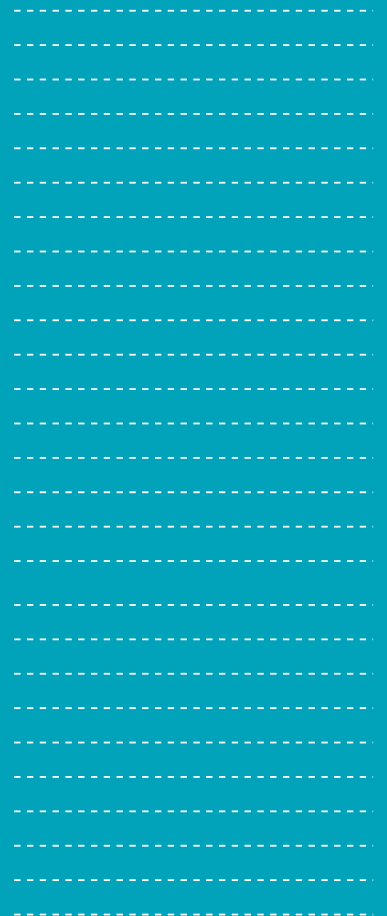


16th Audited Annual Report

2008 - 2009



Investment Options
for a changing India.



CANARA ROBECO

Canara Robeco Asset Management Company Ltd.
Investment Manager to
CANARA ROBECO MUTUAL FUND

BOARD OF DIRECTORS

Mr. A. C. Mahajan (Chairman)
Mr. M. V. Shenoy
Mr. Franciscus L. Kusse
Mr. Constant T. L. Korthout
Mr. Arvind Sethi
Mr. Deveshwar Kumar Kapila
Mr. Pankaj Jain
Mr. Naveen Kumar Kshatriya

EXECUTIVES

Rajnish Narula, Chief Executive Officer
Paul Vrancken, Chief Operating Officer
R. K. Nayak, General Manager (on deputation)

AUDITORS

M/s Khimji, Kunverji & Co,
Chartered Accountants,
Suite no. 52, Bombay Mutual Bldg, P. M. Road, Fort,
Mumbai - 400 001

REGISTERED OFFICE

Construction House, 4th Floor, 5, Walchand Hirachand Marg,
Ballard Estate, Mumbai 400 001

D

irectors' Report

TO THE MEMBERS :

Your Directors present their Sixteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2009.

	Year ended 31.3.2009 (Rs. Lacs)	Year ended 31.3.2008 (Rs. Lacs)
Profit/(Loss) before depreciation	(1492.01)	(899.65)
Depreciation	123.99	92.51
Profit/(Loss) before tax	(1616.00)	(992.16)
Less : Loss on sale of fixed assets	1.49	0.42
Loss on sale of investments	-	-
Write off of diminution in value of long term investments	-	-
Diminution in value of current investments	-	-
Profit/(Loss) for the year before impairment loss and taxation	(1617.49)	(992.58)
Less : Impairment Loss	3.80	0.72
Provision for Income Tax	-	-
Provision for Wealth Tax	10.33	14.45
Provision for Fringe Benefit Tax	14.48	11.80
Add: (Charge)/Credit for deferred tax asset	57.81	(7.97)
Tax Adjustment for prior periods	13.58	37.75
Profit/(Loss) for the year	(1717.50)	(989.77)
Add : Balance brought forward	1383.53	2417.41
Less : Provision for Gratuity (net of tax)	-	44.11
Amount available for appropriations	(333.97)	1383.53
Appropriations :		
Dividend (proposed)	-	-
Tax on proposed dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance-Sheet	(333.97)	1,383.53

Canara Robeco Asset Management Company, the joint venture between Canara Bank and Robeco Groep N.V., completed 18 months of operations on 31st March 2009.

BUSINESS RESULTS & DIVIDEND:

For the year ended March 31, 2009 the revenue of the company by way of management fees and other income earned was higher at Rs. 2025.31 Lacs as compared to Rs. 1699.78 Lacs earned in the year ended March 31, 2008. The average assets under management grew from Rs. 2885.1 Crores to Rs. 4743.9 Crores, a growth of 64.4% over the one year period, making the company one of the fastest growing asset managers in the country over the past year in an industry which witnessed a decline overall.

The company has incurred expenses over the past year, to the tune of Rs. 3642.80 Lacs as compared to Rs. 2692.36 Lacs incurred in the last financial year (including a one-off expense on Voluntary Retirement Scheme). Substantial investments have been made in the past year on recruitment, training and development of human resources, image and brand building, distribution and product marketing, IT upgradation, etc. As a result, there has been a loss of Rs. 1717.50 Lacs as compared to the loss of Rs. 989.77 Lacs over the past year.

In view of the loss and the need to conserve resources of the Company to meet planned expenditure, your Directors express their inability to recommend any dividend for the year ended 31st March, 2009.

KEY PERSONNEL:

Mr. Anand Shah, MBA (IIM Lucknow) was appointed Head of Equities with effect from 15th April, 2008. Anand has over a decade of experience in managing equity funds management and research. Before joining Canara Robeco, he had worked at ICICI Prudential Asset Management and Kotak Mahindra Asset Management.

Mr. Ritesh Jain, MBE (Indore University) was appointed Head of Fixed Income with effect from 29th April, 2008. Ritesh has over a decade of experience in managing Fixed Income funds. Before joining Canara Robeco, he had worked at Kotak Mahindra Asset Management as Head – Fixed Income.

Mr. Avinash Ramnath, B.Sc., MMS (University of Mumbai) was appointed Head of National Sales with effect from 1st October, 2008. He has over one

and half decades of experience and has a successful track record in building the sales function. Prior to joining the Company, he had worked with Deutsche Bank and Alliance Capital Asset Management.

Mr. Sanjay Santhanam – Head of Sales and Marketing (Chief Marketing Officer) resigned from the services of the Company with effect from February 28, 2009.

OPERATIONS:

In tune with the market demand, the following schemes were launched during the year:

Name	Type	Collection
Canara Robeco Fixed Maturity Plan 3M Series III	Close-Ended Fixed Maturity Plan	Rs. 16.19 Crores
Canara Robeco Fixed Maturity Plan 14M Series II	Close-Ended Fixed Maturity Plan	Rs. 120.97 Crores
Canara Robeco Fixed Maturity Plan 3M Series III QT2	Close-Ended Fixed Maturity Plan	Rs. 104.13 Crores
Canara Robeco Fixed Maturity Plan 3M Series III QT3	Close-Ended Fixed Maturity Plan	Rs. 45.50 Crores
Canara Robeco Fixed Maturity Plan 3M Series III QT4	Close-Ended Fixed Maturity Plan	Rs. 267.27 Crores
Canara Robeco Fixed Maturity Plan 3M Series III QT5	Close-Ended Fixed Maturity Plan	Rs. 102.13 Crores
Canara Robeco Interval Series 2 – Quarterly Plan 1	Open-Ended Interval Plan	Rs. 137.43 Crores
Canara Robeco Interval Series 2 – Quarterly Plan 2	Open-Ended Interval Plan	Rs. 150.79 Crores
Canara Robeco Fixed Maturity Plan Series 4 – Quarterly Plan 1	Close-Ended Fixed Maturity Plan	Rs. 96.80 Crores
Canara Robeco Fixed Maturity Plan Series 4 – Quarterly Plan 2	Close-Ended Fixed Maturity Plan	Rs. 144.40 Crores
Canara Robeco Fixed Maturity Plan Series 4 – Quarterly Plan 3	Close-Ended Fixed Maturity Plan	Rs. 6.56 Crores
Canara Robeco Fixed Maturity Plan 4 – 19 Months Plan	Close-Ended Fixed Maturity Plan	Rs. 20.51 Crores
Canara Robeco Fixed Maturity Plan Series 4 – Quarterly Plan 4	Close-Ended Fixed Maturity Plan	Rs. 13.68 Crores
Canara Robeco Short Term Fund	Open-Ended Income Fund	Rs. 196.61 Crores

With a view to providing flexibility in the operations of the Schemes and also to reduce costs, Canara Robeco Expo Fund and Canara Robeco Fortune'94 Funds were merged with Canara Robeco Equity Diversified Fund and the name was retained after complying with the necessary formalities prescribed under SEBI (Mutual Funds) Regulations, 1996. The merger became effective from 23th April, 2008.

Pursuant to SEBI circular SEBI/IMD/CIR No.13/150975/09 dated January 19, 2009, "Canara Robeco Liquid Plus Scheme" has being renamed as "Canara Robeco Treasury Advantage Fund" effective from 18th February, 2009.

Apart from capital appreciation under growth plans of various Schemes and daily/weekly dividends in Canara Robeco Liquid, Canara Robeco Treasury Advantage, Canara Robeco Floating Rate and Canara Robeco Interval Funds and Canara Robeco Fixed Maturity Plans, the following Schemes declared dividends during the year under dividend plans:

Canara Robeco Gilt PGS: 15%, Canara Robeco Income: 15%

As on 31st March, 2009, your Company was managing twenty one Schemes of Canara Robeco Mutual Fund, of which 14 were debt oriented Schemes, 6 were equity oriented Schemes and 1 was balanced Scheme.

As on 31st March, 2009, the corpus and the net asset base of Canara Robeco Mutual Fund stood at Rs. 3002.50 Crores (previous year: Rs. 1,855.85 crores) and Rs. 3734.70 Crores (previous year: Rs. 2,650.25 crores), respectively.

RECOGNITION AND AWARDS:

The past year has seen industry analysts felicitating the Company for its superior product performance and the returns it generated for its investors. At the Lipper Fund Awards India 2009, we were felicitated as the Bond Fund House of the Year, reiterating our position in the Indian Asset Management industry as one of the best fund management companies in the country.

Lipper also awarded Canara Robeco Income Fund the Best Performing Indian Rupee Bond Fund over a five-year timeframe. The Lipper Fund Awards program highlights funds that have excelled in delivering consistently strong risk-adjusted performance, relative to peers. Also at the inaugural Morningstar India Awards 2009, Canara Robeco's Gilt PGS Fund received an award for the Best Intermediate/Long Government Fund for superior performance over the peer set in a one- and three-year period.

ICRA also awarded Canara Robeco 2 Five-star Gold Fund awards for their exceptional performance in the money-market funds space. Canara Robeco Floating Rate Fund - Short Term got the award for the category of Open Ended Floating Rate Fund while Canara Robeco Liquid Fund – Institutional got the award for the category of the Open Ended Liquid Plus Fund – Institutional. The performance was rated over a period of three years in both cases.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO :

Your Company, being a non-banking non-financial Company, no specific comments in terms of the provisions of Section 217 (1) (e) of the Companies Act, 1956 are called for on conservation of energy and technology absorption. Your Company has, however, used information technology relevant to its business in keeping with the size of its operations.

Expenditure in foreign currency aggregated to Rs. 125.10 Lacs (previous year: Rs. 234.84 lacs).

FIXED DEPOSITS:

The Company has not invited/accepted deposits from members/public. The Reserve Bank of India has classified the Company as a non-banking non-financial company.

PARTICULARS OF EMPLOYEES:

Information required to be provided under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is given in the Annexure.

DIRECTORS:

During the year, the following changes in the composition of the Board of Directors took place:

1. Mr. A. C. Mahajan, Chairman & Managing Director, Canara Bank assumed Office as the Chairman of the Board of Directors with effect from 2nd September, 2008 and was appointed as a nominee Director of Canara Bank not liable to retirement by rotation and in terms of the Articles of Association, as amended, 30th September, 2008.
2. Mr. M.B.N.Rao, Chairman of the Board of Directors who was appointed as an on 26th September, 2007 ceased to be Alternate Director with effect from 1st September, 2008.
3. Dr. N.K.Thingalaya resigned from the Board and ceased to be a Director with effect from 22nd April, 2008.
4. Mr. D.K.Kapila was appointed as an Independent Director on the Board of Directors w.e.f. 29th December, 2008.

Your Directors place on record their deep appreciation of the services rendered by Mr. M.B.N Rao and Dr. N.K.Thingalaya during their tenure on the Board.

Mr. M.V.Shenoy, who was earlier holding the office of nominee Director of Canara Bank not liable to retirement by rotation now holds the office of Director liable to retirement by rotation and accordingly retires by rotation at the Annual General Meeting and is eligible for re-appointment.

Pursuant to Section 260 of the Companies Act, 1956 read with Article 145(2) of the Articles of Association, Mr. C.T.L.Korthout, Mr. F. L. Kusse, Mr. Arvind Sethi and Mr. Naveen Kumar Kshatriya, Additional Directors hold office of Director up to the date of the Annual General Meeting. The Company has received notices in writing from Members proposing their candidature for the office of the Director under the provisions of Section 257 of the Companies Act, 1956.

Your Company commend the re-appointment of Mr. M.V.Shenoy as a Director retiring by rotation and also the appointment of Mr. C.T.L.Korthout, Mr. Arvind Sethi and Mr. Naveen Kumar Kshatriya as Directors retiring by rotation.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Management Team, confirm that:

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- (b) they have, in the selection of accounting policies, consulted the statutory auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/(loss) for that period ;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, as amended, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (d) they have prepared the Annual Accounts on a going concern basis.

AUDIT COMMITTEE:

The Audit Committee of the Board comprises of Mr. Pankaj Jain, Mr. M.V.Shenoy, Mr. C.T.L.Korthout and Mr. Arvind Sethi.

The Committee reviews reports of the internal and statutory auditors placed before them, from time to time.

