



Canarys Automations Private Limited



Annual Report

2020-21

Registered Office:

566 & 567, 2nd Floor, 30th Main, Attimabbe Road,
Banagirinagara, Banashankari 3rd Stage.
Bengaluru – 560 085, Karnataka. India.
CIN: U31101KA1991PTC012096
Phone: +91 80 2679 9915
Email: fin@ecanarys.com | Website: www.ecanarys.com

Unit II:

571, K K Arcade, 1st Floor, 30th Main, Attimabbe Road,
Banagirinagara, Banashankari 3rd Stage.
Bengaluru – 560 085, Karnataka. India.

Management Team:

Raman SubbaRao M R
Managing Director

Sheshadri Y S
Director & CEO

Raghu C
Director

Sanjeev Kumar I S
Director & CTO

Arun D K
Director

Our Bankers:

State Bank of India

Jayanagar Branch,
311 (New) 19, 1st Floor, 1st Main Road, 40th Cross,
Jayanagar 8th Block,
Bengaluru - 560 070, Karnataka, India

Our Auditors:

Hegde & Co.,
Chartered Accountants,
31, 4th Floor, West Anjaneya Temple Street,
Opp. to Karanji Anjaneya Temple, Near B.M.S. College for Women
Basavanagudi, Bengaluru -560 004. Karnataka. India.

NOTICE

Notice is hereby given that the **30th Annual General Meeting** of the members of **CANARYS AUTOMATIONS PRIVATE LIMITED** ("Company") will be held on Thursday, 30th September 2021 at 04.00 P.M at the registered office of the Company situated at No. 566 & 567, 2nd Floor, 30th Main, Attimabbe Road, Banagirinagara, Banashankari 3rd Stage, Bengaluru- 560085 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2021 together with the Reports of Auditor's and Board of Director's attached thereon.
2. To declare final dividend to the equity shareholders.

By Order of the Board
For **CANARYS AUTOMATIONS PRIVATE LIMITED**

Date: 06th September 2021
Place: Bengaluru


(Raman SubbaRao M. R.)
Managing Director
DIN: 00176920**NOTE:**

1. A member is entitled to attend and vote at the meeting and is entitled to appoint a proxy to attend and vote instead of themselves and such proxy need not be a member of the Company. The proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The Company has fixed 30th September 2021 as Record Date for the purpose of declaration of dividend.

FORM OF PROXY
Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U31101KA1991PTC012096
Name of the Company : **Canarys Automations Private Limited**
Registered office : No. 566 & 567, 2nd Floor, 30th Main,
 Attimabbe Road, Banagirinagara,
 Banashankari 3rd Stage, Bengaluru- 560085

Name of the member(s):	
Address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

I/we, being the member(s) of **Canarys Automations Private Limited** holding shares of the above-named Company, hereby appoint

1. Name: _____
 Address: _____
 E-mail ID: _____
 Signature: _____, or failing him;
2. Name: _____
 Address: _____
 E-mail ID: _____
 Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on **Thursday, 30th September 2021 at 04.00 P.M** at the registered office of the Company.

Signed this.....day of 2021

Signature of shareholder	Signature of Proxy holder(s)

Note: This form of proxy, in order to be effective, should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

ATTENDANCE SLIP
30th Annual General Meeting – Thursday, 30th September 2021

Ledger folio No(s)

Number of shares held

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 30th Annual General Meeting of the Company at the Registered office at No. 566 & 567, 2nd Floor, 30thMain, Attimabbe Road, Banagirinagara, Banashankari 3rd Stage, Bengaluru- 560085.

.....
Name of the member/proxy (in BLOCK letters)	Signature of the member/ proxy

Route Map to Canarys Automations Private Limited:

Canarys Automations Pvt Ltd

566 & 567, 30th Main, Attimabbe Road, Banagirinagara, Banashankari 3rd Stage. LANDMARK: DeveGowda Petrol Bunk, above Axis Bank, Bengaluru, Karnataka 560085
+91 80 2679 9915

<https://goo.gl/maps/juZABR7KKfCRPoBS7>



BOARD'S REPORT

To,

The Members of

Canarys Automations Private Limited

No. 566 & 567, 2nd Floor, 30th Main,
 Attimabbe Road, Banagirinagara,
 Banashankari 3rd Stage,
 Bengaluru – 560085

Your Directors are pleased in presenting their 30th Annual Report on the working of your Company together with Audited Standalone and Consolidated Financial Statements of **Canarys Automations Private Limited** for the year ended 31st March, 2021.

1. FINANCIAL HIGHLIGHTS/STATE OF COMPANY'S AFFAIRS:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	Financial Year Ended 31.03.2021	Financial Year Ended 31.03.2020	Financial Year Ended 31.03.2021	Financial Year Ended 31.03.2020
Revenue from Operations	2518.33	1814.22	2562.41	1824.92
Other Income	16.50	6.91	16.50	17.48
Total Income	2534.83	1821.14	2578.91	1842.40
Total Expenditures	2238.05	1674.77	2277.56	1677.61
Profit/ (Loss) Before Tax	296.78	146.37	301.36	164.79
Tax Expenses	78.29	41.61	78.36	41.62
Net Profit/(Loss) After tax	218.49	104.76	223.00	123.17

2. PERFORMANCE REVIEW:

During the financial year, your Company has recorded the revenue from operations on standalone basis of Rs. 2518.33 Lakhs as compared to previous year revenue of Rs. 1814.22 Lakhs by registering a growth rate of 38.81%. Out of the total revenue, 2.26% generated through sale of products and 97.74% generated through sale of services.

The total revenue from operations on a consolidated basis of Rs. 2562.41 Lakhs as compared to previous year revenue of Rs. 1824.92 Lakhs.

Your directors expect that there will be a reasonable growth in the operations of the Company in the current financial year. Your Directors are making all efforts to ensure optimal operational results in coming years and achieving higher margins.

Further, the business model of your company focussing on value-added services, solutions and consulting, re-orientation is necessary in facilitating the rapid growth. Your directors have initiated the re-organization of leadership of your company to align with the planned business objectives.

The Board of Directors have immense pleasure in appointing Mr. Sheshadri Srinivas as Chief Executive Officer (CEO), Mr. Sanjeev Kumar I S as Chief Technology Officer(CTO) and Mr. Raghu Pavan T S as Chief Information Officer(CIO) of your Company. Mr. Sheshadri Srinivas, Mr. Sanjeev Kumar and Mr. Raghu Pavan will further build the capable leadership team going forward. Your directors are confident that the new leadership team will drive the expected growth for your company in the years to come.

Mr. Sheshadri Srinivas has around 23 years of experience in the industry, has been part of Canarys for about 18 years and has served in various capacities. He has been instrumental in acquisition of several key customers and strengthening of our staffing services.

Mr. Sanjeev Kumar has around 24 years of experience in the industry, has been a part of Canarys for about 15 years and has served in various capacities. He has been instrumental in inception of the DevOps Consulting practice at Canarys.

Mr. Raghu Pavan has 18 years of experience in the industry and has been instrumental in building SAP practice at Canarys. He has held various technical, management and executive positions across delivery, focussed on Global ERP systems and Intelligent Automation tools and has led large global teams to deliver complex solutions.

JOINT VENTURE:

Your Directors are pleased to inform that your company has entered into a joint venture with “Hanuka Technogy Solutions Private Limited” and floated a new Joint venture company called “Canarys-Hanuka Apo Technologies Private Limited” to focus on Hydro-meteorology related turn-key projects across the country.

As per the Joint Venture Agreement, the Company has appointed Mr. Arun D K and Mr. Pushparaj Shetty as the nominees of the Company in the Board of JV entity.

SAP PRACTICE:

Your company has strengthened its ERP division by adding SAP as a new practice. Your company has entered into a partnership with SAP with special focus on “Intelligent Robotic Process Automation”

3. AWARDS AND RECOGNITIONS:

Your Company continues to be an ISO 9001:2015 certified Company for its quality practices.

4. IMPACT OF COVID-19 PANDEMIC ON BUSINESS OF THE COMPANY:

Your Directors have reviewed the financial statements and confirmed that the cash flow of the Company is good. The Company is doing good and active even in the second wave of COVID-19, the Company shall continue as a going concern without any major hurdles in the situation of COVID-19 pandemic.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of Business carried out by the Company during the financial year 2020-21.

6. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN END OF FINANCIAL YEAR AND DATE OF REPORT:

There are no material changes and commitments affecting the financial position between end of financial year and date of report.

7. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no such orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

8. PERFORMANCE AND FINANCIAL POSITION OF EACH OF ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

As on 31st March, 2021 Company has Two Wholly Owned Subsidiary i.e., Canarys Corp., USA and Canarys APAC Pte Ltd, Singapore.

During the year, the Board reviewed the performance of subsidiary at an interval basis.

As per provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statement of the subsidiaries as on 31st March, 2021 is attached in **Form AOC-1** as '**Annexure -I**'.

9. DIVIDEND:

Considering the profit available for distribution of dividend for the financial year ended 31st March, 2021, your Directors have recommended final equity dividend of Re. 1/- per share having face value of Rs. 10/- each (10% on the paid-up equity share capital as on 31st March, 2021) amounting to Rs. 19,12,685/-, subject to approval of the shareholders at the ensuing Annual General Meeting.

Further, the Board of Directors proposed to declare dividend to the Preference shareholders amounting to Rs. 8,40,537/-.

10. TRANSFER TO RESERVES:

During the year under review, your Company has transferred Rs. 17,33,333/- to Capital Redemption Reserve Account for the purpose of redemption of Preference shares.

11. SHARE CAPITAL:

The Board provides following disclosures pertaining to Companies (Share Capital and Debentures) Rules, 2014:

Sl.No.	Particulars	Disclosure
1.	Issue of Equity shares with differential rights	Nil
2.	Issue of Sweat Equity shares	Nil
3.	Issue of employee stock option	Nil
4.	Provision of money by company for purchase of its own shares by trustees for the benefit of employees	Nil

The authorized Share Capital of the Company as on 31st March, 2021 was Rs. 8,25,00,000/- consisting of 22,50,000 equity shares of Rs. 10/- each and 60,00,000 Preference shares of Rs. 10/- each.

