interim order dated 20.03.2012 granted unconditional leave to STCI and directed to file their Written Statement within four weeks. Our Company has filed Special Leave Petition before Hon'ble Supreme Court of India (Dairy No.20194/2012) against STCI and others on 25.06.2012 challenging the interim order dated 20/03/2012 passed by the High court of Mumbai that the unconditional leave granted to STCI. The Hon'ble Supreme Court of India allowed the appeal by setting aside the impugned order dated 20.03.2012 and to transfer the case to the High Court for deciding the application of leave to defend.</p> <p>The matter being converted into normal suit and listed for framing of issue. Sec.158 Complaint filed before Hon'ble Metropolitan Magistrate 58th Bandra, Mumbai (CC No.4259/2009). Next date of hearing is on 27.04.2026 Central Bureau of Investigation Vide letter dated 23.02.2013 branch informed that though charge sheet has been filed in the court, it was informed that the same is yet to be completed. However it was further informed by the investigating officials of CBI that supplementary charge sheet is in progress and the matter being confidential the details were not disclosed.</p>
CBI status	PNB has filed complaint with CBI, Chennai on behalf of all lenders including us (Except Allahabad Bank). We have handed over the documents to CBI for the purpose of Investigation. In the JLF meeting on 29.09.2015, it is informed that KYC submitted by investor company is forged. CBI and SEBI have requested the branch to produce some details, the same has been produced. No progress in the case.	Reported to CBI on 09.11.2011



Name of the Party	M/s IAP Company Pvt Ltd	M/s. IMP Powers Ltd
Name of branch/office	Canbank Factors Ltd-Delhi Branch	Canbank Factors Ltd - Mumbai Branch
Amount involved (Rs. in lakhs)	1306.25	1481.73
Fraud No	BAN00026201801-001	BAN00026202202-002
Date of first reporting	22-01-2018	28.04.2022
(a) Date of filing recovery suit with DRT/Court	20-11-2017 (U/s 138 of NI Act)	29.03.2022
b) Present position	<p>Sec 138 ( Case No CT 11911/2017): (CNR DLSE020342692017) Branch filed a criminal complaint under section 138 NI Act 1881 before the Chief Metropolitan Magistrate, South-East, Saket during 2017. The case was heard on 16.09.2025 for Complainant Evidence. Next date of hearing is 07.04.2026. . Mr. Prem Kumar (CRN DLHC010193622022) and Mr. Dheeraj Kumar (CRN DLHC01-007038-2022) have filed revision petition in the High court in which we are also a party. Next date of hearing in Prem kumar is 28/05/2026. Next date of hearing in Dheeraj case is 16/07/2026.</p> <p>NCLT Status: The account is presently under liquidation, we have already filed our claim before the liquidator. The liquidator has sold all the assets of the company, however being an unsecured creditor we have not got any money under the liquidation proceeds. CBI investigation is under process.</p>	<p>The case is sent to mediation, and the matter is adjourned for the next hearing on Exh-11. Next Hearing Date: 20.05.2026. NCLT Cases - Hon'ble National Company Law Tribunal Ahmedabad has ordered the commencement of liquidation of the IMP Power Limited vide NCLT order pronouncement on 19/12/2023. Our claim is admitted for Rs 19.43 crore under unsecured creditors and voting share is 5.65%. The personal insolvency claims of two directors of M/s IMP Powers Ltd, namely Mr. Aditya Dhoot and Mr. Ramniwas Dhoot, have been admitted, and the resolution plan is currently underway.</p> <p>However, due to the unfortunate demise of the Resolution Professional (RP), Mr. Ram Ratan Kanoongo, handling the case of Mr. Aditya Dhoot, the resolution plan for his insolvency was halted. New RP Mr.Parashotam Behra is appointed and first meeting was on 06.01.2026. Claim for the personal insolvency of Mr. Ajay Dhoot has been submitted however there is a stay by NCLAT. Resolution plan for Mr. Ramniwas Dhoot Resolution plan approved by Honble NCLT court on 17.02.2026. Payment is not yet made by RP.</p>
CBI status	<p>CBI complaint filed on 09.02.2018 Charge sheet filed by CBI on 31.12.2020 and supplementary charge sheet filed on 07.04.2021. CBI investigation is going on.</p>	<p>A criminal complaint was filed with CBI on 27.05.2022 and transferred to ACB Mumbai on 14.09.2022. On 21.02.2024, CBI ACB Mumbai returned the complaint citing Supreme Court guidance on giving borrowers a hearing before fraud classification. The account had already been declared fraud on 28.04.2022; representation was made to CBI on 26.03.2024 citing a later Supreme Court ruling allowing FIR without prior hearing. Show cause notices were issued to directors on 24.09.2024; responses were received in October 2024 from directors and the liquidator. Legal opinion from Canara Bank advised placing the matter before a Committee for final decision on fraud classification. Fraud Risk Management Policy was updated per RBI guidelines and approved on 06.01.2025, including formation of a Committee of Executives (CoE).</p>



Name of the Party	M/s. Accord Industries Ltd	M/s. Innoventive Industries Ltd
Name of branch/office	Canbank Factors Ltd - Mumbai Branch	Canbank Factors Ltd - Bangalore branch
Amount involved (Rs. in lakhs)	679.95	1425.98
Fraud No	BAN00026202203-001	BAN00026202301-002
Date of first reporting	04.08.2022	25.01.2023
(a) Date of filing recovery suit with DRT/Court	NCLT case : CP (IB) 143/2017 against M/s Accord Industries Ltd - Filed on 14.02.2017. Transferred to Small cases court on 01.12.2020.	NA
b) Present position	Sec 138, the next date of Hearing is 30.04.2026 and in the Civil Suit, the next date of hearing is 29.04.2026 for hearing. In NCLT, Company is in liquidation. Resolution passed with majority COC for dissolution of the company while PUFEE applications shall continue parallel. In NCLT matter listed on 15/09/2025, in IA/543(AHM)2021 liquidator seek time to file rejoinder, hence the matter posted to 07.01.2026. was adjourned to 18/02/2026. As per last SCC meeting, resolution passed with majority for dissolution. 15th SCC meeting was held on 20/03/2026.	M/s IIL was admitted to NCLT on 01.01.2016 and is presently in liquidation. M/s IIL was put into liquidation by order dated 08.12.2017. On account of pending litigations, an extension of the liquidation period was permitted by the Hon'ble NCLT up to 6th February 2023. On 6th February 2023, an application has been filed by the Liquidator before the Hon'ble NCLT seeking further extension of the liquidation period by 12 months in view of pending litigations. The last lenders' meeting was held on 03.03.2025 wherein members were updated about the liquidation proceedings.  The Liquidator has filed an application seeking extension of liquidation period by a further period of 6 months (beyond Feb 2025) i.e., till 4 August 2025. On 16/07/2025 Counsel for the Liquidator seeks some time to apprise this Bench about the status of the present Miscellaneous Application and subsequent Orders, if any passed in the matter. The matter was adjourned to 28/01/2026. Branch has been following up however no latest updates are available as they have not called for a JLM.
CBI/Police complaint status	Filed Criminal complaint in CBI on 05.06.2023. After that CBI Official visited our Mumbai Branch on 20.07.2023 and 28.07.2023 and collected some documents. CBI Official advised us to submit a fresh complaint and made some changes to our existing draft. We have submitted the revised draft with the CBI Office New Delhi on 01.09.2023. CBI official has visited our Mumbai office for scrutiny of documents. Further CBI official visited Registered Office Bangalore between 27.02.2024 to 04.03.2024 for inquiry of officials who have handled the account.	The account was reported as fraud on 11.05.2023, and based on the Supreme Court judgment dated 27.03.2023, a complaint was submitted to CBI on 21.03.2024. CBI ACB Pune, via letter dated 17.02.2024, returned the complaint citing the need to provide the borrower an opportunity of being heard before declaring fraud. A Show Cause Notice was issued to the borrower and directors on 24.10.2024 in line with RBI Master Directions dated 15.07.2024. Out of six directors, notices were delivered to five, while notice to one director was returned undelivered. The borrower company's liquidator submitted a reply to the Show Cause Notice. The Fraud Risk Management Policy was amended to include a Committee of Executives (CoE) and approved on 04.01.2025. The CoE reviewed the replies and advised seeking legal opinion on fraud classification and refiling the complaint with CBI.
	CBI officials have visited Vadodara with regard to the investigation during March (20.03.2024 to 23.03.2024), April (01.04.2024 to 08.04.2024), (29.04.2024 to 30.04.2024), June (28.06.2024 to 29.06.2024) and to Ahmedabad on 09.01.2025, 04.03.2025. Investigation is going on.	Legal opinion confirmed that fraud proceedings can continue despite liquidation, as they are criminal/regulatory in nature. Proceedings may continue against responsible management personnel and guarantors, subject to verification of their roles and involvement. Due to lack of CoE quorum, a policy modification was placed before the Board on 26.03.2026, with plans to consider FMR withdrawal.