AUDITORS:

The Comptroller and Auditor General of India, New Delhi appointed M/s. Khimji Kuverji & Co., Chartered Accountants, as Auditors of the Company for the year 2008-2009. Under Section 224(8) (aa) of the Companies Act, 1956, the remuneration of Auditors appointed under Section 619 by the Comptroller and Auditor General of India, shall be fixed by the Company in the General Meeting. Accordingly, Notice of the Annual General Meeting will include an item pertaining to remuneration of the Auditors for the year 2009-2010.

CASH FLOW:

Cash Flow Statement for the year ended 31st March, 2009 is annexed to the Accounts.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their gratitude for the support and guidance received from SEBI, Board of Trustees of Canara Robeco Mutual Fund, joint venture partners, Canara Bank and Robeco Groep N.V., confidence reposed by the investor community and the dedicated work put in by the staff at all levels in the Company.

For and on behalf of the Board of Directors

A.C. Mahajan
CHAIRMAN

Place: Mumbai

Date: 27th April, 2009

Auditors' Report

To
The Members,
Canara Robeco Asset Management Company Limited

1. We have audited the attached Balance Sheet of CANARA ROBECO ASSET MANAGEMENT COMPANY LIMITED (hereinafter referred to as 'the Company') as at March 31, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) (hereinafter referred to as 'the Order') issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, (hereinafter referred to as 'the Act') we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. 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;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the aforesaid books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in Section 211 (3C) of the Act;
 - v. On the basis of written representation received from directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of section 274 (1) (g) of the Act.
 - vi. Subject to Note No B.3 regarding Managerial Remuneration and Note No B.6 (2) (c) regarding provision of Bonus to employees which are pending approval by competent authority/ies, impact whereof, if any, has not been ascertained, in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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;
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - b) In the case of the Profit and Loss Account, of the 'Loss' of the Company for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Sd/-

HASMUKH B DEDHIA
Partner
Membership No. 33494

Place: Mumbai
Dated: 30th April, 2009

A

Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of our report of even date of CANARA ROBECO ASSET MANAGEMENT COMPANY LIMITED as at March 31, 2009

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by management at reasonable intervals. As informed, no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of its fixed assets during the year.
- (ii) (a) As the Company does not have inventory, the Clause 4 (ii) (a), (b) and (c) of the Order relating to inventories is not applicable to the Company.
- (iii) (a) The Company has neither taken nor granted any Loans, secured or unsecured from/to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, clause (iii) (b) to (iii) (g) of paragraph 4 of the order are not applicable to company for the year.
- iv) In our opinion and according to the information and explanations given, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for sale of services. Further, on the basis of examination of the books and records of the Company and according to the information and explanations given, and as per the checking carried out in accordance with the auditing standards generally accepted in India, neither we have observed nor we have been reported for any continuing failure to correct major weaknesses in the internal control system relating to the aforesaid.
- v) According to the information and explanations provided by management, we are of the opinion that there were no transactions made in pursuance of contract or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- vi) The Company has not accepted any deposit from the public, within the meaning of the provisions of Sections 58A and 58AA of the Act and the Rules framed there under.
- vii) In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
- viii) As informed, the Company is not required to maintain any cost records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- ix) (a) According to the information and explanation given, the Company is regular in depositing undisputed statutory dues in respect of Provident Fund, Investors Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise duty, Customs duty, Cess and any other statutory with appropriate authorities.
- According to the information and explanation given to us, no undisputed amount payable in respect of above statutory dues were outstanding as at 31st March, 2009 for a period of more than six months from the date they become payable except a sum of Rs.16,48,386 in respect of Provident fund in case of an employee on deputation.
- (b) According to the information and explanations given, there are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute except the following:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Assessed dues	20,99,680/-	A.Y. 2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Assessed dues	7,19,200/-	A.Y. 2006-07	Commissioner of Income Tax (Appeals)

- x) The Company has accumulated losses at March 31, 2009 and has also incurred cash loss during the financial year ended on that date as well as in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company does not have any dues payable to financial institutions or bank or debenture holders and hence there is no question of default in repayment of such dues during the year.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) Since the Company is not a chit fund, nidhi, mutual benefit fund or a society, clause 4 (xiii) of the Order is not applicable to the Company.
- xiv) In our opinion and on the basis of information and explanations given to us, the company has maintained proper record of transactions and contracts in respect of dealing of investment in securities and timely entries have been made for the same. All the securities have been held by the company in its own name.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) During the year, the Company has not taken / availed any term loans.

- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- xix) According to the information and explanations given to us, no debentures have been issued by the Company.
- xx) Since the Company has not raised any money through a public issue during the year, clause 4(xx) of the Order is not applicable to the Company.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of such case by the management.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants

Sd/-

HASMUKH B DEDHIA
Partner
Membership No.33494

Place: Mumbai
Dated:30th April, 2009

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF CANARA ROBECO ASSET MANAGEMENT COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2009.

The preparation of financial statements of Canara Robeco Asset Management Company Limited for the year ended 31 March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under

Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 30 April 2009.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of Canara Robeco Asset

Management Company Limited for the year ended 31 March 2009 and as such have no comments to make under Section 619 (4) of the Companies Act, 1956.

For and on the behalf of the
Comptroller and Auditor General of India

Sd/-
(Mridula Sapru)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-I, Mumbai

Place : Mumbai
Date : 8 July 2009

B

alance Sheet as at 31st March, 2009

	Sch	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
I SOURCES OF FUNDS			
(1) Shareholder's funds			
(a) Share Capital	A	101,043,570	101,043,570
(b) Reserves & Surplus	B	84,713,038	256,463,150
Total		185,756,608	357,506,720
II APPLICATION OF FUNDS			
(1) Fixed Assets	C		
(a) Gross Block		223,724,608	211,612,636
(b) Less : Depreciation		110,118,200	99,580,876
Net Block		113,606,408	112,031,760
(2) Investments	D	50,869,939	259,145,436
(3) Deferred Tax Asset (Net)		-	5,781,165
(4) Current Assets, Loans & Advances			
(a) Sundry Debtors	E	39,773,587	17,579,093
(b) Cash and Bank Balances	F	7,014,262	6,158,578
(c) Loans & Advances	G	98,548,417	78,838,729
Total		145,336,266	102,576,400
Less : (a) Current Liabilities	H	116,410,206	108,594,575
(b) Provisions	I	7,645,799	13,433,466
Total		124,056,005	122,028,041
Net Current Assets		21,280,261	(19,451,641)
(5) Miscellaneous Expenditure	J	-	-
(to the extent not written off or adjusted)			
Total		185,756,608	357,506,720
Significant Accounting Policies & Notes to Accounts	N		