During the year, the shareholders at their Extra-Ordinary General Meeting held on 13th November, 2020 have approved to increase the authorised share capital from Rs. 2,25,00,000/- consisting of 22,50,000 Equity shares of Rs.10/- each to Rs. 8,25,00,000/- consisting 22,50,000 Equity Shares of Rs. 10/- each and 60,00,000 Preference Shares of Rs. 10/- each.

During the year under review, the Board of Directors at their meeting held on 1st February, 2021 have issued 52,00,000 Preference Share of Rs. 10/- on Private Placement Basis to the subscribers and issued 1,73,880 Equity Shares of Rs. 10/- each at an issue price of Rs. 30/- per share on Right Issue basis to equity shareholders on 24th March, 2021.

During the year, the Company has not issued any convertible instruments.

12. DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

13. NUMBER OF MEETINGS OF THE BOARD:

During the Financial Year 2020-21, there were 12 Board meetings held on the following dates: 08.06.2020, 15.06.2020, 30.06.2020, 11.08.2020, 30.09.2020, 25.10.2020, 03.11.2020, 10.11.2020, 01.02.2021, 24.02.2021, 19.03.2021 and 24.03.2021.

14. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
 - b) the directors had selected such accounting policies and applied them consistently and made judgments 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 and loss of the company for that period;
 - c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - d) the directors had prepared the annual accounts on a going concern basis;
- and

e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

16. BOARD OF DIRECTORS:

The Board comprises following Directors:

Sl. No.	Name of the Director	Designation
01.	Mr. Raman Subbarao M R	Managing Director
02.	Mr. Arun D K	Director
03.	Mr. Raghu C	Director
04.	Mr. Sheshadri Y S	Director & CEO
05.	Mr. Sanjeev Kumar I S	Director & CTO

During the year Mr. Pushparaj Shetty, Director of the Company resigned from the directorship with effect from 24th February, 2021. The Board of Directors placed on record the appreciation for the services rendered by him during his tenure of directorship.

17. CORPORATE SOCIAL RESPONSIBILITY POLICY:

The Company is not covered under Section 135 and Schedule VII of the Companies Act, 2013 and hence the provisions of the CSR are not applicable. Board of Directors placed on record the appreciation for the services rendered by him to the Company.

18. REMUNERATION POLICY:

The Company is not covered under the provisions of Section 178(1) of the Companies Act, 2013. However, remuneration policy as adopted by the Company envisages payment of remuneration according to qualification, experience and performance at different levels of the organisation. Employees those engaged in administrative and professional services are suitably remunerated according to the industry norms.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The loan given and guarantee and investment made by the Company during the financial year 2020-21 is disclosed in notes to financial statement.

20. RELATED PARTY TRANSACTIONS:

There are no related party transactions referred to in sub-section (1) of Section 188 of the Companies Act, 2013 during the year.

21. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

Sl. No.	PARTICULARS	DISCLOSURE
(A)	Conservation of Energy: (i) The steps taken or impact on conservation of energy (ii) The steps taken by the Company for utilizing alternate sources of energy (iii) The capital investment on energy conservation equipments	Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance through improved operational techniques.
(B)	Technology Absorption: (i) The efforts made towards technology absorption; (ii) The benefits derived like product improvement, cost reduction, product development or import substitution. (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year). (iv) The expenditure incurred on Research and Development.	Updation of Technology is a Continuous process; efforts are continuously made to develop new products required in the Company's activities. NA Nil Nil

22. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Sl. No.	Particulars	As on 31.03.2021 Amount (INR)	As on 31.03.2020 Amount (INR)
01	Foreign Exchange Earnings	639,88,977	9,25,37,665
02	Foreign Exchange Outgo	1,40,94,015	3,97,15,774

23. RISK MANAGEMENT:

The Company has a robust Business Risk Management framework to identify, evaluate business risk and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the Risk Management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risk trends, exposures and potential impact analysis at a Company level as also separately for individual business segments.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

24. HUMAN RESOURCES:

The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company has always recognized talent and has judiciously followed the principle of rewarding performance.

25. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly

authorized, recorded and reported to the Management. The Company has followed all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

26. ANNUAL RETURN:

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at www.ecanarys.com

27. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place a prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2020-21, no complaints were received by the Company related to sexual harassment.

28. PARTICULARS OF EMPLOYEES:

During the year under review, the Company had no employees who earned remuneration beyond the limits specified under Section 197 read with Rule 5 of

The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

29. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2013 as on 31st March, 2021.

30. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

The Company didn't enter any transaction for obtaining valuation report.

31. AUDITORS:

i. STATUTORY AUDITORS:

CA. Ramakrishna Hegde, Proprietor of M/s. Hegde & Co., (FRN:004891S), Chartered Accountants, Bengaluru have been appointed as Statutory auditors of the Company at the 28th Annual General Meeting held on 30th September 2019 up to the conclusion of the 33rd Annual General Meeting. The Board is authorized to fix remuneration of the Statutory Auditors in consultation with the said auditors for the period of their appointment.

ii. **SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, appointment of Secretarial Auditor is not applicable to the Company.

32. REPLY TO THE COMMENTS MADE BY THE AUDITORS IN THE AUDITORS REPORT:

Sl. No.	Auditors Comments	Management Representation
1	<p>Point No. x of Auditors Report (CARO Report)</p> <p>To the best of our knowledge and according to the information and explanations given to us, during the period of audit, there was a fraud committed by the ex-employees by forming an entity and have diverted the business and revenue of the company to their own entity. In this regard, Board of Directors have initiated the disciplinary action and terminated their employment and have filed an FIR with the Jurisdictional Police Station and as further informed to us, the investigation is in progress. The copy of the said FIR was presented to us during the course of audit. We are not in a position to exactly quantify the financial impact on the Company at the time of signing the audit report.</p>	<p>The Board of Directors have already initiated the disciplinary action against the employees and terminated their employment. The Company also filed an FIR with the Jurisdictional Police Station. The investigation is under progress.</p>

33. ACKNOWLEDGEMENT:

Your Directors take this opportunity to thank its Bankers for their support in the growth of the Company. Your Directors wish to acknowledge with gratitude the patronage extended to the Company by the large body of its customers and contribution made by the employees at all levels and look forward to their dedicated commitment in the years to come towards the Company reaching greater heights.

Finally, Directors would like to convey their deep sense of gratitude to the members and look forward to their continued support in the growth of the Company.

On behalf of the Board
for **CANARYS AUTOMATIONS PRIVATE LIMITED**

Date: 6th September 2021

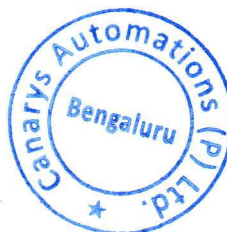
Place: Bengaluru



Raman SubbaRao M R
(DIN: 00176920)
Managing Director
(DIN: 00176920)



Raghu C
(DIN: 01065269)
Director
(DIN: 01065269)



Annexure-I
FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule (5) of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

PART- A- Subsidiaries

1	Sl. No	1	2
2	Name of the Subsidiary	Canarys Corp, USA	CANARYS APAC PTE. LTD
3	The date since when subsidiary was acquired	24.06.2002	14.11.2019
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	1 st April, 2020 to 31 st March, 2021	14 th November, 2019 to 31 st October, 2020
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD	SGD
6	Share capital		
	Authorised Share Capital	10,00,000	-
	Paid up Share Capital	57,000	-
7	Reserves and surplus	12,165.03	(1619.45)
8	Total assets	69,615.03	1,380.55
9	Total Liabilities	69,615.03	1,380.55
10	Investments	NIL	NIL
11	Turnover	60,000	NIL
12	Profit before taxation	8,551.87	(1619.45)
13	Provision for taxation	-	-
14	Profit after taxation	8,551.87	(1619.45)
15	Proposed Dividend	NIL	NIL
16	Extent of shareholding (in percentage)	100% shares	100% shares

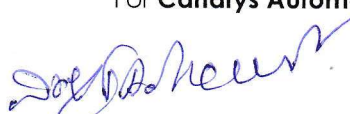
1. Names of subsidiaries which are yet to commence Operations: Nil

2. Names of subsidiaries which have been liquidated or sold during the year: Nil

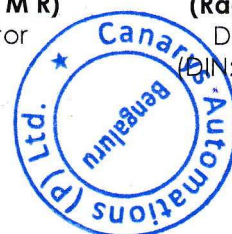
On behalf of the Board
For **Canarys Automations Private Limited**

Date: 6th September 2021

Place: Bengaluru


(Raman SubbaRao M R)
 Managing Director
 (DIN: 00176920)


(Raghu C)
 Director
 (DIN: 01065269)



 **HEGDE & Co.**
Chartered Accountants

No.31, 4th Floor, Vidya Bhavan
West Anjaneya Temple Street
Basavanagudi, Bengaluru – 560 004
T: +91 80 2650 0089
email: hegde@hegdeandco.in

6th September 2021

To

The Members of Canarys Automations Private Limited

Report on the audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **Canarys Automations Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the **Companies Act, 2013** ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, **its Profit** ~~(or Loss)~~* and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and

we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Matter of Emphasis:

As per the information & explanation provided to us, the Company has closed its branch office it had established at 3201 Ravens Crest Dr, Plainsboro, NJ 08536, USA during the year. However, the closing of bank account it had in the name of the Company in USA is under the process and all such entries in that bank account statement have been merged as such with the accounts maintained at Head Office.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the standalone financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We also:

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

so would reasonably be expected to outweigh the public interest benefits of such communication.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the **Companies (Accounts) Rules, 2014**;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over

financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

a. The Company does not have any pending litigations which would impact its financial position

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

for Hegde & Co.

