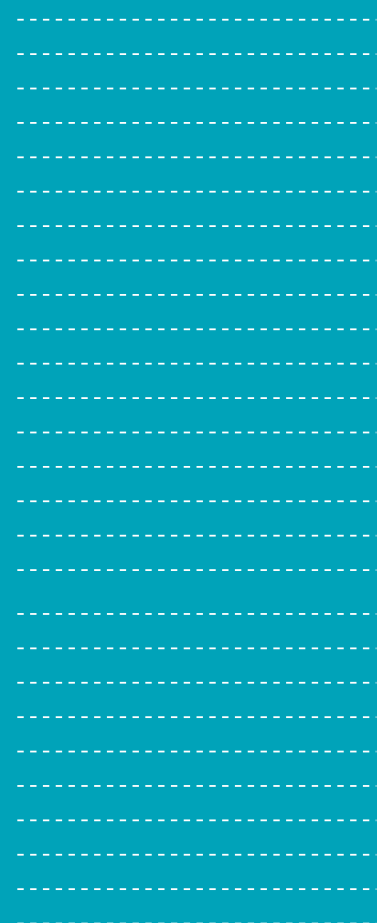


15th Audited Annual Report

2007-2008



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. M. B. N. Rao (Chairman)

Mr. M. V. Shenoy

Mr. Franciscus L. Kusse

Mr. Constant T. L. Korthout

Dr. Navinchandra K. Thingalaya

Mr. Pankaj Jain

Mr. Arvind Sethi

EXECUTIVES

Rajnish Narula, Chief Executive Officer

Paul Vrancken, Chief Operating Officer

Sanjay Santhanam, Head - Sales and Marketing

S. Santhanam, Executive Vice President (On Deputation)

AUDITORS

M/s. Shah Gupta & Co.,

Chartered Accountants,

38, Bombay Mutual Building, 2nd Floor, Dr. D.N.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 Fifteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2008.

	Year ended 31.3.2008 (Rs. Lacs)	Year ended 31.3.2007 (Rs. Lacs)
Profit/(Loss) before depreciation	(899.65)	673.38
Depreciation	92.51	91.43
Profit/(Loss) before tax	(992.16)	581.95
Less : Loss on sale of fixed assets	0.42	0.61
Loss on sale of investments	–	0.96
Write off of diminution in value of long term investments	–	–
Diminution in value of current investments	–	32.00
Profit/(Loss) for the year before impairment loss and taxation	(992.58)	548.38
Less : Impairment Loss	0.72	0.92
Provision for Income Tax	–	152.00
Provision for Wealth Tax	14.45	3.45
Provision for Fringe Benefit Tax	11.80	7.50
Add: (Charge)/Credit for deferred tax asset	(7.97)	17.12
Tax Adjustment for prior periods	37.75	–
Profit/(Loss) for the year	(989.77)	401.63
Add : Balance brought forward	2,417.41	2406.93
Less : Provision for Gratuity (net of tax)	44.11	-
Amount available for appropriations	1,383.53	2808.56
Appropriations :		
Dividend (proposed)	--	300.00
Tax on proposed dividend	--	50.99
Transfer to General Reserve	--	40.16
	--	391.15
Balance carried to Balance-Sheet	1,383.53	2417.41

JOINT VENTURE WITH ROBECO GROEP N.V. :

During the previous year, Canara Bank had entered into a strategic joint venture with Robeco Groep N.V., of the Netherlands for mutual fund business. In terms of the joint venture agreement, Canara Bank divested 49% of its holding in the Company in favour of Robeco India Holding B.V., a subsidiary of Robeco Groep N.V. The formalities with regard to transfer of shares were completed on 26th September, 2007. As per the agreement between the joint venture partners, the day-to-day operations of the Company and the mutual fund are now in the hands of a Management Team comprising Chief Executive Officer, Chief Operating Officer and Chief Marketing Officer.

CHANGE OF NAME OF THE COMPANY :

In order to reflect the joint venture partnership between Canara Bank and Robeco Groep N.V., the name of the Company was changed to "Canara Robeco Asset Management Company Limited" by a Special Resolution passed at the Extra-Ordinary General Meeting held on 26th September, 2007 and the same became effective from 10th October, 2007, after completing all the necessary formalities with the Registrar of Companies, Maharashtra.

ISSUE OF FRESH CAPITAL :

As required under the existing guidelines for joint venture, Robeco India Holding B.V., invested an amount equivalent of US \$ 0.5 million in the share capital of the Company. This translated into Robeco India Holding B.V., subscribing to 1,04,357 equity shares of the face value of Rs. 10/- each at a price of Rs. 214.60 per share for cash (including a premium of Rs. 204.60 per share).

The necessary Special Resolution under Section 81 (1A) of the Companies Act, 1956, authorising issue of the above shares to Robeco India Holding B.V., was passed at the Extra-Ordinary General Meeting held on 26th September, 2007.

BUSINESS RESULTS & DIVIDEND :

The Company's revenue, including management fees from Canara Robeco Mutual Fund, aggregated to Rs.1699.78 lacs for the year ended 31st March, 2008 (previous year : Rs 1566.51 lacs).

The Company has unveiled its business plan for the next three financial years and set an ambitious target of attaining top ten position in the mutual fund industry. This has necessitated increase in costs relating to recruitment, training and development of human resources, image and brand

building, distribution and product marketing, IT upgradation, opening of new investor relation centres etc. Towards achieving this objective, the Company has already incurred an expenditure of Rs. 2599.44 lacs for the year ended 31st March, 2008 and as a result there is a loss of Rs. 899.65 lacs for the year ended on that date.

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, 2008.

MANAGEMENT TEAM :

Mr. Rajnish Narula was appointed as Chief Executive Officer on 26th September, 2007. He was also appointed as the Manager under the Companies Act, 1956 for a period of three years with effect from that date.