Name of the Party	M/s. Vensa Laboratories Pvt Ltd	M/s Aegan Batteries Ltd
Name of branch/office	Canbank Factors Ltd - Hyderabad Branch	Canbank Factors Ltd - Chennai Branch
Amount involved (Rs. in lakhs)	71.02	1069
Fraud No	BAN00026202301-001	BAN00026202303-0003
Date of first reporting	25.01.2023	29.08.2023
(a) Date of filling recovery suit with DRT/Court	Civil suit filed on 26.10.2017	Recovery suit filed on 18.09.2017
b) Present position	<p>Mortgage suit status: The last date of hearing was on 22.04.2024. Paper publication has been filed. Evidence of the branch head has been completed in the subject account on 01.07.2024 and the case is reserved for orders. Date of hearing 23.04.2026</p> <p>NCLT Case Status: Individual Insolvency Process is initiated against all the 5 guarantors on 16/05/2024 before NCLT Hyderabad. All the 5 applications are registered as C.P. (IB) - 40/2024, C.P. (IB) - 41/2024, C.P. (IB) - 42/2024, C.P. (IB) - 43/2024 and C.P. (IB) - 44/2024. In all the 5 applications Vide the orders dated: 15.04.2024 NCLT Hyderabad has appointed Mr. Rajesh Chillale as Resolution Professional bearing Reg No. IIBI/IPA-001/IP-P00699/2017-2018/11226. However all the cases were dismissed by Hon'ble NCLT.</p> <p>We have filed an appeal in NCLAT Chennai. The case bearing Nos. CA (AT) (INS) No. 636, 637 and 639 of 2025 were ordered for notice to the Respondents for appearance in the condonation of delay petition. The same is posted for further hearing on 06.02.2025. The case bearing Nos. CA (AT) (INS) No. 638 and 640 of 2025 are posted for further hearing after the defects are corrected. New listing date will be given shortly.</p>	<p>NCLT Status: The party has declared themselves as insolvent. It is informed by the RP that the company is under liquidation and currently they have filed an application for Dissolution of the company. Further, since it was informed by the RP that the company is under liquidation and they have filed an application for Dissolution of the company we have submitted our claim to NCLT.</p> <p>Civil Suit: Legal action to recover our dues was already initiated and a recovery suit was filed on 16.08.2017 before PDJ Krishnaagiri against the party, guarantors, and customers. Next date of hearing (NDOH) in this matter is 16.04.2024. On 16.04.2024 case was posted to 24.04.2024 for orders. On 24.04.2024 as per daily status suit is dismissed as follows: I.A.No.3/2021, I.A.No.4/2022 allowed. In furtherance of orders in I.A.No.3/2021, I.A.No.4/2022 this suit is dismissed. As plaint itself is rejected. Order copy not uploaded by concerned court.</p>
CBI/Police complaint status	Police Investigation under process. The account has been treated as fraud and reported to RBI by filing FMR-I on 25.01.2023.	<p>SBI filed a CBI complaint and Cbi registered an FIR on 29.06.2019. We have also filed CBI Complaint on 17.11.2023. CBI New Delhi had vide letter dated 11.12.2023 returned the complaint informing us to incorporate the details of opportunity provided to the borrower to be heard as per Supreme Court judgement dated 27.03.2023. We have accordingly incorporated the details and filed the complaint once again on 10.01.2024. CBI New Delhi has vide letter dated 07.02.2024 has informed that they have assigned our complaint to CBI, ACB,Chennai. CBI, BSFB, 6. On 12.04.2024, CBI BSFB Bangalore returned it seeking original loan documents from court custody.</p> <p>7. Documents were retrieved in paris from the Additional District Judge Court, Hosur, with final set received on 17.06.2025 (some originals missing/replaced by xerox).</p> <p>8. Bangalore branch refiled the complaint on 15.05.2025, submitted on 22.05.2025, and it was reassigned to CBI Chennai.</p> <p>9. On 28.02.2026, CBI Chennai returned it citing inability to confirm custody of original documents and non-compliance with notice service under the Rajesh Aggarwal judgement.</p> <p>10. Most originals are now with Bangalore branch (except 4 under follow-up), and steps are underway for paper publication of notice based on legal advice from Canara Bank</p>



231 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

As per our attached report of  
even date  
For *Mudiga & Mudiga*  
Chartered Accountants  
Firm Regn No. 0019555

  
HARDEEP SINGH AHLUWALIA  
Chairman  
DIN:09690464

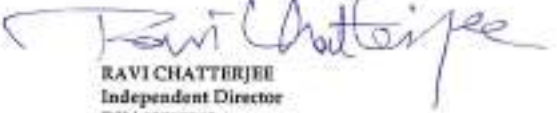
  
PALLAM RAVI VARMA  
Nominee Director  
DIN:10879167

  
BASANT SETH  
Independent Director  
DIN:02798529

  
CA Prashanth CS  
Partner  
M.No. 214355  
UDIN:

  
VIKRAM SAHA  
Managing Director  
DIN:10597814

GYANA RANJAN SARANGI  
Nominee Director  
DIN:09412614

  
RAVI CHATTERJEE  
Independent Director  
DIN:03312963

SREEPATHY SUBBARAO  
Nominee Director  
DIN:09638305

  
HELEN D JOY  
CFO & Company Secretary

Date: 30/04/2026  
Place: Bengaluru

SCHEDULE TO THE BALANCE SHEET OF NON BANKING FINANCIAL COMPANIES		
Disclosure in accordance with RBI Master Direction Non-Banking Financial Company- Scale Based Regulation Directions, 2023 (updated on 05.05.2025)		
PARTICULARS	(` in lakhs)	
<b>LIABILITIES SIDE:</b>		
1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
(a) Debentures : Secured	NIL	NIL
:Unsecured	0.00	NIL
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits *	0.00	NIL
(g) Other Loans (Specify nature)#	0.00	NIL
*Please see note 1 below		