Chartered Accountants
Firm Reg. No. 004891S



(Ramakrishna T. Hegde)

Proprietor

Membership No. 029157

ICAI'S UDIN: **21029157AAAABR5054**



Place: Bengaluru

Date: 6th September 2021

ANNEXURE –A TO AUDITORS' REPORT

Referred to paragraph (1) under "Report on legal and other regulatory requirements" of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to and the records examined by us and based on the examinations of the registered sale deed provided to us, we report that, the title deeds, comprising the building the company owns at KSSIDC Complex, Electronic City, Bengaluru is held in the name of the company as at the balance sheet date.
- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals whenever company had the inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any other companies, firms and other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted any loan to any of its Directors as stated in Sec. 185 of the Companies Act, 2013 and in our opinion and according to the information and explanations given to us the Company has complied with the provisions of 186 of the Companies Act, 2013 in respect of loan, making investments and providing guarantees and securities, as applicable.

- (v) According to the information and explanation given to us the Company has not accepted any deposits from the public during the year and hence, reporting under clause (v) of CARO 2016 is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records by the Company under sub-section (1) of Section 148 of the Companies Act for any of its products.
- (vii) According to the information and explanation given to us, in respect of Statutory dues:
- (a) the company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, GST, cess and other material statutory dues (that are applicable to the Company) with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears, as at 31st March 2021 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no-material disputed amount payables in respect of income tax, GST, wealth tax, custom duty, GST, cess, including "erstwhile - sales tax, service tax & excise duty", or any other statutory dues as at the end of the year except the following:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period for which the amount relates	Forum where dispute is pending	Remarks if any
Income Tax	Sec. 195-TDS on non-resident payment	72,77,080	FY 2017-18	CIT Appeals	Appeal yet to be heard

-
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government.
- (x) In our opinion and according to the information and explanations given to us, during the year, the company has raised the money by issuing Preference Shares of Rs. 520 lakhs (being 52,00,000 Preference Shares of Rs. 10 each per share fully paid) during the year and utilized the money for the purpose for which such issue was raised by the Company. Further, the Company has not obtained any term loan during the year.
- (xi) To the best of our knowledge and according to the information and explanations given to us, *during the period of audit, there was a fraud committed by the ex-employees by forming an entity and have diverted the business and revenue of the company to their own entity. In this regard, Board of Directors have initiated the disciplinary action and terminated their employment and have filed an FIR with the Jurisdictional Police Station and as further informed to us, the investigation is in progress. The copy of the said FIR was presented to us during the course of audit. We are not in a position to exactly quantify the financial impact on the Company at the time of signing the audit report.*
- Other than the above, no other fraud by the Company and no material fraud on the company by its officers or employees has been noticed or reported during the year under audit.
- (xii) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xiii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

- (xiv) In our opinion and according to the information and explanations given to us the Company is in compliance with section 188 and 177 of the Companies Act 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc, as required by the applicable accounting standards.
- (xv) According to the information and explanations given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with its directors or persons connected with him and hence provision of section 192 of the companies Act 2013 are not applicable.
- (xvii) The Company is not required to be register under section 45-IA of the Reserve Bank Of India Act, 1934.

for Hegde & Co.
Chartered Accountants
Firm Registration No.004891S




(Ramakrishna T. Hegde)
Proprietor

Membership No. 029157
ICAI'S UDIN: **21029157AAAABR5054**

Place: Bengaluru
Date: 6th September 2021

Notes forming parts of standalone financial statements

1. Corporate Information (Description of Business):

The Company was incorporated in the year 1991 to carry on carry on the business of Software and Hardware development and maintenance and Consultancy Services and the training of personnel in Software & Hardware and operation of the Electronic Equipment's, and to carry on business of Manufacturing, Assembling, Importing, Exporting, Trading, Development and to undertake repairs, servicing contracts of all kinds of industrial Electronics Equipment's and further to carry on the business of manufacturing, dealing, trading, buying, selling, importing, exporting, extracting, installation, commissioning, handing over, maintaining, servicing, repairing of telemetry based products/items like hydrological, hydrometer, meteorology instruments and industrial automation instruments, pollution measurement instruments, equipment's, canal & dam automations, acoustic flow meters, electronic data transmitter & receiver, data logger, telemetric equipment's and to enter in to works contract, job contract, service contract, sub-contract including undertaking complete turnkey projects, and also to carry on the distribution & service of cloud hosting for websites on virtual servers which pull their computing resource from extensive underlying networks of physical web servers including infrastructure as a Service (IaaS) and Platform as a Service (PaaS) classifications, and further provide services in respect of sharing computer processing resources and data to computers and other devices on demand and services to provide/place the required technical man power to customers including web hosting.

The company has two subsidiaries and an associate:

a. Canarys Corp USA: This was incorporated in the year 2002 and is functioning from Florida, United States of America. The main objective of this company is to develop the software and to provide the software service. This is the 100% subsidiary of Canarys Autmations Private Limited.

b. Canarys APAC Pte Ltd : The Company has established a wholly owned company known as Canarys APAC Pte Ltd in Singapore. The main objectives of the said company is to provide the software service and software development. During the financial year 2020-21, except incurring few expenses, there were no revenue during the said financial year.

2. Significant Accounting Policies:

A. Basis of accounting and preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / the Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B. Use of Estimates:

The Company uses prudent and reasonable assumptions and estimates in the preparation of its financial statements, and these are reflected in the reported amounts of income and expenses during the year, and the reported balances of assets and liabilities, and disclosures relating to contingent liabilities, as at the date of the financial statements. Due care and diligence have been exercised by the management in arriving at such "estimates & assumptions" since they may directly affect the reported amounts of income and expenses during the period, as well as the balances of Assets and Liabilities, including those which are contingent in nature, as at the date of reporting of the financial statements.

3. Accounting Standards Compliance:

Revenue recognition

- a. Income and Expenditure are accounted ongoing concern basis.
- b. The company's income consists of income from development of software and distribution of software, sale of electronic hardware items, and undertaking works contract including installation & maintenance of

electronic equipment's. Customer contracts on software development are billed based on time and material content of the work/assignment. Revenue from distribution of software & electronic hardware items are billed and accounted based on delivery.

- c. Export of software products are accounted based on the export documents that are available with company. Export of software has been billed on mile stone basis based on the exchange rate prevailing on that respective day.
- d. All other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.
- e. Interest income is accrued at applicable interest rate. All other income have been recognized when right to receive payment is established.
- f. Revenue recognized in the books of accounts are exclusive of GST collected.

Employee Benefits

- a. Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and incentives if any, are recognized in the period in which the employee renders the related service.

- b. Post-employment benefits:

- a) Gratuity:

The company has recognized the gratuity payable in the books of accounts based on the estimations obtained from the actuaries.

- b) Leave Encashment on Retirement:

The Company does not have any Leave Encashment Policy. Hence, no provision has been made in this regard.

c) Provident Fund:

Contributions made by the Company towards Employees Provident Fund have been charged to the revenue account.

Accounting for Fixed Assets, Depreciation & amortization accounting and Impairment of assets:

A. Accounting for Fixed Assets:

Fixed assets are capitalised at acquisition cost including attributable cost of bringing the asset to its working condition for the intended use.

i. Tangible Fixed assets:

Fixed assets are stated at cost of acquisition less accumulated depreciation. The cost of an asset comprises its purchase price and any cost directly attributable to bringing the asset to its present condition for intended use.

ii. Intangible assets and amortisation

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Cost of the software has not been bifurcated and shown separately wherever computer and laptop has been bought along with the software loaded into it and under such circumstances, the computers and laptops has been classified as tangible assets by the Company.

B. Depreciation & amortization accounting

Depreciation amount for assets is the cost of an asset, or the amount substituted for cost, less its estimated residual value as estimated by the Management which is in consistent with Schedule II to the 2013 Companies Act.

Depreciation on tangible fixed assets has been provided on the written down value method as per the useful life prescribed in Schedule II to the 2013 Act.

On all those assets, the differences in depreciation that arise due to adoption of residual value on the original cost of the respective assets, the depreciation of the last useful year of the assets would be adjusted from the written down value i.e the depreciation of the last useful year would be written down value of that respective asset minus salvage value of that respective asset.

- C. Amortizations of intangible assets have been provided as stated in AS 26.

D. Impairment of assets

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine the provision for impairment loss, if any and its reversal of impairment loss recognized in previous periods, if any.

Similarly, intangible assets (various software) worth Rs. 4,13,876.40 (cost of acquisition) which were bought over a period of time and fully depreciated few years back & now an obsolete assets have been removed both from gross block & depreciation block. There were no written down value in the books of account for those assets.

Valuation of Inventories

Inventories are valued after providing for obsolescence. Raw Materials and finished (traded) goods are valued at lower of cost and net realizable value, on first-in, first-out basis. Work in progress were also assessed at the end of the year and valued based on the cost associated to that respective WIP. Any exchange fluctuation that is directly connected with the import of raw materials also has been adjusted while valuing the closing stock.

Stock as at the end of year has been valued as per FIFO excluding GST and other taxes.

Accounting of Investments

Investments are classified as current investments and long-term investments. Long term investments including trade investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature. Current investments are stated at lower of cost or fair market value.

Borrowing Cost

The borrowing costs are charged as an expense in the year in which they are incurred.

Accounting for Effects in Foreign Exchanges Rates

Foreign currency transactions during the year are translated at the exchange rates closely approximating those prevailing on the respective date/s on inward or outward remittances. The company has revalued the receivables and payables at the end of the year.

Related Party Disclosure

Disclosure is made as per the requirements of Accounting Standard 18. Related Party Disclosures and as per the clarification issued by the Institute of Chartered Accounts of India.

Segment reporting

Segment reporting is not applicable during the year since the company is SMC as defined in Appendix 1 to this Compendium 'Applicability of Accounting Standards to Various Entities'.