Mr. Rajnish Narula, MBA (Hons.), USA, has over 23 years of experience spanning all three segments of the financial industry : Banking, Asset Management and Insurance and has proven track record across functions like sales and distribution, relationship management, operations and customer service. His last two assignments were as CEO of Alliance Capital Asset Management Company Ltd., and DBS Cholamandalam Asset Management Company Ltd. Considering his impressive background and achievements, the Board found him eminently suited for the position of Chief Executive Officer.

Mr. Paul J.M.Vrancken, CFM, CMA, a Dutch national, was appointed as the Chief Operating Officer with effect from 26th September, 2007. Prior to his appointment, Mr. Paul J M Vrancken was working with Robeco Groep N.V., Rotterdam as Vice President, M & A and has over a decade of experience in financial sector.

Mr. Sanjay Santhanam, B.Tech, PGDM (IIM, Bangalore) was appointed Head of Sales & Marketing (Chief Marketing Officer) with effect from 12th November, 2007. He has over one and a half decades of experience and has a very successful track record in building the sales and marketing function. Prior to joining the Company, he had worked with ANZ Grindlays Bank and Sundaram BNP Paribas Mutual Fund.

As required under the Companies Act, 1956, an application has been made to the Central Government seeking its approval to the terms of appointment and remuneration of Mr. Rajnish Narula as Manager and the approval of the Central Government is awaited.

OPERATIONS :

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

Name	Type	Collection
Canara Robeco Fixed Maturity Plan (3M SR I)	Close ended fixed maturity Scheme	Rs. 224 crores.
Canara Robeco Fixed Maturity Plan (1M SR I)	Close ended fixed maturity Scheme	Rs. 121 crores
Canara Robeco Fixed Maturity Plan (1M SR II)	Close ended fixed maturity Scheme	Rs. 61 crores
Canara Robeco Interval Scheme, Quarterly Plan	Open Ended Fixed Interval Scheme	Rs. 130 crores
Canara Robeco Interval Scheme, Monthly Plan	Open Ended Fixed Interval Scheme	Rs. 90 crores
Canara Robeco Fixed Maturity Plan 2 – (13 months)	Close Ended Fixed Maturity Scheme	Rs. 103 crores

With a view to providing flexibility in the operations of the Scheme and also to reduce costs, Canara Robeco Balance Scheme was merged with Canara Robeco Balance II Scheme and the name of "Canara Robeco Balance II" was changed to "Canara Robeco Balance", after complying with the necessary formalities prescribed under SEBI (Mutual Funds) Regulations, 1996. The merger became effective from 18th March, 2007.

Apart from capital appreciation under growth plans of various Schemes and daily/weekly dividends in Canara Robeco Liquid, Canara Robeco Liquid Plus, Canara Robeco Floating Rate and Canara Robeco Monthly Interval Schemes, the following Schemes declared dividends during the year under income plans:

Canara Robeco Equity Tax Saver : 30%, Canara Robeco Cigo : 14%, Canara Robeco Expo : 50%, Canara Robeco Emerging Equities : 30%, Canara Robeco Equity Diversified : 30%, Canara Robeco Gilt PGS : 7%, Canara Robeco Gilt : 12.25%

As on 31st March, 2008, your Company was managing twenty Schemes of Canara Robeco Mutual Fund, of which 11 were debt oriented Schemes, 8 were equity oriented Schemes and 1 was balanced Scheme.

As on 31st March, 2008, the corpus and the net asset base of Canara Robeco Mutual Fund stood at Rs. 1,855.85 crores (previous year : Rs. 1776.44 crores) and Rs. 2,650.25 crores (previous year : Rs. 2190.13 crores), respectively.

RECOGNITION AND AWARDS :

During the year, Canara Robeco Infrastructure Scheme was awarded the Silver Award in best performing Equity – Aggressive (1 year) scheme category by ICRA.

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. 345.84 lacs (previous year : nil).

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. M.B.N.Rao, Chairman & Managing Director, Canara Bank 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, assumed Office as the Chairman of the Board of Directors with effect from 26th September, 2007.
2. Mr. F.L.Kusse was appointed as a Nominee Director of Robeco Groep N.V., not liable to retirement by rotation and Mr. C T L Korthout, a nominee of Robeco Groep N.V., was appointed as an Additional Director both with effect from 26th September, 2007.
3. Mr. Arvind Sethi and Mr. Naveen Kumar Kshatriya were appointed as Additional Directors with effect from 26th September, 2007 and 19th December, 2007, respectively.
4. Mr. Robert Pavrey, who was appointed as an Additional Director on 26th September, 2007 resigned from the Board and ceased to be a Director with effect from 19th December, 2007.
5. Ms. Maria J.W. Klerkx who was appointed as an Alternate Director to Mr. C.T.L.Korthout on 19th December, 2007 ceased to be Alternate Director with effect from 9th January, 2008.
6. Mr. M.Ravindra Vikram resigned from the Board effective 16th August, 2007.
7. Mr. B.Sukumaran ceased to be a Director as also Managing Director with effect from 26th September, 2007.
8. Dr. N.K.Thingalaya resigned from the Board and ceased to be a Director with effect from 22nd April, 2008.

Your Directors place on record their deep appreciation of the services rendered by Mr. M.Ravindra Vikram, Mr. B.Sukumaran, Mr. Robert Pavrey, Ms. Maria J.W.Klerkx 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. Arvind Sethi and Mr. Naveen Kumar Kshatriya, Additional Directors hold office of Director upto 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 commends 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 alongwith 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 Shri Pankaj Jain, Shri M.V.Shenoy, Shri C.T.L.Korthout and Shri 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. Shah Gupta & Co., Chartered Accountants, as Auditors of the Company for the year 2007-2008. 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 2008-2009.