# Other loans include:

Secured Loan from bank	0.00
SIDBI 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

2) Break up of (1) (f) above (outstanding public deposits inclusive of interest accrued there on but not paid ):	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 there is a shortfall in the value of security	NIL	NIL
(c)Other public deposits	NIL	NIL
*Please see note 1 below		

**ASSETS SIDE:**

3) Break up of Loans and Advances including bills receivables (other than those included in (4) below)	Amount outstanding
(a) Secured (Loan Against Property(LAP))	-
(b) Unsecured Advances (Bills factored : Funds in Use)	969.06
Total	969.06
4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	
(i) Lease assets including lease rentals under sundry debtors:	Amount outstanding
(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) Other loans counting towards asset financing activities	NIL
(a) Loans where assets have been repossessed	NIL
(b) Loans other than (a) above	NIL



5) Break up of Investments:	Amount outstanding
<b>Current Investments :</b>	
<b>1. Quoted:</b>	
(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
<b>2. Unquoted</b>	
(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
<b>Long term Investments:</b>	
<b>1. Quoted:</b>	
(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
<b>2. Unquoted:</b>	
(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 assets financed as in (3) and (4) above: (Please see note 2 below)			
Category	Amount net of provisions		
	Secured	Unsecured	Total
<b>1. Related Parties **</b>			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties #	0	NIL	NIL
<b>2. Other than related parties</b>	0	0.33	0.33
<b>TOTAL</b>	0	0.33	0.33

# 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 note 3 below		
Category	Market value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>1. Related Parties* *</b>		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
<b>2. Other unrelated Parties (YTM)</b>	NIL	NIL
<b>TOTAL</b>	NIL	NIL

\*\*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	943.37	
(ii) Net non performing Assets		
(a) Related Parties	NIL	
(b) Other than related Parties#	NIL	
(iii) Assets acquired in satisfaction of debt	NIL	
9) Disclosure in accordance with RBI Master Direction Non-Banking Financial Company- Scale Based Regulation Directions, 2023 (updated on 05.05.2025)		
1. Capital To risk Asset Ratio (CRAR):		
Items	Current Year (31/03/2026)	Previous Year (31/03/2025)
(i). CRAR (%)	1492.41	88.43
(ii). CRAR - Tier I Capital (%)	1492.41	88.06
(iii). CRAR - Tier II Capital (%)	0.00	0.37
(iv) Amount of subordinated debt raised as Tier-II capital	NIL	NIL
v) Amount raised by issue of Perpetual Debt Instruments	NIL	NIL
2. Investments		
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India		
(b) Outside India,		
(ii) Provisions for Depreciation		
(a) In India		
(b) Outside India,		
(iii) Net Value of Investments		
(a) In India		
(b) Outside India.		
(2) Movement of provisions held towards depreciation on investments.		
(i) Opening balance		
(ii) Add : Provisions made during the year		
(iii) Less : Write-off / write-back of excess provisions during the year		
(iv) Closing balance	NIL	NIL
3. Derivatives		
3.1 Forward rate Agreement/Interest Rate Swap		
(i) The notional principal of swap agreements		
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
(iii) Collateral required by the applicable NBFC upon entering into swaps		
(iv) Concentration of credit risk arising from the swaps \$	NIL	NIL



<b>3.2 Exchange Traded Interest Rate (IR) Derivatives</b> (i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise) (ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March ..... (instrument-wise) (iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise) (iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL
<b>3.3 Disclosures on Risk Exposure in Derivatives</b> (a) qualitative Disclosure : (b) Quantitative Disclosures (i) Derivatives (Notional Principal Amount) (ii) Marked to Market Positions [1] (a) Assets (b) Liability (iii) Credit exposures (iv) Unhedged Exposures	We do not have any position in Derivatives and Hence Not Applicable.	We do not have any position in Derivatives and Hence Not Applicable.
<b>3.4. Exposures</b> <b>3.4.1 Exposure to Real Estate Sector</b>	NIL	NIL
<b>a) Direct Exposure</b> (i) Residential Mortgages (ii) Commercial real estate (iii) Investments in Mortgage Backed Securities (MBS) and other securitised	NIL	NIL
<b>3.5. Exposure to Capital Market</b>	NIL	NIL
<b>3.6. Details of financing of parent Company products</b>	NIL	
<b>a).Details of Single Borrower Limit(SBL)/ Group Borrower Limit(GBL) exceed by the NBFC</b>	<b>Current Year (31/03/26) Rs in Lakhs</b>	
a. Single Borrower Limit(SBL) (excluding NPA)	NIL	
b. Group Borrower Limit(GBL)	NIL	



10	(a)Registration obtained from other financial sector regulators	NIL
	(b) Disclosure of penalties imposed by RBI and other regulators	NIL
10(a)	Rating Assigned by credit rating Agencies and migration of ratings if any during the year.	Current Year (31/03/26)
	a. Short term debt programme - CRISIL Ratings	A1+
	b. Long term Bank Loan rating - CRISIL Ratings	AA/Negative
11	Concentration of Deposits, Advances, Exposures ,and NPAs	NIL
	(a). Concentration of Deposits	
	a.Total Deposits to twenty largest borrowers	NIL
	b. Percentage of Deposits to twenty largest borrowers	NIL
	(b)Concentration of Exposures	
	a.Total Exposure to twenty largest borrowers	NIL
	b. Percentage of exposures to twenty largest borrowers	NIL
	(c) Concentration of Advances	
	a.Total Advances to twenty largest borrowers	NIL
	b. Percentage of Advances to twenty largest borrowers	NIL
	(d). Concentration of Non performing Assets (NPAs)	
	a. Total Exposure to top four NPA accounts	0.00
	c. Sector-wise NPAs	943.37
	Textiles	106.00 11.24
	Chemical and Chemical products	32.00 3.39
	Basic Metal & Metal Product	394.16 41.78
	Other Industries	411.21 43.59
	Total	943.37 100.00

**Movement of NPAs**

Particulars	31-03-2026 (₹ In Lakhs)	31-03-2025 (₹ In Lakhs)
(i) Net NPAs to Net Advances (%)	0.00	3.87
(ii) Movement of NPAs(Gross)	943.37	1,828.84
	31-03-2026	31-03-2025
(a)Opening Balance	1,828.84	5,129.21
(b)Add: Additions during the year	0.00	0.00
<b>Total</b>	<b>1,828.84</b>	<b>5,129.21</b>
Less:- (c) Realization/Reduction during the year	885.47	3,300.37
(d) Closing Balance	943.37	1,828.84
(iii)Movement of Net NPAs		
(a) Opening balance	363.80	716.56
(b)Add: Additions during the year	0.00	0.00
Less:- (c) Realization/Reduction during the year	363.80	352.76
(d) Closing Balance	0.00	363.80
(iv)Movement of Provision for Npas (excluding Provisions on standard assets)		
(a) Opening balance	1,465.04	4,412.65
(b)Add: Additions during the year	943.37	237.87
Less:- (c) Write-off/write-back of excess provisions	1,465.04	3,185.48
(d) Closing Balance	943.37	1,465.04