Earning Per Share

The Company presents basic and diluted earnings per share (EPS) data for its common shares. The basic earnings / (loss) per share is computed by dividing the net profit / (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

Accounting for Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961. However, MAT tax payable (if any) by the company during the year and the carried forward MAT has been recognized and classified under non-current asset since the same can be set off against future income tax liability.

Deferred tax is recognized on timing differences between the income accounted in financial statements and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The deferred tax assets is

recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

Dividend Distribution Tax (DDT):

The Company had declared dividend for the FY 2019-20 in the FY 2020-21.

Dividend distribution tax has been abolished vide Finance Act 2020 for the dividend declared and paid after 31st March 2020. It is anticipated that dividends for the financial year 2020-21 would be declared & paid in the financial year 2021-22. In lieu of the said amendment to DDT provisions in the Finance Act 2020, the company has not made any provision towards payment of DDT in the books of accounts in FY 2020-21. The company will comply with the provisions in the said Finance Act 2020 to deduct the applicable TDS while distributing the dividend to shareholders.

Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes and are not usually provided for unless it is probable that future outcome may be detrimental to the company.

Operating cycle for current and non-current classification

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business. The operating cycle identified by the company is a duration of 12 months from the end of balance sheet date.

Capital Redemption Reserve (CRR)

During the year, the company has issued redeemable preference shares with certain terms and conditions. All such terms & conditions connected with issue of preference shares have been reported elsewhere in the financial statements. As per required under the Companies Act, 2013, the company has created the capital redemption reserve on a pro-rata basis as per the terms of the issue of such preference shares and accordingly transferred a sum of Rs.17,33,333 to CRR. The said CRR has been transferred from the accumulated profit of the company. Over a period of five years or before the redemption of such preference shares the entire amount of preference shares would be transferred to capital redemption reserve.

Cash & Cash Equivalents

Cash and cash equivalents (including bank balances) are reflected as such in the financial statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

Cash and Bank balances also include fixed deposits and interest accrued thereon, earmarked balances with banks and other balances which has no restrictions on repatriation. ***Deposits with Bank for Bank guarantee has also been considered under Cash and Bank Balances. Balances with banks held as margin money or security against borrowings, guarantees, etc. and bank deposits with more than 12 months maturity are grouped under Other Bank Balances as required under Revised Schedule III.***


Impact of COVID-19

Though COVID-19 wave has slightly affected, the company has complied all the provisions of the concerned Act & Rules that were applicable to the company during financial year 2020-21.

For Hegde & Co.

Chartered Accountants

Firm Registration No. 004891S



(Ramakrishna T. Hegde)

Proprietor

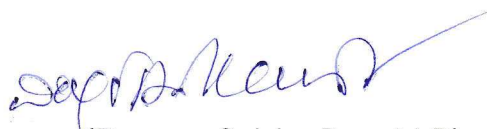
Membership No. 029157



Place: Bengaluru

Date: 6th September 2021

for and on behalf of the Board



(Raman Subba Rao M R)

Managing Director

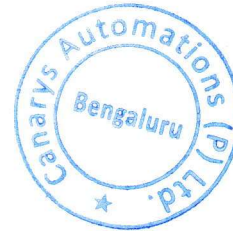
Din: 00176920



(Raghu C)

Director

DIN:01065269



Canarys Automations Private Limited					
No. 566 & 567,2nd Floor, 30th Main, Attimabbe Road, Banagirinagara					
Banashankari 3rd Stage, Bengaluru - 560 085. Karnataka.					
CIN: U31101KA1991PTC012096					
Balance Sheet					
No	Note	As at March 31,			
		2021		2020	
I. EQUITY and LIABILITIES					
(1) Shareholders' Funds					
a Share Capital	4	7,11,26,850		1,73,88,050	
b Reserves and Surplus	5	5,15,00,318		2,89,27,289	
Money received against share warrants		-	12,26,27,168	-	4,63,15,339
Share Application Money Pending Allotment			-		-
(3) Non Current Liabilities					
a Long Term Borrowings	6	-		-	
b Deferred Tax Liability (net)	7	-		30,424	
c Long-Term Provisions	8	12,78,255	12,78,255	6,81,838	7,12,262
(4) Current Liabilities					
a Short Term Borrowings	9	-		-	
b Trade Payables	10	4,08,60,196		3,31,58,452	
c Other Current Liabilities	11	2,18,32,357		1,74,01,649	
d Short Term Provisions	12	1,08,79,228	7,35,71,781	56,30,232	5,61,90,333
TOTAL			19,74,77,205		10,32,17,934
II. ASSETS					
(1) Non Current Assets					
a Fixed Assets:					
(i) Tangible Assets	13	77,38,149		93,62,429	
(ii) Intangible Assets	13	1,97,683		3,38,109	
(iii) Intangible Assets under Development	13	-	79,35,832	-	97,00,538
(iv) Capital Work-in-Progress					-
b Non-Current Investments	14	1,35,18,451		30,27,692	
c Deferred Tax Assets (net)	15	1,46,544		-	
d Long Term Loans and Advances	16	1,75,73,999		1,52,49,578	
e Other non-current assets	17	-	3,12,38,995	-	1,82,77,271
(2) Current Assets					
a Inventories	18	1,04,36,102		2,34,26,722	
b Trade Receivables	19	10,53,18,685		3,56,62,182	
c Cash and Bank Balances	20	3,88,12,274		1,48,27,125	
d Short Term Loans and Advances	21	9,92,979		7,94,307	
e Other Current Assets	22	27,42,338	15,83,02,377	5,29,789	7,52,40,125
TOTAL			19,74,77,205		10,32,17,934
Significant Accounting Policies		01-03			
The accompanying notes form an integral parts of financial statements					
As per our report of even date			For and on behalf of the Board		
For Hegde & Co.					
Chartered Accountants					
Firm Registration No. 004891S					
(Ramakrishna T.Hegde)			(Raman SubbaRao M R)		
Proprietor			Managing Director		
Membership No. 029157			DIN:00176920		
Place: Bengaluru			(Raghu C)		
Date : 6th September 2021			Director		
			DIN:01065269		

Canarys Automations Private Limited

 No. 566 & 567, 2nd Floor, 30th Main, Attimabbe Road, Banagirinagara
 Banashankari 3rd Stage, Bengaluru - 560 085. Karnataka.

CIN: U31101KA1991PTC012096

Statement of Profit and Loss

No	Particulars	Note	Year ended March 31,	
			2020-21	2019-20
	INCOME			
I.	Revenue from Operations	23	25,18,33,187	18,14,22,624
II.	Other Income	24	16,50,407	6,91,515
III.	Total Revenue		25,34,83,595	18,21,14,138
	EXPENDITURE			
IV.	Cost of Materials Consumed	25	6,37,91,254	1,74,74,279
	Purchases of Stock-in-trade		-	-
	Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade		-	-
	Employee Benefits Expense	26	12,04,74,929	11,37,04,027
	Finance Costs	27	15,79,764	2,08,097
	Depreciation and Amortisation Expense	28	35,71,006	28,45,325
	Other Expenses	29	3,43,88,572	3,32,45,037
	Total Expenses		22,38,05,526	16,74,76,765
V.	Profit Before exceptional items and tax (III - IV)		2,96,78,069	1,46,37,374
VI.	Exceptional Items		-	-
VII.	Profit Before extraordinary items & tax (V-VI)		2,96,78,069	1,46,37,374
VIII.	Extraordinary Items		-	-
IX.	Profit Before Tax (VII-VIII)		2,96,78,069	1,46,37,374
X.	Tax expenses			
	Income Tax - Current year		81,71,280	38,91,427
	Income Tax - Previous years (net)		(1,64,894)	-
	Deferred Tax expenses/(income)	30	(1,76,968)	2,70,304
XI.	Profit for the period from continuing operations (VII-VIII)		2,18,48,651	1,04,75,643
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(Loss) from Discontinuing operations(after tax)(XII-XIII)		-	-
XV.	Profit/(Loss) for the period (XI+XIV)		2,18,48,651	1,04,75,643
XVI.	Earnings per equity share of face value of Rs 10 each			
	Basic (in Rs.)	31	11.42	6.02
	Diluted (in Rs.)	31	12.54	6.02
	Significant Accounting Policies	01-03		

The accompanying notes form an integral part of the financial statements.

 As per our report of even date
 For Hegde & Co.
 Chartered Accountants
 Firm Registration No. 004891S

 (Ramakrishna T. Hegde)
 Proprietor
 Membership No. 029157

 Place: Bengaluru
 Date : 6th September 2021

For and on behalf of the Board

 (Raman Subba Rao M R)
 Managing Director
 DIN:00176920

 (Raghu C)
 Director
 DIN:01065269

Canarys Automations Private Limited		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March,		
Particulars	2021 Rs.	2020 Rs.
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit after taxation	2,18,48,651	1,04,75,643
Adjustments for:		
Depreciation	35,71,006	28,45,325
Provision for taxation:-		
Current tax	81,71,280	38,91,427
Deferred tax	(1,76,968)	2,70,304
Interest Expense	15,79,764	2,08,097
Gain/Loss on sale of Investments	(2,12,008)	(1,79,398)
Other income		
Dividend / Interest income	(8,90,720)	(3,74,818)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,38,91,005	1,71,36,579
Adjustments for working capital changes:		
(Increase) / Decrease in sundry debtors	(6,96,56,502)	(1,11,86,484)
(Increase) / Decrease in Inventory	1,29,90,620	(2,34,26,722)
(Increase) / Decrease in Loans and advances	(25,23,093)	(74,05,897)
(Increase) / Decrease in Other Current Assets	(23,89,517)	(1,34,923)
Increase / (Decrease) in Trade Payables	77,01,744	2,96,60,927
Increase / (Decrease) in Provisions	58,45,413	(23,80,124)
Increase / (Decrease) in Other Current Liabilities	44,30,708	20,03,543
Cash Generated from Operations	(97,09,622)	42,66,899
Less: Income taxes paid	(79,94,312)	(41,61,731)
Cash flow before prior period/extraordinary items	(1,77,03,934)	1,05,168
Add / (Less): Prior period / Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(1,77,03,934)	1,05,168
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(18,06,300)	(67,26,407)
Sale proceeds of fixed assets		
Purchase of investments	(1,04,90,759)	36,76,202
Sale of investments		
Dividend / Interest received on investments	8,90,720	3,74,818
Loss on Redemption of Investment	2,12,008	1,79,398
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,11,94,331)	(24,95,989)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of Share Capital/Share application money received	5,72,16,400	-
Increase / (Decrease) in bank borrowings	-	-
Increase / (Decrease) in Fluctuation reserve relating US Branch	-	-
Less: Interest paid	(15,79,764)	(2,08,097)
Less: Dividend paid	(27,53,222)	(17,38,805)
Other unsecured loans/deposits received (or repaid)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	5,28,83,414	(19,46,902)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,39,85,149	(43,37,723)
ADD: CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,48,27,125	1,91,64,848
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	3,88,12,274	1,48,27,125
As per our report of even date	For and on behalf of the Board	
For Hegde & Co.		
Chartered Accountants		
Firm Registration No. 004891S		
(Ramakrishna T. Hegde)	(Raman Subba Rao M.R.)	(Raghu C.)
Proprietor	Managing Director	Director
Membership No. 029157	DIN: 00176920	DIN: 01065269
Place: Bengaluru		
Date : 6th September 2021		