CASH FLOW :

Cash Flow Statement for the year ended 31st March, 2008 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

Place : Mumbai
Date: 22nd April, 2008

M.B.N. RAO
CHAIRMAN

Auditors' Report

To,
The Members,
Canara Robeco Asset Management Company Limited

We have audited the attached Balance Sheet of CANARA ROBECO ASSET MANAGEMENT COMPANY LIMITED, as at 31st March, 2008 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.

1. We conducted our audit in accordance with the 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 misstatements. 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 of our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of The Companies Act, 1956 of India ('the Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the annexure referred to in paragraph (3) above, we report that:
 - a) 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;
 - 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the Directors of the Company, as at 31st March, 2008 and taken on record by the Board of Directors of the Company, none of the Directors of the Company is disqualified as at 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

For and on behalf of
M/S SHAH GUPTA & CO.
Chartered Accountants

Sd/-
VIPUL K CHOKSI
Partner
M. No: 37606

Place: Mumbai
Dated: 22nd April, 2008

A

Annexure to the Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Canara Robeco Asset Management Company Limited on the financial statements for the year ended 31st March, 2008]

1. 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 the management during the year. No material discrepancies between the book records and physical verification were noticed on such verification. In our opinion frequency of verification is reasonable.
- c. The Company has not disposed off substantial part of fixed assets during the year.
2. As the Company does not have inventory, the Clauses (ii)(a) to (ii)(c) of the paragraph of the order are not applicable to the Company.
3. a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, clause (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable to the Company for the year.
- b. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, clause (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable to the Company for the year.
4. In our opinion and according to the information and explanations given to us, there is an 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 providing services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. According to information and explanations provided by the management, we are of the opinion that there were no transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposit, during the year, from the public, within the meaning of directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We are informed that the Central Government has not prescribed the maintenance of cost records for any of the Company's products under Section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and any other statutory dues as applicable with the appropriate authorities in India.
According to the information and explanations given to us, no undisputed amounts payable in respect of above statutory dues were outstanding as at 31.03.2008 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us there are no dues of income tax, sales tax, wealth tax, service tax, excise duty, customs 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	2,099,680/-	A.Y. 2005-2006	Commissioner of Income Tax (Appeals)

10. The Company has no accumulated losses as at 31st March, 2008 and it has incurred cash losses in the financial year ended on that date. However it has not incurred any cash losses in the immediately preceding financial year.
11. In our opinion and according to information and explanations given to us, the Company does not have any dues payable to a financial institution or bank or debenture holders and hence there is no question of default in repayment of such dues during the year.
12. According to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Accordingly the provisions of clause 4(xiii) are not applicable to the Company.
14. In our opinion and on the basis of the information and explanations given to us, the Company has maintained proper records of the transactions and contracts in respect of dealing of investments in securities and timely entries have been made for the same. All the securities have been held by the Company in its own name.
15. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. During the year, the Company has not taken any term loans.
17. On the basis of review of utilisation of funds which is based on an overall examination of the Balance sheet of the Company and related information as made available to us, the funds raised on short term basis have not been used for long term purpose.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. During the year, the Company has not issued any debentures.
20. The Company has not raised any money by way of Public Issue during the year.
21. According to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For and on behalf of
M/S SHAH GUPTA & CO.
Chartered Accountants

Sd/-
VIPUL KCHOKSI
Partner
M. No: 37606

Place: Mumbai
Dated: 22nd April, 2008

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 31ST MARCH, 2008.

The preparation of financial statements of Canara Robeco Asset Management Company Limited for the year ended 31st March, 2008 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 22 April, 2008

I on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Canara Robeco Asset Management Company Limited for the year ended 31 March 2008. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

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

Sd/-
(K. P. Sasidharan)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-I, Mumbai

Place : Mumbai
Date : 03 June 2008

B

alance Sheet as at 31st March, 2008

	Sch	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
I SOURCES OF FUNDS			
(1) Shareholder's funds			
(a) Share Capital	A	101,043,570	100,000,000
(b) Reserves & Surplus	B	256,463,150	338,500,237
Total		357,506,720	438,500,237
II APPLICATION OF FUNDS			
(1) Fixed Assets	C		
(a) Gross Block		211,612,636	203,918,069
(b) Less : Depreciation		99,580,876	94,597,451
Net Block		112,031,760	109,320,618
(2) Investments	D	259,145,436	290,522,343
(3) Deferred Tax Asset (Net)		5,781,165	4,605,738
(4) Current Assets, Loans & Advances			
(a) Sundry Debtors	E	17,579,093	13,793,944
(b) Cash and Bank Balances	F	6,158,578	33,878,417
(c) Loans & Advances	G	78,838,729	47,152,938
Total		102,576,400	94,825,299
Less : (a) Current Liabilities	H	108,594,575	7,782,395
(b) Provisions	I	13,433,466	58,319,890
Total		122,028,041	66,102,285
Net Current Assets		(19,451,641)	28,723,014
(5) Miscellaneous Expenditure (to the extent not written off or adjusted)	J	-	5,328,524
Total		357,506,720	438,500,237
Significant Accounting Policies & Notes to Accounts	N		