11(a)	Draw down from reserves	NIL
12	Overseas Assets (for those with joint ventures and subsidiaries abroad)	Not Applicable,NIL
13	Off Balance sheet SPVs sponsored	Not Applicable,NIL
14	Disclosure on client / customer Compliants	
	No of Compliants pending at the beginning of the year	1
	No of Compliants received during the year	5
	No of compliants redressed during the year	6
	No of compliants pending at the end of the year	0
15	In terms of RBI Circular no. RBI/DOS/2024-25/120 DOS.CO.FMG.SEC.NO.7/23.04.001/2024-25 dated July 15th 2024 the company has to report Nos and amount of Fraud identified during the year	NIL



16	Loans to Directors,Senior Officers & Relatives of Directors	NIL
17	Related Party Transactions	Shown separately (NTA 2.20)
18	Remuneration of Directors	Shown as a part of Notes to accounts (NTA 2.20)
19	Net Profit/Loss for Period, Prior Period Items and changes in accounting policies	₹ 2.34 crore & there is no change in accounting policy.
20	Discloure & Transparency: The progress made in putting in place a progressive risk amnagement system and risk management policy and strategy followed by applicable by NBFC's	(i) Risk management Policy as been complled as per Board approval. (ii)Monthly ALM statment are being prepared and placed to ALCO & RMC Meetings. (iii) A note on Risk management practices and evaluation follwed by the company, is being submitted to RMC and Board (iv) Risk questionnaire is being placed to RMC, Board and RM wing of parent bank
21	Disclosure in accordance with RBI Master Direction Non-Banking Financial Company- Scale Based Regulation Directions, 2023 (updated on 05.05.2025)	As per Section -I, Section -II & Section -III



## Maturity pattern of certain items of Assets and Liabilities

Particulars	(Rs. in Lakhs)									
	0 day to 7 days	8 days to 14 days	1 day to 30/31 day (1 month)	Over 1 month to 2 month	Over 2 months to 3 months	Over 3 month to 6 month	Over 6 month to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Total
<b>Liabilities:</b>										
Borrowings from Banks	-	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-	-
<b>Assets:</b>										
Advances (Debits O/s - Standard Asset)	435.84	-	-	-	-	-	-	-	-	435.84
Investment/Ents	-	-	-	-	-	-	-	-	-	-

## Notes:

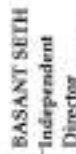
- As defined in Paragraph 2(1) (G) of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1988.
- Provisioning norms shall be applicable as prescribed in the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1988.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

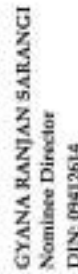
For and on behalf of the Board of Directors  
Canbank Factors Limited

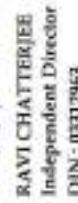
  
HARDEEP SINGH AHLUWALIA  
Chairman  
DIN: 09646943

  
VIKRAM SAHA  
Managing Director  
DIN: 10597814

  
PALLAM RAVI VARMA  
Non-executive Director  
DIN: 10878167


  
BASANT SETH  
Independent Director  
DIN: 02798529

  
GYANA RANJAN SARANGI  
Non-executive Director  
DIN: 09412614

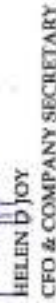
  
RAVI CHATTERJEE  
Independent Director  
DIN: 03312943

As per our attached report of even date  
For *Reddy & Reddy*  
Chartered Accountants  
Firm Regn No. 4894555



  
CS Prashanth  
Partner  
M. No. 218355  
UDIN:

SREEPATHY SUBBARAO  
Nominating Director  
DIN: 09638395

  
HELEN D JOY  
CFO & COMPANY SECRETARY

Date: 30/04/2026  
Bangalore

**Section I**

*(Applicable for annual financial statements of NBFC-BL, NBFC-ML and NBFC-UL)*

**A) Exposure**

- (1) Exposure to real estate sector: NIL  
 (2) Exposure to capital market: NIL

*1) Sectoral exposure*

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
<b>1. Agriculture and Allied Activities</b>						
<b>2. Industry</b>						
i. Food Processing	0	0	0	9.24	0	0.00
ii. Textiles	1.06	1.06	100	13.46	5.10	37.89
iii. Leather & Leather Products	0.00	0.00	0.00	0.00	0.00	0.00
iv. Paper & Paper Products	0.00	0.00	0.00	3.12	0.00	0.00
v. Chemical	0.33	0.32	100	9.15	0.32	3.49
vi. Rubber, Plastic & their Products	0.00	0.00	0.00	0.00	0.00	0.00
vii. Cement & Cement Products	0.00	0.00	0.00	0.00	0.00	0.00
viii. Basic Metal & Metal Product	3.94	3.94	100	9.96	3.94	39.56
ix. All Engineering	0.00	0.00	0.00	0.05	0.00	0.00
x. Power	0.00	0.00	0.00	0.00	0.00	0.00
xi. Telecommunications	0.00	0.00	0.00	0.00	0.00	0.00
xii. Electricity Transmission	0.00	0.00	0.00	7.20	0.00	0.00
Other Infrastructure	0.00	0.00	0.00	17.34	0	0.00
Others	4.36	4.11	94.27	20.98	8.92	42.51
<b>Total of Industry (i+ii+...+Others)</b>	<b>9.69</b>	<b>9.43</b>	<b>97.42%</b>	<b>90.46</b>	<b>18.28</b>	<b>20.21%</b>
<b>3. Services</b>	0.00	0.00	0.00	0.00	0.00	0.00
i...						
ii...						
Others						
<b>Total of Services (i+ii+...+Others)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>



<b>4. Personal Loans</b>	0.00	0.00	0.00	0.00	0.00	0.00
i...						
ii...						
Others						
<b>Total of Personal Loans (i+ii+...+Others)</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>5. Others, if any (please specify)</b>	0.00	0.00	0.00	0.00	0.00	0.00

Note:

- The disclosures as above shall be based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.
- In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as "Others" within that sector.

**2) Intra-group exposures**

- Total amount of intra-group exposures: NIL
- Total amount of top 20 intra-group exposures: NA.
- Percentage of intra-group exposures to total exposure of the NBFC onborrowers/customers: NIL

**3) Unhedged foreign currency exposure**

We do not have any unhedged foreign currency exposures. Hence it is not applicable.

**B) Related Party Disclosure**

(Amount in ₹ crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel <sup>@</sup>		Relatives of Key Management Personnel <sup>@</sup>		Others*		Total	
	2023-26	2024-25	2023-26	2024-25	2023-26	2024-25	2023-26	2024-25	2023-26	2024-25	2023-26	2024-25	2023-26	2024-25
Borrowings	NIL	17.87	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	17.87
Deposits	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Placement of deposits	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Advances	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Investments	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Purchase of fixed/other assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sale of fixed/other assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Interest paid/ Bank Charges	0.15	26.25	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.15	26.25
Interest received	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Others*	0.09	0.21	0.08	0.09	NIL	NIL	0.74	1.40	NIL	NIL	NIL	NIL	0.91	1.70

<sup>@</sup> Disclosures for directors and relatives of directors should be made separately in separate columns from other KMPs and relatives of other KMPs.