NOTES TO CASH FLOW STATEMENT:		
1. Cash and Cash Equivalents consist of cash on hand and balances with banks.		
Cash and Cash Equivalents included in the cash flow statement comprise the following		
balance sheet amounts:	2021	2020
	Rs.	Rs.
Cash on hand	2,329	3,364
Balances with bank	41,85,687	16,62,346
Bank Deposits	3,46,24,259	1,31,61,416
	3,88,12,274	1,48,27,125
Add: Effect of exchange rate changes		
Cash and Cash Equivalents as restated	3,88,12,274	1,48,27,125

Yes

No

Canarys Automations Private Limited

Notes on Financial Statements for the Year ended 31st March, 2021

4 SHARE CAPITAL

Particulars	31.3.2021	31.3.2020
Share Capital		
Authorised Capital		
2250000 Equity Shares of Rs. 10 each	2,25,00,000	2,25,00,000
60,00,000 Preference Shares of Rs. 10 each	6,00,00,000	-
Total	8,25,00,000	2,25,00,000
Issued and subscribed capital		
19,12,685 Equity Shares of Rs. 10 each share fully paid	1,91,26,850	1,73,88,050
5200000 Preference Shares of Rs. 10 each share fully paid	5,20,00,000	-
Total	7,11,26,850	1,73,88,050
Paid up capital		
19,12,685 Equity Shares of Rs. 10 each share fully paid	1,91,26,850	1,73,88,050
5200000 Preference Shares of Rs. 10 each share fully paid	5,20,00,000	-
Total	7,11,26,850	1,73,88,050

Additional Information:

The company has two class of share capital i.e. equity shares having face value of Rs. 10 per share and Preference share capital of Rs 10 per share.

Terms & rights attached to Equity Shares:

A. Equity Shares : Terms & Conditions attached to the equity shares

a. Equity shares having face value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

b. During the year the company has issued 1,73,880 equity shares of Rs. 10 each at a premium of Rs. 20 each.

c. The Equity Shares issued during the year has pari passu with the other equity shares that company had already issued.

Opening number & closing number of shares along with reconciliation of the number of equity shares and share capital are

Particulars	As at 31-3-2021		As at 31-3-2020	
	No of Shares	Amount	No of Shares	Amount
		(in Rs)		(in Rs)
Issued, subscribed and fully paid up equity shares outstanding as the beginning of the year	17,38,805	1,73,88,050	17,38,805	1,73,88,050
Add: Further issue of shares or Bonus/rights Shares issued during the year	1,73,880	17,38,800	-	-
Issued, subscribed and fully paid up equity shares outstanding as the end of the year	19,12,685	1,91,26,850	17,38,805	1,73,88,050

Shareholders holding more than 5% of the equity shares as at the end of the year are here below:

Name of the Shareholder	As at 31-3-2021		As at 31-3-2020	
	No. of Shares	Shareholding %age	No. of Shares	Shareholding %age
Raman SubbaRao M R	4,72,780	24.72%	4,44,780	25.58%
Raghu C	3,50,655	18.33%	3,33,655	19.19%
Arun D K	3,36,870	17.61%	3,19,870	18.40%
Jagadeesha C S	1,35,200	7.07%	1,35,200	7.78%
Anuradha Hegde	1,28,000	6.69%	1,28,000	7.36%

B. Preference Share: Terms & Conditions attached to the preference shares issued by the company during the year are:

- a. The Partially redeemable & convertible Preference shares issued during the year has maximum 5 years tenure.
 - b. The Preference shares shall carry on dividend of the rate of 10% per annum on the nominal value of share. The Dividend shall be calculated on pro-rata basis from the date of allotment of such preference shares. The Dividend shall be paid in cumulative in nature.
 - c. The Preference Shareholders does not have right to participate in the surplus funds of the Company.
 - d. The Preference shareholder shall have liquidation preference in the event of winding up of the Company as provided under the Act and the preference shareholders shall not have only right to participate in the surplus asset & profit of the Company.
 - e. The 90% of the preference share paid-up capital held by the shareholders are redeemable. In case, if the subscribers opt for conversion, the remaining 10% of the paid-up preference shares capital will be converted into equity shares at the fair value determined at the time of conversion.
 - f. The Preference Shares shall not carry any voting rights except in case of any resolution placed before the Company which directly affects the rights attached to such shares or as otherwise provided in the Companies Act.
 - g. The preference shareholders or Company shall redeem 90% of Preference shares at par value in the following manner:
 - i. 30% of the preference shares shall be repaid at the end of 3rd year
 - ii. 30% of the preference shares shall be repaid at the end of 4th year
 - iii. 30% of the preference shares shall be repaid at the end of 5th year
 - iv. The balance 10% may be converted into Equity share at a fair market value determined at that time of such conversion
 - v. The Company may redeem the preference shares at any time after expiry of one year from the date of issue of such shares.
 - vi. At the end of 5th year, the balance 10% may be converted into Equity share at the option of the preference shareholder at a fair market value determined of that time
 - h. The Company may redeem the preference shares at any time after expiry of one year from the date of issue of such
 - i. With the consent of preference shareholders, the Company may convert 10% of preference share capital into equity shares of only time after expiry of one year from the date of issue, of fair market value determined of the time of conversion.
- Opening number & closing number of shares along with reconciliation of the number of preference shares and share capital are given below.

Particulars	As at 31-3-2021		As at 31-3-2020	
	No of Shares	Amount (in Rs)	No of Shares	Amount (in Rs)
Preference Share Capital:				
Issued, subscribed and fully paid up equity shares outstanding as the beginning of the year	-	-		
a. Issued during the year : Issue & paid up 52,00,000 preference shares of Rs. 10 each fully paid up (Previous year NIL)	52,00,000	5,20,00,000		
Issued, subscribed and fully paid up equity shares outstanding as the end of the year	52,00,000	5,20,00,000	-	-

5 RESERVES AND SURPLUS

Particulars	31.3.2021	31.3.2020		
Securities Premium Reserve				
Opening Balance	26,07,300	26,07,300		
Premium received during the year	34,77,600			
Total (a)	60,84,900	26,07,300		-

General Reserve		
Opening Balance	12,27,049	12,27,049
Add: Transferred during the year	-	-
Total (b)	12,27,049	12,27,049
Surplus (Balance of Profit c/f)	2,50,92,940	1,63,56,103
Add: Profit after tax	2,18,48,651	1,04,75,643
Adjustment in respect of Depreciation	-	-
	4,69,41,591	2,68,31,745
Less: a. Provision for Proposed Dividend :		
On Equity Share capital	19,12,685	17,38,805
On Preference Share capital	8,40,537	
b. Transferred to Capital Redemption Reserves	17,33,333	
Total (c)	4,24,55,036	2,50,92,940
Capital Redemption Reserve		
Opening Balance	-	-
Created towards redemption of Preference Shares	17,33,333	-
Total (d)	17,33,333	-
Total (a+b+c+d)	5,15,00,318	2,89,27,289
6 LONG TERM BORROWINGS		
(I) SECURED		
Particulars	31.3.2021	31.3.2020
NIL		
Total	-	-
7 DEFERRED TAX LIABILITY (NET)		
Particulars	31.3.2021	31.3.2020
Deferred tax Liability arised during the year		30,424
Total	-	30,424
8 LONG-TERM PROVISIONS		
Particulars	31.3.2021	31.3.2020
Gratuity Payable	12,78,255	6,81,838
Total	12,78,255	6,81,838
9 SHORT TERM BORROWINGS		
Particulars	31.3.2021	31.3.2020
Other Loans and Advances	-	-
Total	-	-

10 TRADE PAYABLES		
Particulars	31.3.2021	31.3.2020
Micro, Small and Medium Enterprises	-	-
Others	4,08,60,196	3,31,58,452
Total	4,08,60,196	3,31,58,452
11 OTHER CURRENT LIABILITIES		
Particulars	31.3.2021	31.3.2020
Rent deposit	3,30,000	3,30,000
Advance from customers	2,04,283	23,55,456
ESI payable	25,525	22,643
Provident fund payable	7,35,908	6,11,152
Salaries and Wages payable	96,29,286	1,03,00,427
TDS payable	49,80,724	35,41,595
Professional tax payable	27,400	23,200
GST Payable	54,55,090	5,366
Other Expenses payable	4,44,142	2,11,809
Total	2,18,32,357	1,74,01,649
12 SHORT TERM PROVISIONS		
Particulars	31.3.2021	31.3.2020
Provision for Dividend including DDT	27,07,948	17,38,805
Provision for Taxation	81,71,280	38,91,427
Total	1,08,79,228	56,30,232
13 FIXED ASSETS		
Details Enclosed in schedule separately		
14 NON-CURRENT INVESTMENTS		
(I) Trade Investments		
Particulars	31.3.2021	31.3.2020
Investments in mutual funds	1,07,65,611	2,74,852
Total	1,07,65,611	2,74,852
(II) Other Investments		
Particulars	31.3.2021	31.3.2020
Investment in Equity Instruments	27,52,840	27,52,840
Total	27,52,840	27,52,840
15 DEFERRED TAX ASSETS (NET)		
Particulars	31.3.2021	31.3.2020
Deferred Tax Assets arised during the year	1,46,544	-
Total	1,46,544	-
Deferred tax expenses of Rs.1,76,968/- has been Credited to Profit & Loss Account. The details of the deferred tax as on March 31, 2021 have been provided here at the end		