As per our report of even date
For Shah Gupta & Co.,
Chartered Accountants

M.B.N. Rao
Chairman

Pankaj Jain
Director

Sd/-
(Vipul K Choksi)
Partner

Marjan Klerkx
Alternate Director to C.T.L. Korthout - Director

Rajnish Narula
Chief Executive Officer

Place : Mumbai
Date : 22 April, 2008

S L Manjrekar
Company Secretary
Place : Mumbai

Paul Vrancken
Chief Operating officer
Date: 22 April, 2008

P

Profit & Loss Account for the year ended 31st March, 2008

	Sch	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
INCOME			
Management Fee		150,339,136	135,397,577
(TDS Rs. 18,494,166 Pr. Yr. Rs. 8,532,736)			
Dividend income		12,032,056	13,688,379
Profit on sale of investments		5,247,875	-
Other Income	K	2,359,266	7,564,789
Total		169,978,333	156,650,745
EXPENDITURE			
Employees' Remuneration and Benefit	L	100,775,424	36,656,038
Administrative Expenses	M	105,583,972	52,656,567
Depreciation		9,250,773	9,142,734
Loss on sale of fixed assets		41,913	61,399
Loss on sale of investments		-	95,675
Diminution in value of current investments		-	3,200,000
VRS Expense		53,584,632	-
Total		269,236,714	101,812,413
PROFIT/(LOSS) FOR THE YEAR BEFORE IMPAIRMENT LOSS & TAXATION		(99,258,381)	54,838,332
Less : Impairment Loss		71,790	92,338
Provision for Income Tax		-	15,200,000
Deferred Tax (Credit) / Charge		797,035	(1,712,506)
Provision for Wealth Tax		1,445,518	345,000
Provision for Fringe Benefit Tax		1,180,000	750,000
Tax adjustments for prior periods		(3,775,105)	-
PROFIT/(LOSS) FOR THE YEAR AFTER IMPAIRMENT LOSS & TAXATION		(98,977,619)	40,163,500
Balance brought forward		241,741,450	240,692,800
Less : Provision for Gratuity (Net of Tax) (Refer note no.(B)(2)(a) of Schedule 'N')		4,410,911	
		138,352,920	280,856,300
APPROPRIATIONS			
- Proposed Dividend		-	30,000,000
- Tax on Proposed Dividend		-	5,098,500
Transfer to General Reserve		-	4,016,350
Balance carried to Balance-Sheet		138,352,920	241,741,450
		138,352,920	280,856,300
Earnings Per Share			
Basic and Diluted		(9.84)	4.02
(Refer note no.(B)(13) of Schedule 'N')			
Significant Accounting Policies & Notes to Accounts	N		
As per our report of even date For Shah Gupta & Co., Chartered Accountants	M.B.N. Rao Chairman		Pankaj Jain Director
Sd/- (Vipul K Choksi) Partner	Marjan Klerkx Alternate Director to C.T.L. Korthout - Director		Rajnish Narula Chief Executive Officer
Place : Mumbai Date : 22 April, 2008	S L Manjrekar Company Secretary Place : Mumbai		Paul Vrancken Chief Operating officer Date: 22 April, 2008

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Schedules forming part of the Balance Sheet as at 31st March, 2008

	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
SCHEDULE 'A' - SHARE CAPITAL		
AUTHORISED		
11,000,000 Equity Shares of Rs. 10 each (Previous year 10,000,000 equity shares of Rs. 10 each)	110,000,000	100,000,000
ISSUED, SUBSCRIBED AND PAID UP :		
10,104,357 Equity Shares of Rs. 10 each Fully paid up (Refer note (B)(1) of Schedule 'N') (5,153,222 Shares held by Canara Bank (Previous Year 100,000,000) 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	100,000,000
TOTAL	101,043,570	100,000,000
SCHEDULE 'B' - RESERVES AND SURPLUS		
General Reserve		
Balance as per Last Balance Sheet	96,758,788	92,742,437
Add : Transfer from Profit Loss Account	-	4,016,350
TOTAL (A)	96,758,788	96,758,787
Share Premium Account	21,351,442	-
TOTAL (B)	118,110,230	96,758,787
Profit & Loss Account (Balance As Per Accounts Annexed)	138,352,920	241,741,450
TOTAL (C)	138,352,920	241,741,450
TOTAL (A+B+C)	256,463,150	338,500,237

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chedules forming part of the Balance Sheet as at 31st March, 2008

SCHEDULE 'C' FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2007 Rs.	Addition 3 Rs.	Deletion 4 Rs.	As at 31.03.2008 Rs.	Upto 31.03.2007 Rs.	Addition 7 Rs.	Loss on impairment 8 Rs.	Deletion 9 Rs.	Upto 31.03.2008 Rs.	As at 01.04.2008 Rs.	As at 01.04.2007 Rs.
1	2 Rs.	3 Rs.	4 Rs.	5 Rs.	6 Rs.	7 Rs.	8 Rs.	9 Rs.	10 Rs.	11 Rs.	12 Rs.
Residential Flats	169,267,610	---	---	169,267,610	73,140,034	4,806,379	---	---	77,946,413	91,321,197	96,127,576
Office Equipments	5,526,325	707,210	464,651	5,768,883	2,623,053	447,967	---	430,274	2,640,746	3,128,139	2,903,272
Air Conditioners	1,886,922	186,676	---	2,073,598	410,435	211,716	---	---	622,151	1,451,447	1,476,487
Comp & Peripherals	12,807,715	7,427,822	3,257,991	16,977,546	10,001,508	2,221,259	71,790	3,086,675	9,207,882	7,769,666	2,806,207
Electrical Fittings	1,727,863	---	---	1,727,863	1,264,057	92,906	---	---	1,356,963	370,899	463,806
Furniture & Fixtures	9,231,223	1,024,820	957,323	9,298,720	5,419,397	796,622	---	616,943	5,599,076	3,699,647	3,811,826
Motor Vehicle	3,470,411	3,318,155	290,151	6,498,415	1,738,967	673,925	---	205,246	2,207,646	4,290,769	1,731,444
Total	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	109,320,618
Previous Year	203,218,634	5,648,737	4,949,302	203,918,069	89,943,731	9,142,734	92,338	4,581,352	94,597,451	109,320,618	