<sup>#</sup> The outstanding at the year end and the maximum during the year are to be disclosed



### C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	Current Year	Previous Year
Complaints received by the NBFC from its customers			
1.	Number of complaints pending at beginning of the year	1	0
2.	Number of complaints received during the year	5	6
3.	Number of complaints disposed during the year	6	5
	3.1 Of which, number of complaints rejected by the NBFC	0	0
4.	Number of complaints pending at the end of the year	0	1
Maintainable complaints received by the NBFC from Office of Ombudsman			

2) Top five grounds<sup>2</sup> of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground - 1	0	0	0	0	0
Ground - 2	0	0	0	0	0
Ground - 3	0	0	0	0	0
Ground - 4	0	0	0	0	0
Ground - 5	0	0	0	0	0
Others	1	5	0%	0	0
Total	0	0	0	0	0
Previous Year					
Ground - 1	0	0	0	0	0
Ground - 2	0	0	0	0	0
Ground - 3	0	0	0	0	0
Ground - 4	0	0	0	0	0
Ground - 5	0	0	0	0	0
Others	0	6	100%	1	0
Total	0	0	0	0	0

<sup>2</sup> The list of grounds of complaints given below are indicative only.

1. Credit Cards	2. Difficulty in operation of accounts	3. Mis-selling	4. Recovery Agents/ Direct Sales Agents
5. Loans and advances	6. Levy of charges without prior notice/ excessive charges/ foreclosure charges	7. Non-observance of fair practices code	8. Staff behaviour
9. Facilities for customers visiting the office/ adherence to prescribed working hours, etc.	10. Others		



**Section II**

*(Applicable for annual financial statements of NBFC-ML and NBFC-UL)*

**Corporate governance:**

Disclosure as per SEBI (LODR) Regulation, 2015 (Para C of Schedule V- Annual Report) for Non Listed NBFCs

**1) Composition of the Board**

Sl.No.	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships	Remuneration			No. of shares held in and convertible instrument held in the NBFC
					Held	Attended		Salary/ other compensation	Sitting Fee	Commission	
1.	Dr. Rajib Kumar Sahoo	01/02/2021	Managing Director	09033877	05	05	1		NA	NA	Nil
2.	Mr. Basanth Seth	08/10/2020	Independent Director	02798529	05	05	8		1,50,000/-	NA	Nil
3.	Mr. Ravi Chatterjee	21/09/2022	Independent Director	03312963	05	05	3		1,50,000/-	NA	Nil
4.	Mr. Hardeep Singh Ahluwalia	11/10/2023	Chairman	09690464	05	05	4			NA	Nil
5.	Mr. Gyana Ranjan Sarangi	17/01/2022	Nominee Director, Union Bank Of India	09412614	05	05	0			NA	Nil
6.	Mr. Subbarao Sreepathy	02/07/2022	Nominee Director, SIDBI	09638305	05	04	0			NA	Nil
7.	Mr P Ravi Varma	03/01/2025	Nominee Director, Canara Bank	10878167	05	05	0		1,50,000/-	NA	Nil

Details of change in composition of the Board during the current and previous financial year.

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1.	NIL			

Where an independent director resigns before expiry of her/ his term, the reasons for resignation as given by her/him shall be disclosed.

Details of any relationship amongst the directors *inter-se* shall be disclosed: NIL

**1) Committees of the Board and their composition**



### Audit Committee

The Audit Committee constitution and functioning shall follow the provisions of the Companies Act, 2013 and other Applicable laws. The powers, functions, duties and terms of reference of the Audit Committee shall be comprehensive and include the requirements as set out by Section 177 of the Companies Act, 2013. The Committee will be vested with necessary powers, as defined in its terms of reference to achieve its objectives.

Chairman	The chairman of the Audit Committee will be an Independent Director and who is elected by the Board.
Composition	The Audit Committee of the Company shall have minimum of three Directors with Independent Directors forming a majority. Further, majority of members of the Audit Committee including its Chairperson shall be persons with ability to read and understand the financial statement. The chairman of the Committee shall attend the Annual General Meeting to answer shareholder queries.
Meetings & quorum	The Audit Committee should meet as and when required and at least quarterly once. The quorum for the meeting shall comprise of two members or one third of the total members of the Audit Committee whichever is higher.
Secretary	The Company secretary of the company shall act as the secretary to the committee
Meeting Minutes	Minutes of the Meeting shall be approved by the Chairman of the Committee and noted and confirmed by the Board at their next meeting.

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non- Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Sri. Ravi Chatterjee	21/09/2022	Chairman	4	4	NIL
2.	Sri. Basanth Seth	08/10/2020	Independent Director	4	4	NIL
3.	Sri Gyana Ranjan Sarangi	17/01/2022	Nominee Director	4	4	NIL
4.	Sri P Ravi Varma	03/01/2025	Nominee Director	4	4	NIL

#### *Terms of Reference of the Committee:*

The Audit Committee shall undertake such duties as per the Charter/Terms of Reference approved by the Board and any such duties as may be delegated to it from time to time.

1. Appointment and fixation of the remuneration of the Auditor.
2. Valuation of the undertakings or assets of the company.
3. Evaluation of any Related Party Transaction (also for omnibus approval under Rule 6A)
4. Evaluation of the internal financial control and risk management.
5. Examination of the Financial Statements.
6. Scrutiny of Inter Corporate Loans and Investments.
7. Evaluation of the use of the funds rose through public offers



8. To oversee the financial reporting process and disclosure to such financial information to ensure that the financial statements are correct, sufficient & credible.

9. Reviewing the adequacy of inter audit function, company's financial and information system audit periodically and such notices which evolve from time to time for guidance as may be received from regulator amendments in Companies Act, 2013.

#### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee ("NRC") constitution and functioning shall follow the provisions of the Companies Act, 2013 and other Applicable laws. The powers, functions, duties and terms of reference of the Nomination and Remuneration Committee shall be comprehensive and include the requirements as set out by Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee will be vested with necessary powers, as defined in its terms of reference to achieve its objectives.

Chairman	The chairman of the NRC Committee will be an Independent Director and who is elected by the Board.
Composition	The Nomination and Remuneration Committee of the Board shall have at least three non-executive Directors out of which not less than one half shall be Independent Directors. The Chairperson of the company shall be elected by the members of the Nomination & Remuneration Committee. The chairman of the NRC if required shall attend the Annual General Meeting of the Company to answer the shareholders' queries.
Meetings & quorum	The NRC shall meet on need basis. Quorum shall comprise of two members or one third of the total members of the NRC, whichever is higher.
Secretary	The Company secretary of the company shall act as the secretary to the committee.
Meeting Minutes	Minutes of the Meeting shall be approved by the Chairman of the Committee and noted and confirmed by the Board at their next meeting.

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Sri Hardeep Singh Ahluwalia	11/10/2023	Nominee Director	2	2	NIL
2.	Sri. Basanth Seth	08/10/2020	Independent Director	2	2	NIL
3.	Sri. Ravi Chatterjee	21/09/2022	Independent Director	2	2	NIL

#### *Terms of Reference of Committee:*

The NRC shall undertake the duties as per the Terms of Reference approved by the Board and any other duties as may be delegated to it from time to time. The NRC shall also ensure fit and proper criteria as required by the RBI Directions.