BREAK-UP FOR DEFERRED TAX ASSET/(LIABILITY):		
Particulars	Deferred tax Asset/ (Liability) 31.3.2021	Deferred tax Asset/ (Liability) 31.3.2020
Fixed Assets	1,46,544	2,39,880
Loss of the year/set off of brought forward losses	-	-
Net Disallowable Expenditure as per the IT Act	-	(2,70,304)
Net Deferred Tax Asset/(DTL)	1,46,544	(30,424)

16 LONG TERM LOANS AND ADVANCES (Unsecured and considered good)		
Particulars	31.3.2021	31.3.2020
Capital Advances	-	-
Security Deposits	53,07,074	50,02,651
Rent deposit	5,00,000	5,00,000
Sales tax deposit	1,000	1,000
Tax deducted by customers	1,17,06,064	76,86,066
Deposit with BESCOM	36,059	36,059
Telephone deposit	23,802	23,802
Advance Tax paid	-	20,00,000
Total	1,75,73,999	1,52,49,578

17 OTHER NON-CURRENT ASSETS		
Particulars	31.3.2021	31.3.2020
Long term Trade receivables (Unsecured and considered good)	-	-
Total	-	-

18 INVENTORIES		
Particulars	31.3.2021	31.3.2020
Raw Materials	1,04,36,102	2,34,26,722
Total	1,04,36,102	2,34,26,722

19 TRADE RECEIVABLES (Unsecured and considered good)		
Particulars	31.3.2021	31.3.2020
Over Six months	16,89,039	62,78,982
Others	10,36,29,646	2,93,83,201
Total	10,53,18,685	3,56,62,182

20 CASH AND BANK BALANCES		
Particulars	31.3.2021	31.3.2020
Cash and cash equivalents		
Balances with Banks	41,85,687	16,62,346
Cash on hand	2,329	3,364
Bank Deposits (less than 3 months)	91,34,722	92,09,476
Other Bank Balances		
Bank Deposits (maturity - more than 3months but less than 12months)	-	-
Bank Deposits (maturity - more than 12 months)	2,54,89,537	39,51,940
Interest accrued but not due	-	-
Total	3,88,12,274	1,48,27,125

21 SHORT TERM LOANS AND ADVANCES		
Particulars	31.3.2021	31.3.2020
GST input credit	9,92,979	7,94,307
Total	9,92,979	7,94,307

22 OTHER CURRENT ASSETS		
Particulars	31.3.2021	31.3.2020
Advance paid to Creditors	4,97,643	-
Staff Advance	22,44,695	5,29,789
Total	27,42,338	5,29,789

23 REVENUE FROM OPERATIONS		
Particulars	31.3.2021	31.3.2020
Sale of Products	57,00,000	12,51,163
Sales of Services - Domestic	18,02,38,436	8,89,32,379
Sale of Services - Overseas	6,39,88,977	9,12,39,082
	24,99,27,413	18,14,22,624
Less: GST	-	-
	24,99,27,413	18,14,22,624
Unbilled Revenue	19,05,774	-
Total	25,18,33,187	18,14,22,624
24 OTHER INCOME		
Particulars	31.3.2021	31.3.2020
Interest Income	7,90,736	3,62,925
Dividend Income	-	11,892
Gain/(Loss) on sale of Investments	2,12,008	1,79,398
Rent received	3,46,500	1,27,119
Discount received	269	10,180
Interest on refund	99,984	-
Other non operating Income	2,00,910	-
Total	16,50,407	6,91,515
25 COST OF MATERIALS CONSUMED		
Particulars	31.3.2021	31.3.2020
Opening Stock of Raw Materials	2,34,26,722	-
Add: Purchases	5,06,46,284	4,07,86,017
	7,40,73,006	4,07,86,017
Less: Closing stock of Raw Materials	1,04,36,102	2,34,26,722
	6,36,36,904	1,73,59,294
Freight Inward	1,37,750	15,135
Customs Duty	-	44,217
Clearing and Forwarding charges	16,600	55,633
Total	6,37,91,254	1,74,74,279
26 EMPLOYEE BENEFITS EXPENSE		
Particulars	31.3.2021	31.3.2020
Salaries and Wages	11,37,28,598	10,61,38,408
Contribution to provident and Other Funds	54,67,444	43,08,031
Staff Welfare expenses	12,78,887	32,57,588
Total	12,04,74,929	11,37,04,027
27 FINANCE COSTS		
Particulars	31.3.2021	31.3.2020
Interest Expense	13,736	25,650
Bank charges	9,43,138	1,82,447
Applicable loss on Foreign currency transactions and translation	6,22,891	-
Total	15,79,764	2,08,097
28 DEPRECIATION AND AMORTISATION EXPENSE		
Particulars	31.3.2021	31.3.2020
Depreciation	35,71,006	26,54,971
Assets Discarded/Impaired	-	1,90,354
Total	35,71,006	28,45,325

29 OTHER EXPENSES

Particulars	31.3.2021	31.3.2020
Manufacturing & Software Development Expenses		
Labour Charges	48,110	-
Water and Electricity Charges	6,69,931	7,78,953
Professional & Consultancy charges	98,19,336	87,63,708
Selling and Distribution Expenses		
Trade Discount	1,03,789	1,69,107
Foreign Travel expenses	8,76,153	24,36,367
Business Promotion	3,21,720	4,14,675
Establishment Expenses		
Professional & Consultancy charges	60,35,099	57,47,792
Audit fee	1,50,000	1,70,000
Agency Charges	13,973	32,296
Office Software	6,50,768	1,57,958
Membership Charges	84,916	1,13,543
ISO Certification Charges	8,000	30,000
Carriage outwards	-	65,480
Postage and Courier Charges	62,292	73,464
Legal Fees	3,71,000	30,000
Insurance	1,03,538	1,11,924
Office Expense	9,92,149	11,14,271
Printing and Stationery	76,388	71,410
Rent	37,80,000	29,92,000
Rates & Taxes	4,53,093	1,54,929
Repairs and Maintenance	34,636	17,26,688
AMC Charges	11,800	12,11,920
Boarding and Lodging Expenses	3,30,177	-
Computer Maintenance	4,57,110	6,55,496
Newspapers and Periodicals	4,115	12,760
Security and Service Charges	3,22,120	2,78,649
Travelling & Conveyance	9,69,799	17,28,144
Telephone and Broadband Charges	14,56,729	11,85,291
ROC fees and Tender documents	6,63,947	49,714
Project charges	41,47,363	27,12,043
Vehicle Maintenance	2,55,406	1,37,243
Bad debt	10,32,500	-
Miscellaneous Expenses	1,760	12,640
Written off a/c	65,970	30,324
Taxi Hire charges	14,888	76,247
Total	3,43,88,572	3,32,45,037

Auditor's Remuneration:

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
1. Statutory Audit Fees	1,00,000	1,00,000
2. Tax Audit Fees	70,000	70,000
3. Other Professional & GST Services	1,45,000	1,45,000

These figures exclude applicable GST

30 DEFERRED TAX INCOME/(EXPENSE)		
Particulars	31.3.2021	31.3.2020
Deferred tax Asset/(liability) - Closing	1,46,544	(30,424)
Deferred tax Asset/(liability) - Opening	(30,424)	2,39,880
Total	1,76,968	(2,70,304)
31 EARNINGS PER SHARE		
Particulars	31.3.2021	31.3.2020
Basic EPS	11.42	6.02
Diluted EPS	12.54	6.02
Net profit after tax as per Profit and Loss attributable to Equity shareholders	2,18,48,651	1,04,75,643
Weighted Average number of equity shares used as denominator for calculating basic EPS	19,12,685	17,38,805
Weighted Average number of equity shares used as denominator for calculating diluted EPS	17,42,140	17,38,805
Basic Earnings per share (Rs.)	11.42	6.02
Diluted Earnings per share (Rs.)	12.54	6.02
Face Value per equity share (Rs.)	10.00	10.00
32 EARNINGS IN FOREIGN EXCHANGE		
Particulars	31.3.2021	31.3.2020
Export of goods - includes US Branch sales	6,39,88,977	9,01,82,209
Advance received towards future supply		23,55,456
Total	6,39,88,977	9,25,37,665
33 EXPENSES IN FOREIGN EXCHANGE		
Particulars	31.3.2021	31.3.2020
Import of Raw Materials	1,32,17,862	3,79,63,506
Travelling Expenses	8,76,153	17,52,269
Total	1,40,94,015	3,97,15,774
34 EXCHANGE GAIN OR LOSS		
A sum of Rs. -6,17,849.55 (net) being exchange fluctuation gain/(loss) calculated as per AS 11 has been credited to Profit & Loss account during the year.		