Schedules forming part of the Balance Sheet as at 31st March, 2008

	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
SCHEDULE 'D'- INVESTMENTS		
CURRENT		
Unquoted		
Investment in units of Canara Robeco Liquid Fund F.V. Rs. 1,584.96 lacs (Pr. Yr. 933.40 lacs) NAV Rs. 1,591.45 lacs (Pr. Yr. Rs. 937.22lacs)	159,145,436	93,722,343
Investment in units of Canara Robeco Multicap FV Nil (Pr. Yr. 1,000.00 lacs) NAV Nil (Pr. Yr. Rs. 968.00 lacs)	-	96,800,000
Investment in units of Canara Robeco FMP 13M SR1 (G) FV Rs. 1,000.00 lacs (Pr. Yr. 1,000 Lacs) NAV Rs.1,112.99 lacs (Pr. Yr. 1,001.71 Lacs)	100,000,000	100,000,000
TOTAL	259,145,436	290,522,343
Note: The Aggregate value of unquoted investments	259,145,436	293,722,343
Cost:	259,145,436	293,722,343

Schedules forming part of the Balance Sheet as at 31st March, 2008

	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
SCHEDULE 'E'- SUNDRY DEBTORS		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months	4,509	4,509
Others	17,574,584	13,789,435
TOTAL	17,579,093	13,793,944
SCHEDULE 'F'- CASH & BANK BALANCES		
Cash on Hand	107,091	41,174
Balance with Scheduled Banks in - Current Accounts	6,051,487	33,837,243
TOTAL	6,158,578	33,878,417
SCHEDULE 'G'- LOANS & ADVANCES		
(Secured and considered good)		
Staff Loans	896,242	1,336,259
(Unsecured and considered good)		
Security Deposit	9,854,569	6,198,619
Other Deposit	644,335	658,736
Taxes paid in respect of earlier years (Net of Provisions)	20,386,319	12,049,152
Taxes paid for AY 2008-2009	21,489,826	19,088,121
Staff Loans & Advances	1,864,103	4,323,676
Other advances	23,703,335	3,498,375
TOTAL	78,838,729	47,152,938

Schedules forming part of the Balance Sheet as at 31st March, 2008

	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
SCHEDULE 'H' - CURRENT LIABILITIES		
Sundry Creditors		
- Dues to Small Scale Industrial Undertakings (Refer Note (B)(8) of Schedule 'N')	-	-
- Others	125,293	149,388
Security Deposits	-	540,000
Other Liabilities	108,469,282	6,943,346
Retention Money	-	149,661
TOTAL	108,594,575	7,782,395
SCHEDULE 'I' - PROVISIONS		
Provision For Taxation	2,625,518	16,295,000
Proposed dividends	-	30,000,000
Tax on Proposed Dividend	-	5,098,500
Leave Encashment	3,190,706	6,841,290
Gratuity	7,617,242	85,100
TOTAL	13,433,466	58,319,890
SCHEDULE 'J'-MISCELLANEOUS EXPENDITURE		
Expenditure on VRS for Employees		
Balance at the beginning of the year	5,328,524	10,657,050
Less: Written off during the period	5,328,524	5,328,526
TOTAL	-	5,328,524

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Schedules forming part of the Profit & Loss A/C for the Year ended 31st March, 2008

	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
SCHEDULE 'K' - OTHER INCOME		
Interest on bonds	-	3,554,910
Interest on Term Deposit (TDS Rs. Nil Pr. Yr. Rs. 6,916/-)	-	153,582
Interest on Staff Loans/Security Deposits	541,017	403,614
Interest on IT Refund	-	582,392
Registrar & Transfer charges (TDS Rs. 52,985/- Pr. Yr. Rs. 69,157/-)	449,711	1,102,072
Rent Income (TDS Rs. 221,401/- Pr. Yr. Rs. 303,628/-)	1,326,400	1,353,083
Miscellaneous Income	42,138	415,136
TOTAL	2,359,266	7,564,789
SCHEDULE 'L' - EMPLOYEES' REMUNERATION & BENEFITS		
Salaries, Bonus and other allowances	71,078,587	23,505,881
Contribution to PF, Group Gratuity and other Funds	5,147,424	3,182,062
Other Welfare expenses	19,220,887	4,639,569
VRS expenses written off (Refer Note no. B(2)(b) of Schedule 'N')	5,328,526	5,328,526
TOTAL	100,775,424	36,656,038
SCHEDULE 'M' - ADMINISTRATIVE EXPENSES		
Advertisement & Publicity	9,601,826	483,247
Business Development Expenses	2,775,320	1,861,500
Computer software & development	1,879,430	818,200
Directors Sitting Fees	285,000	135,000
Donations	20,000	10,000
Electricity Charges	3,175,558	1,826,286
Foreign Exchange Loss	3,438,532	-
Insurance	107,861	100,139
Legal and Professional Charges	11,422,618	1,208,493
Payment to Statutory Auditors		
— Audit Fees	200,000	196,420
— Others	3,000	-
Payment to other Auditors		
— Internal Audit, Tax Audit, Certification charges	660,526	545,887
Miscellaneous Expenses	2,997,761	884,687
Postage , Telegrams & Telephone	5,512,860	3,983,311
Printing & Stationery	11,284,992	3,935,972
Rates & Taxes	141,385	729,210
Recruitment, Seminar & Training	4,732,134	229,487
Rent	14,609,645	12,766,242
Repairs & Maintenance	11,944,783	10,814,449
Scheme Expenses	9,580,628	4,636,333
Subscription	5,062,531	3,177,886
Travelling & Conveyance	6,147,582	4,313,818
TOTAL	105,583,972	52,656,567

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) 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.

(b) Revenue Recognition :

Revenue is recognized when there is certainty of ultimate collection

(c) Fixed Assets :

Fixed Assets are stated at cost of acquisition or construction.

(d) Depreciation :

Depreciation on various assets is provided on written down value method at the rates provided in Schedule XIV of the Companies Act, 1956 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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 credit 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.

(vi) The expenses incurred on the voluntary retirement scheme (VRS) are written off fully during the year. (Refer note (B)(2)(b)).