1. The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.



2. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

3. The Nomination and Remuneration Committee shall, ensure that

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

#### **Corporate Social Responsibility (CSR) Committee**

The Corporate Social Responsibility Committee ('CSR') constitution and functioning shall follow the provisions of the Companies Act, 2013 and other Applicable Laws. The powers, functions, duties, and terms of reference of the CSR Committee shall be comprehensive and include the requirements as set out by Section 135 of the Companies Act, 2013. The CSR Committee will be vested with necessary powers, as defined in its terms of reference to achieve its objectives.

Chairman	The chairman of the CSR Committee will be an independent director elected by the members of the committee.
Composition	The Corporate social responsibility Committee of the Board shall have at least three Directors out of which there shall be One Independent Directors. At Present the composition of CSR Committee is as per below:  1. Dr. Rajib Kumar Sahoo, Managing Director  2. Sri. Ravi Chatterjee, Independent Director, Chairman of meeting  3. Sri. Gyanaranjan Sarangi, Nominee Director, Union Bank of India  4. Sri P Ravi Varma, Nominee Director, Canara Bank
Meetings & quorum	The CSR shall meet on a need basis. A quorum shall comprise two members or one-third of the total members of the CSR, whichever is higher.
Secretary	The Company secretary of the company shall act as the secretary to the committee
Meeting Minutes	Minutes of the Meeting shall be approved by the Chairman of the Committee and noted and confirmed by the Board at their next meeting.

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Sri Ravi Chatterjee	15/01/2025	Chairman	1	1	NIL
2.	Dr. Rajib Kumar Sahoo	01/02/2021	Managing Director	1	1	NIL
3.	Sri Gyana Ranjan Sarangi	17/01/2022	Nominee Director	1	1	NIL
4.	Sri P Ravi Varma	03/01/2025	Nominee Director	1	1	NIL



*Terms of Reference of Committee:*

The CSR shall undertake the duties as per the Terms of Reference approved by the Board and any other duties as may be delegated to it from time to time and as stated under section 135 of the Companies Act, 2013 and schedule VII of the CSR Rules provided.

**Risk Management Committee**

The Risk Management Committee shall be constituted of Board of Directors to manage the integrated risks of the Company. The Risk Management Committee shall identify, review and control key risk areas, across the entire organization. The Risk Management Committee shall review and monitor viz; credit risk, market risk, liquidity risk, operational risk, regulatory risk and reputational risks. The Risk Management Committee shall be vested with necessary powers, as defined in its charter/Terms of Reference to achieve its objectives.

Chairman	The chairman of the Risk Management Committee will be an Independent Director.
Permanent invitee	Group Chief Risk Officer, Risk Management Wing of Parent Bank.
Composition	The Risk Management Committee shall have minimum of three Members. The members of the Committee will be appointed by the Board of Directors.
Meetings & quorum	The Risk Management Committee shall meet on need basis and shall meet at least twice in a year. The quorum of Risk Management Committee shall comprise any two members of the Committee.
Secretary	The Company secretary of the company shall act as the secretary to the committee
Meeting Minutes	Minutes of the Meeting shall be approved by the Chairman of the Committee and noted and confirmed by the Board at their next meeting.

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non- Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Sri. Ravi Chatterjee	21/09/2022	Chairman	1	1	NIL
2.	Dr. Rajib Kumar Sahoo	01/02/2021	Managing Director	1	1	NIL
3.	Sri. Kiran K Moorthy	02/09/2021	Senior Vice President	1	1	NIL
4.	Sri. Raghu. P	14/03/2006	Assistant Vice President	1	1	NIL
5.	Smt. Helen Joy D	01/08/2023	CFO & Company Secretary	1	1	NIL

*Terms of Reference of the Committee:*

The Risk Management Committee shall undertake all such duties as decided and delegated by the Board of Directors to it from time to time illustrated as per below:

1. To assess the Company's risk profile and key areas of risk in particular.
2. To recommend the Board and adoption of risk assessment and rating procedures. To articulate the Company's policy for the oversight and management of business risks.



3. To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
4. To assess and recommend the Board acceptable levels of risk.
5. To develop and implement a risk management framework and internal control system.
6. To review the nature and level of insurance coverage.
7. To have special investigations into areas of corporate risk and break-downs in internal control. To review management's response to the Company's auditors' recommendations those are adopted.
8. To report the trends on the Company's risk profile, reports on specific risks and the status of the risk management process.
9. The progress made in putting in place a progressive risk management system, and risk management policy and strategy followed shall be apprised to the Board by the committee half-yearly.

#### Committee of Directors.

The company shall internally constitute a Committee of the Directors (COD) as a subcommittee of the Board to take care of the credit affairs of the company. The Committee inter alia, shall monitor the Mid-term review of parties, credit exposures and breaches if any and shall report to the Board.

Chairman	The chairman shall be an independent Director elected by the members of the committee.
Composition	The Committee of Directors shall have minimum of three members and one of them shall be an Independent director.
Meetings & quorum	The COD shall meet at least twice in a year and the quorum shall be at least three members of which one shall be an Independent Director
Secretary	The Company secretary of the company shall act as the secretary to the committee
Meeting Minutes	Minutes of the Meeting shall be approved by the Chairman of the Committee and noted and confirmed by the Board at their next meeting.

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non- Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Sri. Ravi Chatterjee	21/09/2022	Independent Director	3	3	NIL
2.	Sri. Basanth Seth	08/10/2020	Independent Director	3	3	NIL
3.	Dr Rajib Kumar Sahoo	01/02/2021	Nominee Director	3	3	NIL
4.	Sri P Ravi Varma	03/01/2025	Chairman	3	3	NIL
5.	Sri Gyana Ranjan Sarangi	17/01/2022	Nominee Director	3	3	NIL
6.	Sri. Subbarao Sreepathy	02/07/2022	Nominee Director	3	3	NIL



*Terms of Reference of the Committee:*

The Committee shall undertake such duties as per the terms of reference approved by the Board and such other duties as may be delegated to it from time to time including the roles as per below:-

1. To sanction Board power credit/ Loan Proposals.
2. To review the credit sanction & other credit affairs of the company.
3. To review the SMA accounts.
4. To evaluate the Midterm review of parties within MD CAC powers.
5. To review and ratify the MD CAC actions.
6. To report to the Board or its subcommittee about the findings as per above.

**Asset Liability Management Committee**

The company shall internally constitute an Asset Liability Management Committee (ALCO) as required by the Directions 2016 issued by the RBI. The Committee inter alia, shall monitor the asset liability gap and strategize action to mitigate the risk associated. The Committee shall mainly address liquidity and interest rate risk.

Chairman	The Managing Director of the company shall be the chairman for the ALCO committee meeting.
Composition	The ALCO Committee shall have minimum of three members.
Meetings & quorum	The ALCO shall meet as and when required. Quorum of ALCO meetings shall comprise of at least two members of the Committee.
Secretary	The Company secretary of the company shall act as the secretary to the committee
Meeting Minutes	Minutes of the Meeting shall be approved by the Chairman of the Committee and noted and confirmed by the Board at their next meeting.