35 RELATED PARTY DISCLOSURES

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships

Name of the Related Party	Relationship
Raman SubbaRao MR - Managing Director	Key Managerial Personnel
Raghu C - Whole Time Director	Key Managerial Personnel
Arun D K - Whole Time Director	Key Managerial Personnel
Sheshadri Y S - Director	Key Managerial Personnel
Sanjeev Kumar I S - Director	Key Managerial Personnel
Pushparaj Shetty - Director	Key Managerial Personnel
Canarys Corp, USA	Wholly owned Subsidiary
Canarys APAC Pte Ltd	Wholly owned Subsidiary

36 CONTINGENT LIABILITIES AND COMMITMENTS

The Company has Outstanding Bank Guarantees of Rs. 1,61,63,164 as at 31st March 2021 and is guaranteed by the bank in favour of various customers & Customs and Central Excise/Tax Department and were issued by Canara Bank and State Bank of India.

37 In the opinion of the Board, the value of realization of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

38 TRADE RECEIVABLE

The amount due on account of goods sold or services rendered in the normal course of business have been classified under the 'trade receivable'. The Company periodically evaluates all customer dues to the Company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could affect the customer's ability to settle. The Company pursues the recovery of the dues, in part or full.

39 TRADE PAYABLE

The amount due on account of goods purchased or services received in the normal course of business have been classified as 'trade payable'. Due to the non-availability of information from Suppliers about their status (as to whether they are SSI or not) necessary information has not been furnished.

40 SECURED & UNSECURED LOAN

Company has not obtained any secured loan during the year. Also, Company has not obtained any unsecured loan during the year.

41 INVESTMENTS

All other investments are appearing at the cost of acquisition of such investments

42 DEPOSITS AGAINST BANK GUARANTEE

Bank has a lien over the deposits kept for obtaining the bank guarantee from them to issue the performance bank guarantee and to submit the same to Customers and Customs department

43 Prior period income & expenditure:

There are no prior period expenses nor income during the year.

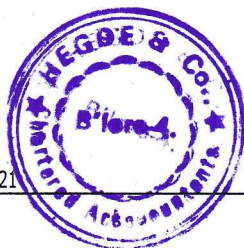
44 There are no capital commitment during the year

45 Certain comparative figures have been reclassified/regrouped, wherever found necessary, to confirm to the presentation adopted in these financial statements.

For Hegde & Co.
Chartered Accountants
Firm Registration No. 004891S

(Ramakrishna T. Hegde)
Proprietor
Membership No. 029157

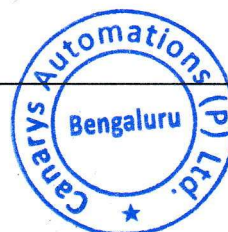
Place: Bengaluru
Date : 6th September 2021



for and on behalf of the Board

(Signature)
(Raman SubbaRao M R)
Managing Director
Din: 00176920

(Signature)
(Raghu C.)
Director
DIN: 01065269



13. Fixed Assets

Fixed Assets Schedule for the FY 20-21											
Description	Gross Block				Depreciation Block					Net Block	
	As on 1.4.20	Additions	Deletions	As on 31.3.21	As on 1.4.20	for the year	Deletions	Assets Impaired	As on 31.3.21	As on 31.3.21	As on 31.3.20
Factory Building	9,81,210.25			9,81,210.25	8,00,518.25	6,333.00			8,06,851.25	1,74,359.00	1,80,692.00
Vehicles	47,53,188.00			47,53,188.00	37,15,208.00	2,77,807.00			39,93,015.00	7,60,173.00	10,37,980.00
Office Equipment	42,11,515.00			42,11,515.00	32,21,760.00	3,82,139.00			36,03,899.00	6,07,616.00	9,89,755.00
Electrical Fittings	9,21,018.39			9,21,018.39	6,52,094.39	66,883.00			7,18,977.39	2,02,041.00	2,68,924.00
Furniture	77,73,101.68			77,73,101.68	57,59,086.68	4,63,474.00			62,22,560.68	15,50,541.00	20,14,015.00
Computers	2,10,87,931.96	18,06,300.00		2,28,94,231.96	1,62,16,869.05	22,33,944.00			1,84,50,813.05	44,43,418.91	48,71,062.91
Software	9,30,959.40		4,13,876.40	5,17,083.00	5,92,850.00	1,40,426.00	4,13,876.40		3,19,399.60	1,97,683.40	3,38,109.40
Total 31.3.2021	4,06,58,924.68	18,06,300.00	4,13,876.40	4,20,51,348.28	3,09,58,386.37	35,71,006.00	4,13,876.40	-	3,41,15,515.97	79,35,832.31	97,00,538.31
Total 31.3.2020	3,90,42,326.88	67,26,406.91	51,09,809.11	4,06,58,924.68	3,32,22,870.48	26,54,971.00	49,19,455.11	1,90,354.00	3,09,58,386.37	97,00,538.31	58,19,456.40

 **HEGDE & Co.**
Chartered Accountants

**No.31, 4th Floor, Vidya Bhavan
West Anjaneya Temple Street
Basavanagudi, Bengaluru –560 004
T: 2650 0089
mail:hedge@hegdeandco.in**

06th September 2021**Independent Auditor's Report**

To
The Members of Canarys Automations Private Limited

Report on the audit of the Consolidated Financial Statements**Opinion**

We have audited the accompanying consolidated financial statements of **Canarys Automations Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ***in which are included the un-audited figures of the foreign Subsidiary i.e. Canarys Corp, C/o Florida Filing & Search Services, Inc 155, Office Plaza DR., Suite A, Tallahassee FL 32301 USA and CANARYS APAC PTE. LTD. No. 71 Choa Chu King Loop, #5-18, Northvale, Singapore-689673.***

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the **Companies Act, 2013** ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, **its Profit (or Loss)*** and consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with

the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Matter of Emphasis:

As per the information & explanation provided to us, the Company has closed its branch office it had established at 3201 Ravens Crest Dr, Plainsboro, NJ 08536, USA during the year. However, the closing of bank account it had in the name of the Company in USA is under the process and all such entries in that bank account statement have been merged as such with the accounts maintained at Head Office.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the consolidated financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statement or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the consolidated financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters:

- (i) We did not audit the financial statements / financial information of **M/s. Canarys Corp**, a subsidiary situated at **USA**, whose financial statements reflect total assets of Rs.49,84,436.16 (USD 69,615.03) as at 31st March, 2021, total revenues of Rs. 44,08,750.00 (USD 60,000) and net cash flows amounting to Rs. 45,63,425.28 (USD 63,734.99) for the year ended on that date, as considered in the consolidated financial statements.
- (ii) We did not audit the financial statements / financial information of **M/s. Canarys APAC Pte Ltd**, a subsidiary situated at **Singapore**, whose financial statements reflect total assets of Rs.73,307.21 (SGD 1380.55) as at 31st March, 2021, total revenues of Rs. Nil (SGD Nil) and net cash flows amounting to Rs. Rs.73,307.21 (SGD 1380.55) for the year ended on that date, as considered in the consolidated financial statements

These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of a Subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. These un-audited figures have been consolidated line by line in the consolidated financial statements as such. In our opinion and according to the information and explanations given to us by the Management, it was informed to us that the management had proper internal control in place to verify the transactions during the year under audit.

Our opinion on the consolidated financial statements and our report on other Legal and regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements/ financial information certified by the Management.

The Companies (Auditors Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013 (hereinafter referred to as the “Order”) along with the Annexure containing the statement on the matters specified paragraphs 3 and 4 of the order is not applicable to the consolidated financial statement. As such, we have not enclosed a statement on the matters specified in paragraphs 3 and 4 of the said Order.

Report on Other Legal & Regulatory Requirements:

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b). (i). In our opinion, proper books of accounts as required by law, in India, have been kept by the company (Canarys Automations Private Limited – holding company)

and ;

b. (ii). In so far as it appears from our examination of those books, records and other relevant/proper returns adequate for the purposes of our audit have been received from :-

the foreign subsidiaries i.e.

Canarys Corp USA and Canarys APAC Pte. Ltd. Singapore, which were duly certified by the Management, not visited by us.

b. (iii). The figures Foreign Subsidiaries (i.e. Canarys Corp. USA & Canarys APAC Pte Ltd., Singapore) included in the Financial Statements are un-audited and have been merged as such as per the returns, information & explanations provided to us by the Management.

(c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid consolidated financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the **Companies (Accounts) Rules, 2014;**

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act

(f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and

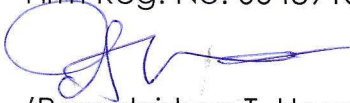
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

-
- a. The Company does not have any pending litigations which would impact its financial position
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

for Hegde & Co.

Chartered Accountants

Firm Reg. No. 004891S



(Ramakrishna T. Hegde)

Proprietor



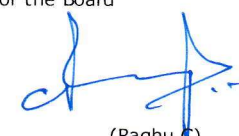
Membership No. 029157

ICAI's UDIN: **21029157AAAABS7357**

Place: Bengaluru

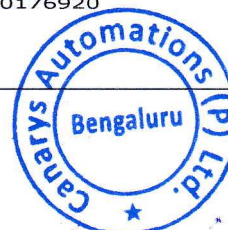
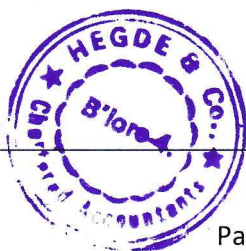
Date: 6th September 2021