(i) 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

(j) Taxes on Income:

Tax expense comprises current tax, deferred taxes and fringe benefit tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is a virtual certainty that such deferred tax assets can be realized against future taxable profits. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax asset is recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

(k) Impairment of Fixed Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's Fixed Assets. If any indication exists, an asset's recoverable amount is estimated. Impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that impairment losses recognized for the asset no longer exists or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

(I) Contingent Liabilities :

Contingent liabilities are disclosed after careful evaluation of the facts and legal aspects of the matter involved.

B. NOTES ON ACCOUNTS:

1. Promoter of the Company, Canara Bank had entered into a joint venture with Robeco Groep N.V. of the Netherlands on 19th March 2007. Upon completion of all the necessary formalities, w.e.f 26th September 2007, Canara Bank holds 51% of the issued, subscribed and paid up capital of the Company while the balance 49% is held by Robeco India Holding B.V.
Pursuant to the Special Resolution passed under Section 81 (1A) and section 21 of the Companies Act, 1956 at the Extra Ordinary General Meeting of the Company held on 26th September 2007:
 - a) the Company has allotted 1,04,357 equity shares of Rs. 10/- each fully paid-up at a premium of Rs. 204.60 per share to Robeco India Holding B.V.
 - b) upon completion of the necessary formalities, w.e.f. 10th October 2007, the name of the Company has been changed from "Canbank Investment Management Services Ltd." to "Canara Robeco Asset Management Company Limited"
2. Change in Accounting Policy
 - a) Effective April 1, 2007 the Company has adopted revised Accounting Standard 15 on "Employees Benefits" issued by "Institute of Chartered Accountant of India". Pursuant to adoption, the transitional adjustment on account of gratuity amounting to Rs.4,410,911/-(Net of Deferred Tax Asset amounting to Rs.1,972,462/-) is adjusted against the opening balance of profit & Loss Account.
 - b) VRS expenses amounting to Rs. 53,584,632/- have been fully written off during the year. Had the Company written off 1/5th of the expenses as per the accounting policy hitherto followed, loss for the year would have been lower by Rs. 42,867,706/-
3. Contingent Liability
 - (i) The amount payable on account of subletting charges to Mumbai Port Trust in the case of Plot of land on which Canara Bank building is constructed and part of the building occupied by the Company as sub-lettee of Canara Bank upto 30.09.2003. The actual amount is not yet quantified.
 - (ii) The amount payable for Canara Bank Building occupied by Company upto 30.09.2003, towards claim made by Canara Bank for reimbursement of Municipal Taxes charged by Municipal Corporation of Greater Mumbai arising out of enhancement of rateable value for the period 01.04.2000 to 30.09.2003. The enhanced rateable value was the matter of complaint with Municipal Commissioner and the same had been disposed during the year 2002-2003. The Municipal Corporation of Greater Mumbai during the year 2003-2004 has raised the issue of enhancement of rateable value, which has been appealed in the Small Cause Court, Mumbai by Canara Bank. This is pending for decision and hence amount of the claim is not quantifiable.
4. As per the offer letter of Canara Robeco Fixed Maturity Plan and Canara Robeco Monthly Interval schemes launched during the year. Initial issue expenses amounting to Rs.1,761,700/- & Rs. 125,462/- respectively incurred for the said Schemes have been absorbed by the Company.
In addition to above, the Company has also incurred an amount of Rs.7,137,266/- towards marketing & selling expenses of various Schemes.
5. Income from Management Fee includes Rs. 9,832,979/- from Canbank Mutual Fund - General Administration Dept. (CMF - GAD) & Erstwhile Unitholders Account for the year 2007-2008. The accounts of CMF - GAD & Erstwhile Unitholders Account for the year 2007-2008 are not yet audited and hence the amount of Rs. 9,832,879/- has been taken as income on the basis of certificate obtained from the statutory auditors of CMF - GAD.
6. Canara Bank had deputed Sri. B. Sukumaran, as the Managing Director of the Company up to 26th September 2007. He was paid remuneration in accordance with the service rules of the said Bank which was approved by the shareholders of the Company at the Annual General Meeting held on 24th July 2006.
Subsequently, 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 has been made to Central Government on 27th March, 2008 seeking approval for payment of remuneration to him.
Pending such approval, the remuneration payable to Sri Rajnish Narula is being disbursed by Robeco Groep N.V. and the company has recorded a liability of Rs.21,551,511 towards Robeco Groep N.V. for the same.
The details of remuneration paid to them from 1st April 2007 to 31st March 2008 are given below:
Managerial remuneration:

	2007-2008 (Rs.)	2006-2007 (Rs.)
Salary and Allowances (Exclusive of provision for gratuity and leave encashment)	21,880,063	495,429
Contribution to Provident Fund and other funds	290,282	39,175
Leave Fare Concession	27,855	-
Total	21,906,115	534,604

7. Expenditure in foreign currency

	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
(i) Expenditure in foreign currency (Including Prepaid Expenses) (Salary, Bonus and other perquisites)	34,584,394	-
(ii) Value of import calculated on C.I.F. basis	-	-

8. Based on the information available with the Company regarding the status of the suppliers as defined under the Interest on Delayed payments to Small Scale and Ancillary Industrial Undertaking Act, 1993, there are no amounts due to small scale and/or ancillary industrial suppliers on account of principal and/or interest as at the close of the year.

The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said act have not been given.