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Dr. Rajib Kumar Sahoo	01/02/2021	Chairman	12	12	NIL
2.	Sri. Govind Solanki*	26/04/2021	Senior Executive Vice President	2	2	NIL
3.	Sri. Kiran K Moorthy	02/09/2021	Senior Vice President	12	12	NIL
4.	Sri. Raghu. P	14/03/2006	Assistant Vice President	12	12	NIL
5.	Smt. Helen Joy D	01/08/2023	CFO & Company Secretary	12	2	NIL

\*Repatriated to Canara Bank on 31.05.2025. (A.O.H)

*Terms of Reference of the Committee:*

The Committee shall undertake such duties as per the terms of reference approved by the Board and such other duties as may be delegated to it from time to time including the roles as per below:-

1. To review the fund requirement of the company in line with the ongoing business activities of the company



2. To review liquidity position of the company
3. To evaluate the stress ratios/liquidity ratios of the company
4. To review the fund position in each prescribed ALM buckets.
5. To report to the Board or its subcommittee about the findings as per above.

#### **IT Strategy Committee**

The IT Strategy Committee shall be constituted of independent director to manage the IT strategies of the Company. The Committee shall work in partnership with other Board committees and Senior Management to provide input to them. It will also carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance.

Chairman	The chairman of the IT Strategy Committee will be an Independent Director.
Present Composition	The IT Strategy Committee have minimum of three Members. (Chairman, CIO & CTO) 1. Sri. Ravi Chatterjee, Independent Director – Chairman of the Meeting 2. Sri. Ravi Varma, Nominee Director 3. Dr. Rajib Kumar Sahoo, Managing Director - Member 4. Sri. Kiran K Moorthy, Sr. Vice President – CIO 5. Sri. Raghu P, AVP-IT - CTO 6. Sri. Basavaraj Naik, AVP-IT – CISO
Meetings & quorum	The IT Strategy Committee should meet at an appropriate frequency but not more than six months should elapse between two meetings.
Secretary	The Company secretary of the company shall act as the secretary to the committee
Meeting Minutes	Minutes of the Meeting shall be approved by the Chairman of the Committee and noted and its deliberations to be placed before the Board at their next meeting.

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non- Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Sri. Ravi Chatterjee	21/09/2022	Chairman	4	4	NIL
2.	Sri P Ravi Varma	03/01/2025	Nominee Director	4	4	NIL
3.	Dr. Rajib Kumar Sahoo	01/02/2021	Managing Director	4	4	NIL
4.	Sri. Kiran K Moorthy		Senior Vice President	4	4	NIL
5.	Sri. Raghu. P	27/09/2021	Assistant Vice President	4	1	NIL
6.	Sri Basavaraju Naik	02/09/2021	Assistant Vice President	4	4	NIL

*Terms of Reference of the Committee:*

The Committee shall undertake such duties as per the terms of reference:-

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place.
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.



5. Ensuring proper balance of IT investments for sustaining growth and becoming aware about exposure towards IT risks and controls.

Apart from the above committees, the Board shall constitute such other Committees as may be deemed fit by it, if required.

**Frequency of Committee meetings held for F. Y 2025-26**

Particulars	Quarter – I (April- June)	Quarter-2 (July- September)	Quarter-3 October- December)	Quarter-4 January- March)	Total
Board Meeting (178 <sup>th</sup> last meeting)	1 17.04.2025	1 04.07.2025	1 23.10.2025	2 16.01.2026 26.03.2026	5
Risk Management Committee (56 <sup>th</sup> RMC last)	-	-	-	1 02.03.2026	1
Audit Committee Meeting (116 <sup>th</sup> Audit Meeting last)	1 17.04.2025	1 14.07.2025	1 23.10.2025	1 16.01.2026	4
Committee of Directors Meeting (164 <sup>th</sup> CoD last meeting)	-	-	2 16.10.2025 21.11.2025	1 02.03.2026	3
IT Strategy Committee Meeting(11 <sup>th</sup> ISC last meeting)	1 27.06.2025	-	2 13.10.2025 31.12.2025	1 27.03.2026	4
Corporate Social Responsibility Meeting	-	-	-	1 16.01.2026	1
Nomination and Remuneration Committee Meeting			1 23.10.2025	1 16.01.2026	2

**Attendance of the Board of Directors during F.Y 2025-26**

Name of Director	Board Meeting
Sri. Hardeep Singh Ahluwalia	5/5
Dr. Rajib Kumar Sahoo	5/5
Sri. Ravi Chatterjee	5/5
Sri. Basant Seth	5/5
Sri. Gyana Ranjan Sarangi	5/5
Sri. Subbarao Sreepathy	4/5
Sri P Ravi Varma	5/5

1) General Body Meetings

Sl. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1.	Annual general meeting	04.08.2025 Head office Canara Bank, Bangalore	1. Re-appointment of Sri Ravi Chatterjee as an Independent Director. 2. Appointment of Sri. P Ravi Varma as a Nominee Director of Canara Bank 3. Extension of term of Managing Director



- 2) Details of non-compliance with requirements of Companies Act, 2013: NIL.
- 3) Details of penalties and strictures: There were no penalties or stricture imposed on the company by the Reserve Bank or any other statutory authority during the reporting period.
- 4) Breach of covenant: There were no instances of breach of covenant of loan availed or debt securities issued to the company for the reporting period.
- 5) Divergence in Asset Classification and Provisioning

NBFCs shall disclose details of divergence as per the table given below, if either or both of the following conditions are satisfied:

- a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or
- b) The additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of thereported Gross NPAs for the reference period.

Sr.	Particulars	Amount (in crore)
1.	Gross NPAs as on March 31, 2026 as reported by the NBFC	9.43
2.	Gross NPAs as on March 31, 2026 as assessed by the Reserve Bank of India/ NHB	NA
3.	Divergence in Gross NPAs (2-1)	NA
4.	Net NPAs as on March 31, 2026 as reported by the NBFC	0.00
5.	Net NPAs as on March 31, 2026 as assessed by Reserve Bank of India/ NHB	0.00
6.	Divergence in Net NPAs (5-4)	0.00
7.	Provisions for NPAs as on March 31, 2026 as reported by the NBFC	9.43
8.	Provisions for NPAs as on March 31, 2026 as assessed by Reserve Bank of India/ NHB	0.00
9.	Divergence in provisioning (8-7)	0.00
10.	Reported Profit Before Tax and impairment loss on financial instruments for the year ended March 31, 2026	2.93
11.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2026	2.34
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2026 after considering the divergence in provisioning	2.34



## Section III

### Quarterly Public disclosure as per RBI guidelines

<b>1.</b>	<b>Funding Concentration based on significant counterparty (both deposits and borrowings)</b>	
<b>A</b>	<b>Deposits</b>	Nil
	Counter Parties	Nil
<b>B</b>	<b>Liabilities</b>	
	OD Limit	4.50
	Equity	<b>20.00</b>
	<b>Liability Counterparties</b>	
	<b>Canara Bank - OD Limit</b>	<b>4.50</b>
	<b>Equity Composition</b>	<b>20.00</b>
	Canara bank - 14 Crores	
	SIDBI - 4 Crores	
	Union Bank Of India - 2 Crores	
	<b>Total</b>	<b>24.50</b>