As per our report of even date
For Khimji Kunverji & Co.,
Chartered Accountants

A.C. Mahajan
Chairman

D.K.Kapila
Director

Hashmukh B. Dedhia
Partner

C.T.L. Korthout
Director

Rajnish Narula
Chief Executive Officer

Place : Mumbai
Date : 30th April, 2009

Trupti Vyas
Company Secretary

Paul Vrancken
Chief Operating officer

P

Profit & Loss Account for the year ended 31st March, 2009

	Sch	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
INCOME			
Management Fee		179,576,096	150,339,136
(TDS Rs.17,417,180 Pr. Yr. Rs. 18,494,166)			
Dividend on Current Investments		7,424,504	12,032,056
Profit on sale of investments			5,247,875
- Current Investments		-	-
- Long Term Investments		11,910,000	-
Other Income	K	3,620,278	2,359,266
Total		202,530,878	169,978,333
EXPENDITURE			
Employees' Remuneration and Benefit	L	207,680,322	100,775,424
Administrative Expenses	M	144,052,169	105,583,972
Depreciation		12,399,027	9,250,773
Loss on sale of fixed assets		148,857	41,913
VRS Expense		-	53,584,632
Total		364,280,375	269,236,714
PROFIT/(LOSS) FOR THE YEAR BEFORE IMPAIRMENT LOSS & TAXATION		(161,749,497)	(99,258,381)
Less : Impairment Loss		379,760	71,790
Deferred Tax (Credit) / Charge		5,781,165	797,035
Provision for Wealth Tax		1,033,467	1,445,518
Provision for Fringe Benefit Tax		1,448,000	1,180,000
Tax adjustments for prior periods		1,358,223	(3,775,105)
PROFIT/(LOSS) FOR THE YEAR AFTER IMPAIRMENT LOSS & TAXATION		(171,750,112)	(98,977,619)
Balance brought forward		138,352,920	241,741,450
Less : Provision for Gratuity (Net of Tax)			4,410,911
Balance carried to Balance-Sheet		(33,397,192)	138,352,920
Earnings Per Share (Face value of Rs. 10/- each)			
Basic and Diluted		(17.08)	(9.84)
(Refer note no.(B.10) of Schedule 'N')			
Significant Accounting Policies & Notes to Accounts	N		

As per our report of even date
For Khimji Kunverji & Co.,
Chartered Accountants

A.C. Mahajan
Chairman

D.K.Kapila
Director

Hashmukh B. Dedhia
Partner

C.T.L. Korthout
Director

Rajnish Narula
Chief Executive Officer

Place : Mumbai
Date : 30th April, 2009

Trupti Vyas
Company Secretary

Paul Vrancken
Chief Operating officer

S

Schedules forming part of the Balance Sheet as at 31st March, 2009

	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
SCHEDULE 'A' - SHARE CAPITAL		
AUTHORISED		
11,000,000 Equity Shares of Rs. 10 each (Previous year 11,000,000 equity shares of Rs. 10 each)	110,000,000	110,000,000
ISSUED, SUBSCRIBED AND PAID UP :		
10,104,357 Equity Shares of Rs. 10 each Fully paid up (5,153,222 Shares held by Canara Bank and its nominees and 4,951,135 shares held by Robeco India Holding B.V. (Of the above shares:5,000,000 shares were allotted to Canara Bank as fully paid-up by way of Bonus Shares by capitalization of surplus in the Profit & Loss Account)	101,043,570	101,043,570
TOTAL	101,043,570	101,043,570
SCHEDULE 'B' - RESERVES AND SURPLUS		
General Reserve Balance as per Last Balance Sheet Add : Transfer from Profit Loss Account	96,758,788 - -	96,758,788 - -
TOTAL (A)	96,758,788	96,758,788
Share Premium Account	21,351,442	21,351,442
TOTAL (B)	118,110,230	118,110,230
Profit & Loss Account (Balance As Per Accounts Annexed)	(33,397,192)	138,352,920
TOTAL (C)	(33,397,192)	138,352,920
TOTAL (A+B+C)	84,713,038	256,463,150

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chedules forming part of the Balance Sheet as at 31st March, 2009

SCHEDULE 'C' FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	As at 01.04.2008 Rs.	Addition Rs.	Deletion Rs.	As at 31.03.2009 Rs.	Upto 31.03.2008 Rs.	For the Year Rs.	Loss on impairment Rs.	Adjustments Rs.	Upto 31.03.2009 Rs.	As at 31.03.2009 Rs.	As at 01.04.2008 Rs.
Residential Flats	169,267,610	-	-	169,267,610	77,946,413	4,566,060	-	-	82,512,473	86,755,137	91,321,197
Office Equipments	5,768,883	3,577,269	832,278	8,513,874	2,640,746	720,870	-	539,473	2,822,143	5,691,731	3,128,139
Air Conditioners	2,073,598	791,570	118,000	2,747,168	622,151	249,473	-	46,085	825,539	1,921,629	1,451,447
Comp & Peripherals	16,977,546	6,983,279	333,026	23,627,800	9,207,882	4,805,985	13,392	306,150	13,721,109	9,906,691	7,769,666
Electrical Fittings	1,727,863	50,750	-	1,778,613	1,356,963	74,172	-	-	1,431,135	347,478	370,899
Furniture & Fixtures	9,298,720	2,469,779	644,480	11,124,019	5,599,076	852,096	-	480,199	5,970,973	5,153,046	3,699,647
Motor Vehicle	6,498,415	-	1,325,178	5,173,237	2,207,646	1,046,003	366,368	869,557	2,750,460	2,422,777	4,290,769
Leasehold Improvements	-	1,492,287	-	1,492,287	-	84,368	-	-	84,368	1,407,919	-
Total	211,612,636	15,364,934	3,252,962	223,724,608	99,580,876	12,399,027	379,760	2,241,464	110,118,200	113,606,408	112,031,760
Previous Year	203,918,069	12,664,683	4,970,116	211,612,636	94,597,451	9,250,773	71,790	4,339,138	99,580,876	112,031,760	

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Schedules forming part of the Balance Sheet as at 31st March, 2009

	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
SCHEDULE 'D'- INVESTMENTS		
CURRENT		
Trade Investment		
Unquoted		
Investment in units of Canara Robeco Liquid Fund F.V. Rs. 8.66 lacs (Pr. Yr. 1,584.96 lacs) NAV Rs. 8.69 lacs (Pr. Yr. Rs.1,591.45 lacs)	869,939	159,145,436
Investment in units of Canara Robeco Liquid Plus Fund FV Rs. 390.85 Lacs (Pr. Yr.NIL) NAV Rs. 517.75 Lacs (Pr. Yr. Rs.NIL)	50,000,000	-
Investment in units of Canara Robeco FMP 13M SR1 (G) FV Rs. NIL (Pr. Yr. 1,000 Lacs) NAV Rs. NIL (Pr. Yr. 1,112.99 Lacs)	-	100,000,000
TOTAL	50,869,939	259,145,436
Note :		
The Aggregate value of unquoted investments		
Cost	50,869,939	259,145,436