9. Gratuity and other post-employment benefits plans:

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, 2008 Rs.
Current service cost	138,828
Interest cost on benefit obligation	355,861
Expected return on plan assets	(108,538)
Net actuarial (gain) / loss recognised in the year	-
Net benefit expense	386,151
Actual return on plan assets	65,546

Balance sheet

Details of Provision for gratuity

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

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

	Gratuity March 31, 2008 Rs.
Opening defined benefit obligation	9,116,514
Interest cost	355,861
Current service cost	138,828
Benefits paid	(2,127,576)
Actuarial (gains) / losses on obligation	1,136,907
Closing defined benefit obligation	8,620,534

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

	Gratuity March 31, 2008 Rs.
Opening fair value of plan assets	2,529,380
Expected return	108,538
Contributions by employer	615,312
Benefits paid	(2,127,576)
Actuarial gains / (losses)	(42,992)
Closing fair value of plan assets	1,082,662

The Company expects to contribute Rs. 2,000,000 to gratuity in 2008-09.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity March 31, 2008 %
Investments with insurer	100

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

10. Segment Reporting :

Based on guiding principles given in Accounting Standard – 17 ‘Segment Reporting’ issued by the Institute of Chartered Accountants of India, 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.

11. Related party transactions:

Related party disclosure as required by the Accounting Standard 18, ‘‘Related party Disclosures’’, issued by the Institute of Chartered Accountants of India are given below :

Holding Company	Canara Bank (CB)
Entity having significant Influence over the Company	Robeco Groep N.V. Robeco India Holding B.V.
Fellow Subsidiaries	(CCSL) Canbank Computer Services Ltd. (CFSL) Canbank Financial Services Ltd. (CFL) Canbank Factors Ltd. (CVCFL) Canbank Venture Capital Fund Ltd. (GSTCL) GILT Securities Trading Corporation Ltd. (IHKIFL) Indo-Hong Kong International Finance Ltd.
Under Common Control of Holding Company	Canfin Homes Ltd. (CHL)
Key Management Personnel	Managing Director, other Directors and 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)

Sr. No.	Particulars	Holding Company influence over the Company		Entity having significant		Fellow Subsidiaries		Under Common Control of Holding Co.		Key Management Personnel	
		C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
1	Rent										
	CB										
	-Expenditure	630	673								
	-Liabilities	49	56								
	CFL										
	-Expenditure					96	90				
	-Liabilities					9	8				
	CHL										
	-Expenditure							NIL	9		
2	Interest Subsidy										
	-Expenditure							223	248		
	-Liabilities							2	NIL		
3	Bank Charges	137	92								
4	Reimbursement of Property Tax										
	CB										
	-Expenditure	NIL	638								
	-Liabilities	NIL	13								

5	CFL Salary & other benefits (Refer Note) Salary & other benefits -Expenditure -Liabilities Foreign Exchange Loss on above -Expenditure -Liabilities				24	24					377	535
6	Medical Reimbursement											
7	Reimbursement of Salary & Other Benefits (Refer Note)				481	607					2	10
8	Sitting Fees										285	135
9	R & T charges for Scheme & ARN holders											
	CCSL -Expenditure -Liabilities						1646	79				
10	Reimbursement of Electricity Charges						849	35				
	CFL -Expenditure -Liabilities						61	60				
11	Reimbursement of Maintenance Charges						5	NIL				
	CB -Expenditure -Liabilities	311	475									
		102	100									
12	CFL Dividend paid (for the year 2006-07)					3		NIL				
		30000	30000									
13	Bank Balance	3834	33767									
14	Prepaid Expense			19425								
15	Security Deposit											
	CFL					12		41				
16	Share Capital											
	Robeco India B.V.			1044								
17	Share Premium											
	Robeco India B.V.			21351								
18	Miscellaneous Liability			155								
19	Interest on Security Deposits											
	-Income -Asset										38	NIL
											38	NIL
20	Interest on Fixed Deposits	NIL	185									
21	Rent Income											
	-Income -Assets	282	273									
		19	26									

Note : Salary & Other benefits are exclusive of provision for gratuity and leave encashment.

12. 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 leave & license agreements. These are generally not non cancelable and range between 11 months and 3 years under leave 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 “Lease Rentals” in Schedule ‘M’.

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

- Not later than 1 year Rs. 59.34 lacs
- Later than 1 year & not later than 5 years Rs. 32.16 lacs
- Later than five years NIL

The Company has given various residential premises under leave & license agreement. This agreement is for 11 months and is renewable by mutual consent on mutually agreeable terms. The Company has taken refundable interest free security deposit.

Lease receipts are recognized in the Profit & Loss Account under ‘Rent Income’ in Schedule ‘K’.

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

- Not later than 1 year Rs. NIL
- Later than 1 year & not later than 5 years NIL
- Later than five years NIL

13. 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:

	2007-2008	2006-2007
Profit/(Loss) after Tax (As per Profit and Loss Account) available to Equity Shareholders (A)	Rs.(98,977,619)	Rs.40,163,500
Weighted average number of Equity shares outstanding during the period (B)	10,000,000	10,000,000
Weighted average number of equity shares resulting from issue of shares	53,604	0
Weighted average number of diluted equity shares outstanding during the period ©	10,053,604	10,000,000
Nominal Value of Equity Shares (Rs.)	10	10
Basic and Diluted Earnings Per Share (A)/(C)	Rs.(9.84)	Rs. 4.02

14. Deferred Taxation:

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

	As at31.03.2008 (Rs.)	As at31.03.2007 (Rs.)
Deferred tax asset on account of:		
Capital Loss	493,782	1,630,840
Depreciation difference	2,012,431	2,179,835
Gratuity Provision	2,306,589	-
Others	968,363	795,063
Total Deferred Tax Assets	5,781,165	4,605,738

15. The figures of previous year have been regrouped wherever necessary.

SIGNATURE TO SCHEDULES 'A' TO 'N'