#### 2. TOP 20 DEPOSITS – NIL

#### 3. TOP 10 Borrowings as on 30.06.2025

SI No	Source	Limit Sanctioned (Rs. In crore)	Date of sanction	Validity
1.	OD Limit	4.50	03.09.2025	27.08.2026
2.	Equity Share capital	20.00	NA	NA
<b>Total</b>		<b>24.50</b>		



#### 4. PRODUCT WISE LIABILITIES AS ON 30.06.2025.

SI No	Product	Liabilities (Rs. In crore)	% to Total
1.	Working Capital demand Loan	0.00	NA
2.	Overdraft Facility against Book Debt	0.00	NA
3.	Commercial Paper	-	-
<b>Total</b>		<b>0.00</b>	<b>NA</b>

#### 5. STOCK RATIOS

SL No	Particulars	Formula	June-25	June-24
1.	Short-term liability to Total assets	$\frac{\text{Short Term Liability}}{\text{Total Assets}}$	0.07	0.79
2	Short-term liability to long term assets	$\frac{\text{Shor term Liability}}{\text{Long term Assets}}$	0.22	10.84

- We do not have any Non-convertible debentures, further we calculate our ALM every month and there is no liquidity stress arising as our business is limited to short term nature of lending.



**Quarterly Public disclosure as per RBI guidelines**

<b>1.</b>	<b>Funding Concentration based on significant counterparty (both deposits and borrowings)</b>	
<b>A</b>	<b>Deposits</b>	Nil
	Counter Parties	Nil
<b>B</b>	<b>Liabilities</b>	
	OD Limit	4.50
	Equity	<b>20.00</b>
	<b>Liability Counterparties</b>	
	<b>Canara Bank - OD Limit</b>	<b>4.50</b>
	<b>Equity Composition</b>	<b>20.00</b>
	Canara bank - 14 Crores	
	SIDBI - 4 Crores	
	Union Bank Of India - 2 Crores	
	<b>Total</b>	<b>24.50</b>

**2. TOP 20 DEPOSITS – NIL**

**3. TOP 10 Borrowings as on 30.09.2025**

<b>Sl No</b>	<b>Source</b>	<b>Limit Sanctioned (Rs. In crore)</b>	<b>Date of sanction</b>	<b>Validity</b>
1.	OD Limit	4.50	03.09.2025	27.08.2026
2.	Equity Share capital	20.00	NA	NA
	<b>Total</b>	<b>24.50</b>		



#### 4. PRODUCT WISE LIABILITIES AS ON 30.09.2025.

SI No	Product	Liabilities (Rs. In crore)	% to Total
1.	Working Capital demand Loan	0.00	NA
2.	Overdraft Facility against Book Debt	0.00	NA
3.	Commercial Paper	-	-
<b>Total</b>		<b>0.00</b>	<b>NA</b>

#### 5. STOCK RATIOS

SL No	Particulars	Formula	Sep-25	Sep-24
1.	Short-term liability to Total assets	$\frac{\text{Short Term Liability}}{\text{Total Assets}}$	0.06	0.74
2	Short-term liability to long term assets	$\frac{\text{Shor term Liability}}{\text{Long term Assets}}$	0.19	8.24

- We do not have any Non-convertible debentures, further we calculate our ALM every month and there is no liquidity stress arising as our business is limited to short term nature of lending.



**Quarterly Public disclosure as per RBI guidelines**

<b>1.</b>	<b>Funding Concentration based on significant counterparty (both deposits and borrowings)</b>	
<b>A</b>	<b>Deposits</b>	Nil
	Counter Parties	Nil
<b>B</b>	<b>Liabilities</b>	
	OD Limit	4.50
	Equity	<b>20.00</b>
	<b>Liability Counterparties</b>	
	<b>Canara Bank - OD Limit</b>	<b>4.50</b>
	<b>Equity Composition</b>	<b>20.00</b>
	Canara bank - 14 Crores	
	SIDBI - 4 Crores	
	Union Bank Of India - 2 Crores	
	<b>Total</b>	<b>24.50</b>

**2. TOP 20 DEPOSITS – NIL**

**3. TOP 10 Borrowings as on 31.12.2025**

<b>SI No</b>	<b>Source</b>	<b>Limit Sanctioned (Rs. In crore)</b>	<b>Date of sanction</b>	<b>Validity</b>
1.	OD Limit	4.50	03.09.2025	27.08.2026
2.	Equity Share capital	20.00	NA	NA
<b>Total</b>		<b>24.50</b>		



#### 4. PRODUCT WISE LIABILITIES AS ON 31.12.2025.

SI No	Product	Liabilities (Rs. In crore)	% to Total
1.	Working Capital demand Loan	0.00	NA
2.	Overdraft Facility against Book Debt	0.00	NA
3.	Commercial Paper	-	-
<b>Total</b>		<b>0.00</b>	<b>NA</b>

#### 5. STOCK RATIOS

SL No	Particulars	Formula	Dec-25	Dec-24
1.	Short-term liability to Total assets	$\frac{\text{Short Term Liability}}{\text{Total Assets}}$	0.07	0.64
2	Short-term liability to long term assets	$\frac{\text{Shor term Liability}}{\text{Long term Assets}}$	0.23	5.33

- We do not have any Non-convertible debentures, further we calculate our ALM every month and there is no liquidity stress arising as our business is limited to short term nature of lending.



**Quarterly Public disclosure as per RBI guidelines**

<b>1.</b>	<b>Funding Concentration based on significant counterparty (both deposits and borrowings)</b>	
<b>A</b>	<b>Deposits</b>	Nil
	Counter Parties	Nil
<b>B</b>	<b>Liabilities</b>	
	OD Limit	4.50
	Equity	<b>20.00</b>
	<b>Liability Counterparties</b>	
	<b>Canara Bank - OD Limit</b>	<b>4.50</b>
	<b>Equity Composition</b>	<b>20.00</b>
	Canara bank - 14 Crores	
	SIDBI - 4 Crores	
	Union Bank Of India - 2 Crores	
	<b>Total</b>	<b>24.50</b>

**2. TOP 20 DEPOSITS – NIL**

**3. TOP 10 Borrowings as on 31.03.2026**

<b>Sl No</b>	<b>Source</b>	<b>Limit Sanctioned (Rs. In crore)</b>	<b>Date of sanction</b>	<b>Validity</b>
1.	OD Limit	4.50	03.09.2025	27.08.2026
2.	Equity Share capital	20.00	NA	NA
<b>Total</b>		<b>24.50</b>		



#### 4. PRODUCT WISE LIABILITIES AS ON 31.03.2026.

Sl No	Product	Liabilities (Rs. In crore)	% to Total
1.	Working Capital demand Loan	0.00	NA
2.	Overdraft Facility against Book Debt	0.00	NA
3.	Commercial Paper	-	-
<b>Total</b>		<b>0.00</b>	<b>NA</b>

#### 5. STOCK RATIOS

SL No	Particulars	Formula	Mar- 26	Mar-25
1.	Short-term liability to Total assets	$\frac{\text{Short Term Liability}}{\text{Total Assets}}$	0.07	0.21
2	Short-term liability to long term assets	$\frac{\text{Shor term Liability}}{\text{Long term Assets}}$	0.23	0.79

- We do not have any Non-convertible debentures, further we calculate our ALM every month and there is no liquidity stress arising as our business is limited to short term nature of lending.