Schedules forming part of the Balance Sheet as at 31st March, 2009

	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
SCHEDULE 'E'- SUNDRY DEBTORS		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months	-	4,509
Others	39,773,587	17,574,584
TOTAL	39,773,587	17,579,093
SCHEDULE 'F'- CASH & BANK BALANCES		
Cash on Hand	60,758	107,091
Balance with Scheduled Banks in		
- Current Accounts	6,953,504	6,051,487
TOTAL	7,014,262	6,158,578
SCHEDULE 'G' - LOANS & ADVANCES		
(Secured and considered good)		
Staff Loans	407,685	896,242
(Unsecured and considered good)		
Security Deposit	8,864,890	9,854,569
Other Deposit	636,085	644,335
Taxes paid in respect of earlier years (Net of Provisions)	39,317,221	20,386,319
Taxes paid for AY 2009-2010	20,828,698	21,489,826
Staff Loans & Advances	592,438	1,864,103
Other advances	27,901,400	23,703,335
TOTAL	98,548,417	78,838,729

Schedules forming part of the Balance Sheet as at 31st March, 2009

	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
SCHEDULE 'H' - CURRENT LIABILITIES		
Sundry Creditors (Refer Note (B.5) of Schedule 'N')	315,266	125,293
Other Liabilities	116,094,940	108,469,282
TOTAL	116,410,206	108,594,575
SCHEDULE 'I' - PROVISIONS		
Provision For Taxation	2,481,467.00	2,625,518
Leave Encashment	4,101,342	3,190,706
Gratuity	1,062,990	7,617,242
TOTAL	7,645,799	13,433,466
SCHEDULE 'J' - MISCELLANEOUS EXPENDITURE		
Expenditure on VRS for Employees		
Balance at the beginning of the year	-	5,328,524
Less: Written off during the period	-	5,328,524
TOTAL	-	-

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Schedules forming part of the Profit & Loss A/C for the Year ended 31st March, 2009

	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
SCHEDULE 'K' - OTHER INCOME		
Interest on Staff Loans/Security Deposits	313,812	541,017
Interest on IT Refund	1,358,487	-
Registrar & Transfer charges (TDS Rs. 18,870/- Pr. Yr. Rs. 69,157/-)	149,016	449,711
Rent Income (TDS Rs. 47,460/- Pr. Yr. Rs. 303,628/-)	1,664,400	1,326,400
Miscellaneous Income	134,563	42,138
TOTAL	3,620,278	2,359,266
SCHEDULE 'L' - EMPLOYEES' REMUNERATION & BENEFITS		
Salaries, Bonus and other allowances	176,046,990	71,078,587
Contribution to PF, Group Gratuity and other Funds	7,138,097	5,147,424
Other Welfare expenses	24,495,235	19,220,887
VRS expenses written off	-	5,328,526
TOTAL	207,680,322	100,775,424
SCHEDULE 'M' - ADMINISTRATIVE EXPENSES		
Advertisement & Publicity	2,871,982	9,601,826
Business Development Expenses	3,707,251	2,775,320
Computer software & development	13,065,638	1,879,430
Directors Sitting Fees	340,000	285,000
Donations	5,000	20,000
Doubtful Debts written off	253,730	-
Electricity Charges	4,187,584	3,175,558
Expenses of Scheme borne by AMC	26,911,735	9,580,628
Foreign Exchange Loss	1,650,862	3,438,532
Fund Accounting	4,072,532	-
Insurance	132,990	107,861
Legal and Professional Charges	12,460,355	11,422,618
Payment to Statutory Auditors		
— Audit Fees	300,000	200,000
Payment to other Auditors		
— Internal Audit, Tax Audit, Certification charges	456,925	663,526
Miscellaneous Expenses	2,420,808	2,997,761
Postage , Telegrams & Telephone	8,460,992	5,512,860
Printing & Stationery	4,674,973	11,284,992
Rates & Taxes	446,301	141,385
Recruitment, Seminar & Training	6,425,356	4,732,134
Rent	17,834,027	14,609,645
Repairs & Maintenance		
— Buildings	3,455,967	2,659,234
— Others	8,678,304	9,285,549
Subscription	8,956,562	5,062,531
Travelling & Conveyance	12,282,294	6,147,582
TOTAL	144,052,169	105,583,972

SCHEDULE FORMING PART OF THE ACCOUNTS**SCHEDULE 'N' ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****A SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies have been applied in dealing with items which are considered material in relation to the Company's Accounts:

A.1 Basis of preparation of Accounts:

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956 (the Act). Except otherwise mentioned, the accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The preparation of the financial statements in conformity with generally accepted accounting principles ('GAAP') requires that the Company's management make estimates and assumptions that affect the reported amounts of income and expenses for the period, reported balances of assets and liabilities and disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates.

A.2 Revenue Recognition

Revenue is recognized when there is certainty of ultimate collection. Management fee is recognized at specified rates provided in the offer document of the relevant schemes applied on the average daily net assets of each scheme on accrual basis. Divided income is recognised when the right to receive payment is established.

A.3 Fixed Assets

Fixed Assets are stated at cost of acquisition or construction.

A.4 Depreciation

Depreciation on various assets is provided on written down value method at the rates provided in Schedule XIV of the Act except in the case of Electrical Fittings on which depreciation is charged @20%. Expenditure on fixtures in leased premises is depreciated over the lease period. Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on pro rata basis.

A.5 Foreign Exchange Transactions

Transactions in foreign currency are recorded at a rate that approximates the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange prevailing on the Balance Sheet date. Exchange differences arising on foreign currency transactions are recognized in the Profit and Loss Account.

A.6 Investment:

Long-term investments are stated at cost. The excess of cost over face value is amortised over the period of holding of investment upto redemption. The provision for diminution in value of investments is made, if such diminution in the opinion of the management is other than temporary. Current investments are stated at lower of cost and fair market value.

A.7 Operating Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased Assets are classified as operating leases. Operating lease payments/receipts are recognized as an expense/income in the profit and loss Account.

A.8 Employee and Retirement Benefits:

- (i) Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
- (ii) The Company contributes to an approved Group Gratuity Policy with the Life Insurance Corporation of India. Gratuity liability are defined benefit obligations and are provided for on the basis of an actuarial valuation as per AS 15 (Revised) made at the end of each financial year based on the projected unit cost method.
- (iii) Short term compensated absences are provided for based on estimates.
- (iv) Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.
- (v) Gratuity and Leave encashment in respect of deputed employees is calculated as per the terms of deputation and provided in the accounts on accrual basis.

A.9 Earnings Per Share :

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items. Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

A.10 Taxes on Income: Tax expense comprises of current, deferred and fringe benefit tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet Date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future. Deferred tax assets, in case of unabsorbed losses and unabsorbed depreciation, are recognised only if there is virtual certainty that such deferred tax asset can be realised against future taxable profits. Fringe Benefit Tax is provided in accordance with the provisions of the Income Tax Act, 1961.

A.11 Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss if any, is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

A.12 Contingent Liabilities and Provisions :

Contingent liabilities where outflow is possible but not probable are disclosed by the way of note. Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

A.13 Software Expenses :

Expenses on subscription, licence fees and costs towards right to use/access of application software are charged to revenue account in the year in which they are incurred.

B NOTES ON ACCOUNTS**B.1 Contingent Liability**

Contingent Liability to Canara Bank on receipt of Claim/Settlement of dispute towards property tax & other charges pertaining to the building occupied by the company till 30/9/03. The sum involved is not quantified.