As per our report of even date
For Shah Gupta & Co.,
Chartered Accountants

M.B.N. Rao
Chairman

Pankaj Jain
Director

Sd/-
(Vipul K Choksi)
Partner

Marjan Klerkx
Alternate Director to C.T.L. Korthout - Director

Rajnish Narula
Chief Executive Officer

Place : Mumbai
Date : 22 April, 2008

S L Manjrekar
Company Secretary
Place : Mumbai

Paul Vrancken
Chief Operating officer
Date: 22 April, 2008

Cash Flow Statement for the year ended 31st March, 2008

	2007-2008		2006-2007	
	Rs.		Rs.	
Cash flows from operating activities				
Net Profit/(Loss) before impairment loss and taxation		(99,258,381)		54,838,332
Adjustments for :				
Depreciation	9,250,773		9,142,734	
Write off of diminution in value of long term investment	-		-	
Provision for diminution in current investments	-		3,200,000	
Miscellaneous expenditure written off	5,328,526		5,328,526	
Loss/Profit on sale of fixed assets	41,913		61,399	
Loss/Profit on sale of investments (Net)	(5,247,875)		95,675	
Dividend received	(12,032,056)		(13,688,379)	
Interest received	-		(3,554,910)	
Provision for leave encashment	3,213,170		1,363,513	
Provision for income tax written back	-		(339,324)	
Provision for Wealth tax written back	-		-	
Provision for gratuity	1,216,709	1,771,160	50,358	1,659,592
Operating profit before working capital changes		(97,487,221)		56,497,924
Adjustment for:				
(Increase)/Decrease in sundry debtors	(3,785,149)		5,004,361	
(Increase)/Decrease in other current assets	-		-	
Increase/(Decrease) in current liabilities	93,880,485		(16,208)	
(Increase)/Decrease in loans and advances	(20,946,919)	69,148,417	(2,553,059)	2,435,094
Cash generated from operations		(28,338,804)		58,933,018
Taxes paid		(23,258,767)		(16,419,571)
Net cash from operating activities		(51,597,571)		42,513,447
Cash flows from investing activities				
Purchase of fixed assets	(12,664,683)		(5,648,737)	
Proceeds from sale of fixed assets	589,065		163,945	
Proceeds from sale of investments	36,624,782		(8,188,378)	
Dividend received	12,032,056		13,688,379	
Interest received	-		6,698,013	
Net cash from investing activities		36,581,220		6,713,222
Cash flows from financing activities				
Issue of share capital	1,043,570			
Share premium	21,351,442			
Dividend paid	(35,098,500)		(34,207,500)	
Net cash from financing activities		(12,703,488)		(34,207,500)
Net (decrease)/increase in cash and cash equivalents		(27,719,839)		15,019,169
Cash and cash equivalents at beginning of period		33,878,417		18,859,248
Cash and cash equivalents at end of period		6,158,578		33,878,417
Cash and cash equivalents included in cash flow statement comprise the following balance sheet amounts :				
Cash on hand		107,091		41,174
Balance with bank in current account		6,051,487		33,837,243
Short term fixed deposit with bank		-		-
		6,158,578		33,878,417

We have examined the above cash flow statement of Canbank Investment Management Services Ltd. for the year ended March 31, 2007. The statement prepared is based on and is in agreement with the Profit and Loss account and the Balance Sheet of the Company covered by our report of even date to the members of the Company.

As per our report of even date
For Shah Gupta & Co.,
Chartered Accountants

M.B.N. Rao
Chairman

Pankaj Jain
Director

Sd/-
(Vipul K Choksi)
Partner

Marjan Klerkx
Alternate Director to C.T.L. Korthout - Director

Rajnish Narula
Chief Executive Officer

Place : Mumbai
Date : 22 April, 2008

S L Manjrekar
Company Secretary
Place : Mumbai

Paul Vrancken
Chief Operating officer
Date: 22 April, 2008

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 2008	
	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
	357506	357506
Source of Funds	Paid - up Capital	Reserves and surplus
	101044	256462
	Secured Loans	Unsecured Loans
	NIL	NIL
Application of Funds	Net Fixed Assets	Investments
	112032	259145
	Net Current Assets	Misc. Expenditure
	(19452)	NIL
	Accumulated Losses	Deferred Tax Asset
	NIL	5781

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

	Turnover	Total Expenditure
	169978	269236
	+/- Profit Before Tax	+/- Profit After Tax
	-99258	-98977
	Earning Per Share in Rs.	Dividend Rate %
	(9.84)	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

Investor Relation Centers

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
BANGALORE	: VI Floor, Naveen Complex, 14, M. G. Road, Bangalore 560 001. Email: crmf.bangalore@canararobeco.com. Tel.: (080) 25594730, 25594731 Fax: (080) 25584521
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, 1stFloor, Spencer Annexe, Anna Salai, Chennai 600 002. Email: crmf.chennai@canararobeco.com. Tel.: (044) 28492598 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. Tel.: (011) 23326417, Fax (011) 23354780
GOA	: Souza Towers, 1st Floor, Unit No F-13, Opp. Muncipal Garden, Panaji, Goa 403 001. 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, 4060221
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 Fax: (0484) 2364836
KOLKATA	: Horizon, Block B, 5th Floor, 57, Chowringhee Road, Kolkata 700 001. Email: crmf.kolkata@canararobeco.com. Tel.: (033) 30584716 - 19 Fax: (033) 30584720
KOTTAYAM	: C/o. Canara Bank,Western Gate, Temple Road, Thirunakkara, Kottayam 686 001. Email: crmf.kottayam@canararobeco.com. Tel: (0481) 2583122
LUDHIANA	: Room No. 328, 3rd Floor,Ludhiana Stock Exchange Building, Feroze Gandhi Market, Ludhiana 141 001. Email: crmf.ludhiana@canararobeco.com. Tel.: (0161)2421333 Fax: (0161) 2421333
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) 22621371/66585000-5010 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	: 401/402, Aashiana, Hariniwas, 4thFloor, Dak Bunglow Road, Patna 800001. Email: crmf.patna@canararobeco.com. Tel.: (0612) 2227950
PUNE	: Deccan Mall, Office 1 & 2, 1st Floor, Deccan Gymkhana, Pune 411 004. Email: crmf.pune@canararobeco.com. Tel.: (020) 65240556 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
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 Fax: (0891) 6631646