B.2 Income from Management Fee includes Rs. 1,01,05,059/- from Canbank Mutual Fund - General Administration Dept. (CMF - GAD) & Erstwhile Unitholders Account for the year 2008-2009. The accounts of CMF - GAD & Erstwhile Unitholders Account for the year 2008-2009 are not yet audited and hence the amount of Rs.1,01,05,059 /- has been taken as income on the basis of certificate obtained from the statutory auditors of CMF - GAD.

B.3 W.e.f. 26th September 2007, Sri Rajnish Narula (CEO) was appointed as Manager of the Company. As the remuneration payable to him was not falling within the limits prescribed under section 198, 269 & 309 read with Part II of Schedule XIII of the Companies Act, an application was made to Central Government on 27th March, 2008 seeking approval for payment of remuneration to him.

Central Government vide their letter dated 21st January 2009, conditionally approved the appointment of Mr. Rajnish Narula as Manager of the Company w.e.f.26.09.2007 till ensuing General Meeting of the Company.

The remuneration payable to Shri Rajnish Narula is being disbursed by Robeco Groep N.V. and the company has recorded during the year a liability of Rs.17,032,578 towards Robeco Groep N.V. for the same.

The details of such remuneration from 1st April 2008 to 31st March 2009 are given below:

Managerial remuneration:

	2008-2009 (Rs.)	2007-2008 (Rs.)
Salary and Allowances	26,453,770	21,880,063
Contribution to Provident Fund and other funds	540,000	290,282
Leave Fare Concession	-	27,855
Total	26,993,770*	21,906,115

* The remuneration is subject to fixation by the Competent Authority.

B.4 Expenditure in foreign currency - Accrued

	CURRENT YEAR(Rs.)	PREVIOUS YEAR (Rs.)
(i) Expenditure in foreign currency	12,510,678	23,484,394

B.5 Based on the information available with the Company, there are no amounts due to Micro Small and Medium Enterprises as defined in Micro Small and Medium Enterprises Development Act,2006 on account of principal and/or interest as at the close of the year

B.6 Employee Benefits**1. Defined Contribution Plan**

An amount of Rs. 5,050,636 (P.Y. Rs. 3,276,512) has been recognized as an expense towards contribution to Employees Provident fund.

2 (a). Gratuity :

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarises the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet.

Profit and Loss account**Net employee benefit expense (recognised in Employee Cost)**

	Gratuity March 31, 2009 Rs.	Gratuity March 31, 2008 Rs.
Current service cost	725,434	138,828
Interest cost on benefit obligation	712,229	355,861
Expected return on plan assets	(144,506)	(108,538)
Net actuarial(gain) / loss recognised in the year	451,220	-
Net benefit expense	1,744,377	386,151
Actual return on plan assets	(27,524)	65,546

Balance sheet**Details of Provision for gratuity**

	Gratuity March 31, 2009 Rs.	Gratuity March 31, 2008 Rs.
Defined benefit obligation	5,262,742	8,620,534
Fair value of plan assets	(4,250,719)	(1,082,662)
Less: Unrecognised past service cost	-	-
Plan (asset) / liability	1,012,023	7,537,872

Changes in the present value of the defined benefit obligation are as follows:

	Gratuity March 31, 2009 Rs.	Gratuity March 31, 2008 Rs.
Opening defined benefit obligation	8,620,534	9,116,514
Interest cost	712,229	355,861
Current service cost	725,434	138,828
Benefits paid	(5,074,645)	(2,127,576)
Actuarial (gains) / losses on obligation	-	1,136,907
Closing defined benefit obligation	5,262,742	8,620,534

Changes in the fair value of plan assets are as follows:

	Gratuity March 31, 2009 Rs.	Gratuity March 31, 2008 Rs.
Opening fair value of plan assets	1,082,662	2,529,380
Expected return	144,506	108,538
Contributions by employer	8,270,226	615,312
Benefits paid	(5,074,645)	(2,127,576)
Actuarial gains / (losses)	(172,030)	(42,992)
Closing fair value of plan assets	4,250,719	1,082,662

The Company expects to contribute Rs. 2,000,000 to gratuity funded with Life insurance corporation of India in 2009-10

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity and post-employment benefit obligations for the Company's plans are shown below:

	Gratuity March 31, 2009 %	Gratuity March 31, 2008 %
Discount rate	7.60	7.75
Expected rate of return on Plan assets	7.50	7.50
Salary Escalation Rate	10% for first 3 years & 7% thereafter	10% for first 4 years & 7% thereafter

- 2 (b). As per Company's policy, provision of Rs.4,101,342 (P.Y.Rs. 3,186,624) has been made towards Compensated absences carried forward on actual basis
- 2 (c). The Company has provided for a bonus amounting to Rs. 4,16,09,464/- payable to the employees which is subject to fixation by the Competent Authority.

B.7 Segment Reporting :

Based on guiding principles given in Accounting Standard – 17 "Segment Reporting", the Company's primary business segment is administering Mutual Fund Schemes. As the Company has a single primary business segment, the disclosure requirements of AS – 17 in this regard are not applicable. The company's operations being confined to India only, there is no reportable secondary segment.

B.8 Related party transactions:

Related party disclosure as required by the Accounting Standard 18, "Related party Disclosures", are given below :

Holding Company	Canara Bank
Entity having significant Influence over the Company	Robeco Groep N.V. Robeco India Holding B.V.
Fellow Subsidiaries	Canbank Computer Services Ltd. (CCSL) Canbank Financial Services Ltd. (CFSL) Canbank Factors Ltd. (CFL) Canbank Venture Capital Fund Ltd. (CVCFI) Canara Bank Securities Limited (CBSL) Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd (CHOBCI)
Under Common Control of Holding Company	Canfin Homes Ltd. (CHL)
Overseas Joint Venture	Commercial Bank of India LLC
Key Management Personnel	Members of the Management Team Comprising of : Mr. Rajnish Narula (Chief Executive Officer) Mr. Paul Vrancken (Chief Operating Officer) Mr. Sanjay Santhanam (Chief Marketing Officer) Till 28/2/2009

Sr. No.	Nature of Transactions	Relationship	Company/Person Name	Expenditure Rs.	Income Rs.	Assets Rs.	Liabilities Rs.
1	Rent	Holding company	Canara Bank	552			NIL
				(630)			(49)
		Fellow Subsidiary	Canbank Factors Ltd.	105			NIL
				(96)			(9)
2	Interest Subsidy	Under Common Control of Holding Co.	Canfin Homes Ltd.	NIL			NIL
				(223)			(2)
3	Bank Charges	Holding company	Canara Bank	103			
				(137)			
4	Salary & other benefits	Key Management Personnel		60,372			2,461
				(43,622)			(8,655)
							68,957
		Entity having significant influence over the Co.	Robeco Groep N.V.				(25,086)
	Foreign Exchange Loss on above	Key Management Personnel		1,650			
				(3,439)			
							1,650
		Entity having significant influence over the Co.					(3,439)
5	Medical Reimbursement	Key Management Personnel		NIL			
				(2)			
6	Reimbursement of Salary & Other Benefits	Holding company	Canara Bank	489			
				(481)			
7	R & T charges for Scheme & ARN holders	Fellow Subsidiary	Canbank Computer Services Ltd.	12			3
				(1,646)			(849)
8	Reimbursement of Electricity Charges	Fellow Subsidiary	Canbank Factors Ltd.	20			6
				(61)			(5)
9	Reimbursement of Maintenance charges	Holding company	Canara Bank	389			386
				(311)			(102)
		Fellow Subsidiary	Canbank Factors Ltd.	8			
				(3)			
10	Scheme Exp	Fellow Subsidiary	Canara Bank Securities Limited.	849			
				NIL			

Sr. No.	Nature of Transactions	Relationship	Company/Person Name	Expenditure Rs.	Income Rs.	Assets Rs.	Liabilities Rs.
11	Dividend paid (for the year 2006-07)	Holding company	Canara Bank	NIL (30,000)			
12	Prepaid Expenses	Entity having significant influence over the Co.	Robeco Groep N.V.			17,625 (19,425)	
13	Bank Balance	Holding company	Canara Bank			2,025 (3,834)	
14	Security Deposit	Fellow Subsidiary	Canbank Factors Ltd.			12 (12)	
15	Share Capital	Entity having significant influence over the Co.	Robeco India B.V.				NIL (1,044)
16	Share Premium influence over the Co.	Entity having significant influence over the Co.	Robeco India B.V.				NIL (21,351)
17	Miscellaneous Liability	Entity having significant influence over the Co.	Robeco Groep N.V.				NIL (155)
18	Interest on Fixed Deposits	Key Management Personnel			115 (38)	NIL (38)	
19	Rent Income	Holding company	Canara Bank		230 (282)	19 (19)	

- Figures in brackets represent corresponding amount of Previous Year
- No amount, in respect of the related parties have been written off/back, are provided for during the year
- Related party relationships have been identified by the management and relied upon by the auditors.

B.9 Disclosure as required by Accounting Standard – 19 'Leases', issued by the Institute of Chartered Accountants of India :

The Company has taken various office premises under operating or lease & license agreements. These are generally not non cancelable and range between 11 months and 3 years under lease and license, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits under certain agreements.

Lease payments are recognized in the Profit & Loss Account under Schedule 'M'.

The future minimum lease payments under not non-cancelable operating lease

	Rs In '000	2008-09	2007-08
Not later than 1 year		15,708	5,934
Later than 1 year & not later than 5 years		39,534	3,216
Later than five years		5,121	NIL

B.10 Earning per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings per equity shares are as follows:

Particulars		2008-2009	2007-2008
Profit/(Loss) after Tax (As per Profit and Loss Account) available to Equity Shareholders	(A)	Rs (171,750,112)	Rs. (98,977,619)
Weighted average number of Equity shares outstanding at the beginning of the period	(B)	10,053,604	10,000,000
Weighted average number of equity shares resulting from issue of shares		NIL	53,604
Weighted average number of diluted equity shares outstanding at end of the period	(C)	10,053,604	10,053,604
Nominal Value of Equity Shares (Rs.)		10	10
Basic and Diluted Earnings Per Share	(A)/(C)	Rs.(17.08)	Rs. (9.84)

B.11 Deferred Taxation:

The components of deferred tax liabilities and deferred tax assets are as under:

	As at31.03.2009(Rs.)	As at31.03.2008(Rs.)
Deferred tax asset on account of:		
Capital Loss	NIL	493,782
Depreciation difference	NIL	2,012,431
Gratuity Provision	NIL	2,306,589
Others	-	968,363
Total Deferred Tax Assets	NIL	5,781,165

- As a measure of prudence no Deferred tax Asset has been recognized during the year

B.12 Details of investment purchased and sold during the year

The following investments in the schemes of the fund, were purchased and sold during the year

Purchases (including dividend re-investment units)

21,454,486.96 units of Rs. 10.0412 each in Canara Robeco Liquid Fund

3,908,540.16 units of Rs. 12.7925 each in Canara Robeco Treasury Advantage Fund

Sales

37,217,408.62 units of Rs. 10.0412 each in Canara Robeco Liquid Fund

B.13 The figures of previous year have been regrouped wherever necessary.

SIGNATURE TO SCHEDULES 'A' TO 'N'

As per our report of even date
For Khimji Kunverji & Co.,
Chartered Accountants

A.C. Mahajan
Chairman

D.K.Kapila
Director

Hashmukh B. Dedhia
Partner

C.T.L. Korthout
Director

Rajnish Narula
Chief Executive Officer

Place : Mumbai
Date : 30th April, 2009

Trupti Vyas
Company Secretary

Paul Vrancken
Chief Operating officer

Cash Flow Statement for the year ended 31st March, 2009

	2008-2009 Rs.	2007-2008 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before impairment loss and taxation	(161,749,497)	(99,258,381)
Adjustments for :		
Depreciation	12,399,027	9,250,773
Miscellaneous expenditure written off	-	5,328,526
Loss/(Profit) on sale of Fixed assets (Net)	148,857	41,913
Loss/(Profit) on sale of Investments (Net)	(11,910,000)	(5,247,875)
Dividend received	(7,424,504)	(12,032,056)
Interest on Income Tax Refund Accrued	(1,358,487)	-
Provision for leave encashment	1,755,795	3,213,170
Doubtful Debt written off	253,730	-
Provision for gratuity	1,062,990	1,216,709
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(166,822,088)	(97,487,221)
Adjustment for:		
(Increase)/Decrease in current assets	(22,448,224)	(3,785,149)
Increase/(Decrease) in current liabilities	(646,770)	93,880,485
(Increase)/Decrease in loans and advances	(1,439,914)	(20,946,919)
CASH GENERATED FROM/(USED IN) OPERATIONS	(191,356,996)	(28,338,804)
Taxes paid	(20,895,028)	(23,258,767)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES (A)	(212,252,024)	(51,597,571)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(15,364,934)	(12,664,683)
Proceeds from sale of fixed assets	862,640	589,065
Purchase of investments	(208,000,000)	-
Proceeds from sale of investments	428,185,497	36,624,782
Dividend received	7,424,504	12,032,056
NET CASH (USED IN)/FROM INVESTING ACTIVITIES (B)	213,107,707	36,581,220
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	1,043,570
Share premium	-	21,351,442
Dividend paid	-	(35,098,500)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES (C)	-	(12,703,488)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)	855,684	(27,719,839)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6,158,578	33,878,417
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7,014,262	6,158,578
CASH AND CASH EQUIVALENTS INCLUDED IN CASH FLOW STATEMENT COMPRISE THE FOLLOWING BALANCE SHEET AMOUNTS:		
CASH ON HAND	60,758	107,091
BALANCE WITH BANK IN CURRENT ACCOUNTS	6,953,504	6,051,487
	7,014,262	6,158,578

Note:

Previous year's figures have been regrouped / rearranged to confirm the current year's presentation, whenever

As per our report of even date
For Khimji Kunverji & Co.,
Chartered Accountants

A.C. Mahajan
Chairman

D.K.Kapila
Director

Hashmukh B. Dedhia
Partner

C.T.L. Korthout
Director

Rajnish Narula
Chief Executive Officer

Place : Mumbai
Date : 30th April, 2009

Trupti Vyas
Company Secretary

Paul Vrancken
Chief Operating officer

B

Balance Sheet abstract and Company's General Business Profile

I Registration Details

Registration No.	11 71003	State code 11
Balance Sheet Date	31 03 2009	
	Date Month Year	

II Capital Raised During the Year (Amount in Rs., thousands)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

ACADEMIC GUIDANCE

III Position of Mobilisation and Deployment of Funds (Amt. in Rs., Thousands)

	Total Liabilities	Total Assets
	185757	185757
Source of Funds	Paid - up Capital	Reserves and surplus
	101044	84713
	Secured Loans	Unsecured Loans
	NIL	NIL
Application of Funds	Net Fixed Assets	Investments
	113606	50870
	Net Current Assets	Misc. Expenditure
	21280	NIL
	Accumulated Losses	Deferred Tax Asset
	NIL	NIL

IV Performance of the Company (Amount in Rs., Thousands)

Turnover	Total Expenditure
202531	364280
+/- Profit Before Tax	+/- Profit After Tax
-161750	-171750
Earning Per Share in Rs.	Dividend Rate %
(17.08)	NIL

V Generic Names of Three Principal products/ Services of Company (as Per Monetary terms)

Item Code No. (ITC Code)	Not Applicable
Product Description	INVESTMENT MANAGER

Sales Offices

AHMEDABAD

Tower A, Unit No: 402/B, 4th Floor, Ganesha Plaza,
Opp. Navrangpura Bus Stand, Off. C. G. Road,
Ahmedabad 380 009.
Email: crmf.ahmedabad@canararobeco.com
Tel: (079) 66610423 - 24

BANGALORE

4 & 5 Ground Floor, Business Point, Next to Brigade Towers, 137,
Brigade Road, Bangalore - 560025
Email: crmf.bangalore@canararobeco.com
Tel.: (080) 39871400/01 Fax : (080) 30901092

BHOPAL

Kay Kay Business Centre, 1st Floor, 133, Zone 1, M.P. Nagar,
Bhopal 462 011. Email: crmf.bhopal@canararobeco.com
Tel.: (0755) 3013648

CHANDIGARH

SCO 333-334, 1st Floor, Sector 35 B, Chandigarh 160 022.
Email: crmf.chandigarh@canararobeco.com
Tel: (0172) 2648007 Fax: (0172) 2600531

CHENNAI

770-A, 1st Floor, Spencer Annexe, Anna Salai,
Chennai 600 002. Email: crmf.chennai@canararobeco.com
Tel.: (044) 28492596-98 Fax: (044) 28497023

COIMBATORE

Door No. A/1, Thiruvenkataswamy Road (East), R .S Puram,
Coimbatore 641 012.
Email: crmf.coimbatore@canararobeco.com
Tel: (0422) 2546453

DELHI

306, Kanchen Junga Building., 18, Barakamba Road,
New Delhi 110 001. Email: crmf.delhi@canararobeco.com
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GOA

Kamat Chambers, Grounf Floor, Shop No:3, opp Hotel Neptune.
Panjim Goa : 403001. Email: crmf.goa@canararobeco.com
Tel.: (0832) 2422415, 6450631

HYDERABAD

Flat No. 201/202, IInd Floor, Sanatana Eternal,
Door No.3-6-108/1, Road No. 19, Himayat Nagar,
Hyderabad 500029.
Email: crmf.hyderabad@canararobeco.com
Tel.: (040) 23261481/1482 Fax: (040) 23261480

INDORE

107, 1st Floor, Bansi Trade Centre, Palasia, Indore - 452001
Tel.: (0731) 6451222

KOCHI

Door No. XL/6030, 1st Floor, Al-Falah Plaza,
Opp. Oriental Bank of Commerce, Broadway North End,
Kochi 682 031. Email: crmf.kochi@canararobeco.com
Tel.: (0484) 2364846 / 36 Fax: (0484) 2364836

KOLKATA

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Kolkata 700 001. Email: crmf.kolkata@canararobeco.com
Tel.: (033) 30584716 - 19 Fax: (033) 30584720

LUDHIANA

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Feroze Gandhi Market, Ludhiana 141 001.
Email: crmf.ludhiana@canararobeco.com
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MANGALORE

1st Floor Essel Towers, Bunts Hostel Circle Mangalore 575 003.
Email: crmf.mangalore@canararobeco.com
Tel: (0824) 2448804 Telefax: (0824) 2445565

MUMBAI

Construction House, 4th Floor, 5, Walchand Hirachand Marg,
Ballard Estate, Mumbai 400 001.
Email: crmf.mumbai@canararobeco.com
Tel.: (022) 66585000-18, 66585085 Fax: (022) 66585012/13

NAGPUR

Unit no. C/6 4th Floor Indu Yash II, 186, Cement Road
Dharam Peth Extention, Nagpur 400010.
Email: crmf.nagpur@canararobeco.com
Tel.: (0712) 6615364

PATNA

4 TH Floor, 401/402, Aashiana Hariniwas, Dak Banglow Road,
Patna - 800001, BIHAR Email: crmf.patna@canararobeco.com
Mobile No : 9334481768

PUNE

Deccan Mall, Office 1 & 2, 1st Floor, Deccan Gymkhana,
Pune 411 004. Email: crmf.pune@canararobeco.com
Tel.: (020) 30923820 Fax: (020) 25661454

SURAT

Unit Nos .HG1/2, Megharatna Complex, Near State Bank of India,
Athugar Street, Nanpura, Surat 395 001.
Email : crmf.surat@canararobeco.com
Tel.: (0261) 6554243, 6641345

TRICHY

Srinivasa Complex, No. 145/74 C, Salai Road, Trichy 620 018.
Email: crmf.trichy@canararobeco.com
Tel.: (0431) 2750130

VADODARA

116, Siddharth Complex, R.C. Dutt Road, Alkapuri,
Vadodara 390 007. Email: crmf.baroda@canararobeco.com
Tel: (0265) 2326483 Telefax: (0265) 2356843

VISAKHAPATNAM

Vidisha Towers, 47-14-10 Flat No. 3, 3rd Floor, Dwarkanagar Main Road,
Vishakhapatnam 530 016.
Email: crmf.vizag@canararobeco.com
Tel.: (0891) 6556645, 6631616 Fax: (0891) 6631646

CANARA ROBECO

Canara Robeco Asset Management Company Ltd.