Canarys Automations Private Limited No. 566 & 567, 2nd Floor, 30th Main, Attimabbe Road, Banagirinagara Banashankari 3rd Stage, Bengaluru - 560 085. Karnataka. CIN: U31101KA1991PTC012096					
Consolidated Balance Sheet					
No	Note	As at March 31,			
		2021		2020	
I. EQUITY and LIABILITIES					
(1) Shareholders' Funds					
a Share Capital	4	7,11,26,850		1,73,88,050	
b Reserves and Surplus	5	5,38,19,918		3,09,47,750	
Money received against share warrants		-	12,49,46,768	-	4,83,35,800
(2) Share Application Money Pending Allotment					
(3) Non Current Liabilities					
a Long Term Borrowings	6	-		-	
b Deferred Tax Liability (net)	7	-		30,424	
c Long-Term Provisions	8	12,78,255	12,78,255	6,81,838	7,12,262
(4) Current Liabilities					
a Short Term Borrowings	9	-		-	
b Trade Payables	10	4,08,60,196		3,31,58,452	
c Other Current Liabilities	11	2,18,32,357		1,74,01,649	
d Short Term Provisions	12	1,08,79,228	7,35,71,781	56,30,232	5,61,90,333
TOTAL			19,97,96,805		10,52,38,396
II. ASSETS					
(1) Non Current Assets					
a Fixed Assets:					
(i) Tangible Assets	13	77,38,149		93,62,429	
(ii) Intangible Assets	13	1,97,683		3,38,109	
(iii) Intangible Assets under Development	13	-	79,35,832	-	97,00,538
(iv) Capital Work-in-Progress					
b Non-Current Investments	14	1,09,35,611		4,44,852	
c Deferred Tax Assets (net)	15	1,46,544		-	
d Long Term Loans and Advances	16	1,75,73,999		1,52,49,578	
e Other non-current assets	17	-	2,86,56,155	-	1,56,94,431
(2) Current Assets					
a Inventories	18	1,04,36,102		2,34,26,722	
b Trade Receivables	19	10,55,84,392		3,82,03,516	
c Cash and Bank Balances	20	4,34,49,007		1,68,89,092	
d Short Term Loans and Advances	21	9,92,979		7,94,307	
e Other Current Assets	22	27,42,338	16,32,04,817	5,29,789	7,98,43,427
TOTAL			19,97,96,805		10,52,38,396
Significant Accounting Policies	01-03				
The accompanying notes form an integral parts of financial statements As per our report of even date For Hegde & Co. Chartered Accountants Firm Registration No. 004891S  (Ramakrishna T. Hegde) Proprietor Membership No. 029157 Place: Bengaluru Date : 6th September 2021					
For and on behalf of the Board  (Raman Subbarao M R) Managing Director DIN:00176920  (Raghu C) Director DIN:01065269					

Canarys Automations Private Limited No. 566 & 567, 2nd Floor, 30th Main, Attimabbe Road, Banagirinagara Banashankari 3rd Stage, Bengaluru - 560 085. Karnataka. CIN: U31101KA1991PTC012096				
Consolidated Statement of Profit and Loss				
No	Particulars	Note	Year ended march 31,	
			2020-21	2019-20
	INCOME			
I.	Revenue from Operations	23	25,62,41,937	18,24,92,123
II.	Other Income	24	16,50,407	17,48,387
III.	Total Revenue		25,78,92,345	18,42,40,510
	EXPENDITURE			
IV.	Cost of Materials Consumed	25	6,37,91,254	1,74,74,279
	Purchases of Stock-in-trade		-	-
	Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade		-	-
	Employee Benefits Expense	26	12,04,74,929	11,37,04,027
	Finance Costs	27	16,01,749	2,08,097
	Depreciation and Amortisation Expense	28	35,71,006	28,45,325
	Other Expenses	29	3,83,17,355	3,35,29,446
	Total Expenses		22,77,56,293	16,77,61,173
V.	Profit Before exceptional items and tax (III - IV)		3,01,36,052	1,64,79,337
VI.	Exceptional Items		-	-
VII.	Profit Before extraordinary items & tax (V-VI)		3,01,36,052	1,64,79,337
VIII.	Extraordinary Items		-	-
IX.	Profit Before Tax (VII-VIII)		3,01,36,052	1,64,79,337
X.	Tax expenses			
	Income Tax - Current year		81,78,385	38,91,427
	Income Tax - Previous years (net)		-1,64,894	-
	Deferred Tax expenses/(income)	30	-1,76,968	2,70,304
XI.	Profit for the period from continuing operations (VII-VIII)		2,22,99,529	1,23,17,606
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(Loss) from Discontinuing operations(after tax)(XII-XIII)		-	-
XV.	Profit/(Loss) for the period (XI+XIV)		2,22,99,529	1,23,17,606
XVI.	Earnings per equity share of face value of Rs 10 each			
	Basic (in Rs.)	31	11.66	7.08
	Diluted (in Rs.)	31	12.80	7.08
	Significant Accounting Policies	01-03		
The accompanying notes form an integral part of the financial statements.				
As per our report of even date For Hegde & Co. Chartered Accountants Firm Registration No. 004891S (Rama Krishna T. Hegde) Proprietor Membership No. 029157 Place: Bengaluru Date : 6th September 2021			For and on behalf of the Board (Raman Subba Rao M R) Managing Director DIN:00176920 (Raghu C) Director DIN:01065269	

Canarys Automations Private Limited		
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March,		
Particulars	2021 Rs.	2020 Rs.
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit after taxation	2,22,99,529	1,23,17,606
Adjustments for:		
Depreciation	35,71,006	28,45,325
Provision for taxation:-		
Current tax	81,78,385	38,91,427
Deferred tax	(1,76,968)	2,70,304
Written off	65,970	30,324
Trade Discount	1,03,789	1,69,107
Interest Expense	16,01,749	2,08,097
Gain/Loss on sale of Investments	(2,12,008)	(1,79,398)
Other income/Exchange fluctuation		
Dividend / Interest income	(8,90,720)	(3,74,818)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,45,40,731	1,91,77,974
Adjustments for working capital changes:		
(Increase) / Decrease in sundry debtors	(6,75,50,634)	(1,15,95,414)
(Increase) / Decrease in Inventory	1,29,90,620	(2,34,26,722)
(Increase) / Decrease in Loans and advances	(5,03,095)	(37,31,742)
(Increase) / Decrease in Other Current Assets	(22,12,549)	(4,05,227)
Increase / (Decrease) in Trade Payables	77,01,744	2,96,60,927
Increase / (Decrease) in Provisions	15,65,560	(10,24,901)
Increase / (Decrease) in Other Current Liabilities	44,30,708	20,03,543
Cash Generated from Operations	(90,36,915)	1,06,58,437
Less: Income taxes paid	(59,18,530)	(85,63,389)
Cash flow before prior period/extraordinary items	(1,49,55,445)	20,95,048
Add / (Less): Prior period / Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(1,49,55,445)	20,95,048
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(18,06,300)	(67,26,407)
Sale proceeds of fixed assets		
(Purchase)/sale of investments	(1,04,90,759)	27,20,602
Sale of investments - Parts2build	9,55,600	9,55,600
Gain on Redemption of Investment	(9,55,600)	19,628
Dividend / Interest received on investments	8,90,720	3,74,818
Gain on Redemption of Investment	2,12,008	1,79,398
Changes to Exchange Fluctuation reserves	(1,51,739)	3,15,474
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,13,46,070)	(21,60,888)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of Share Capital/Share application money received	5,72,16,400	-
Increase / (Decrease) in bank borrowings	-	-
Increase / (Decrease) in Fluctuation reserve relating US Branch	-	-
Less: Interest paid	(16,01,749)	(2,08,097)
Less: Dividend paid	(27,53,222)	(17,38,805)
Less: Dividend distribution tax paid	-	(3,57,416)
Other unsecured loans/deposits received (or repaid)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	5,28,61,429	(23,04,318)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,65,59,914	(23,70,158)
ADD: CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,68,89,092	1,92,59,250
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	4,34,49,007	1,68,89,092
As per our report of even date For Hegde & Co. Chartered Accountants Firm Registration No. 0048915	For and on behalf of the Board	
(Ramakrishna T.Hegde) Proprietor Membership No. 029157	Raman SubbaRao M R (Managing Director) DIN:00176920	Raghu C (Director) DIN:01065269
Place: Bengaluru Date : 6th September 2021		



NOTES TO CASH FLOW STATEMENT:

1. Cash and Cash Equivalents consist of cash on hand and balances with banks.

Cash and Cash Equivalents included in the cash flow statement comprise the following

balance sheet amounts:	2021	2020
	Rs.	Rs.
Cash on hand	3,783	4,895
Balances with bank	88,20,965	37,22,782
Bank Deposits	3,46,24,259	1,31,61,416
	4,34,49,007	1,68,89,092
Add: Effect of exchange rate changes		
Cash and Cash Equivalents as restated	4,34,49,007	1,68,89,092

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information (Description of Business):

The Company was incorporated in the year 1991 to carry on carry on the business of Software and Hardware development and maintenance and Consultancy Services and the training of personnel in Software & Hardware and operation of the Electronic Equipments, and to carry on business of Manufacturing, Assembling, Importing, Exporting, Trading, Development and to undertake repairs, servicing contracts of all kinds of industrial Electronics Equipments and further to carry on the business of manufacturing, dealing, trading, buying, selling, importing, exporting, extracting, installation, commissioning, handing over, maintaining, servicing, repairing of telemetry based products/items like hydrological, hydrometer, meteorology instruments and industrial automation instruments, pollution measurement instruments, equipments, canal & dam automations, acoustic flow meters, electronic data transmitter & receiver, data logger, telemetric equipments and to enter in to works contract, job contract, service contract, sub-contract including undertaking complete turnkey projects, and also to carry on the distribution & service of cloud hosting for websites on virtual servers which pull their computing resource from extensive underlying networks of physical web servers including infrastructure as a Service (IaaS) and Platform as a Service (PaaS) classifications, and further provide services in respect of sharing computer processing resources and data to computers and other devices on demand and services to provide/place the required technical man power to customers including web hosting.

During the year, the Company has following two Subsidiaries:

Canarys Corp. a wholly owned foreign subsidiary in the State of Florida, United States of America. The Company is a Private Limited Company. The main objectives of this company are development of software and providing software consultancy. The yearly transactions have been merged as such in the Consolidated Financial Statement as per the details received from the said subsidiary.

- a. **Canarys APAC Pte Ltd** : The Company has established a wholly owned company known as Canarys APAC Pte Ltd in Singapore during the financial year 2019-20. The main objectives of the said

company are to provide the software service and undertaking software development services. During the financial year 2020-21, the company has not subscribed any shares in the said company. There was no revenue during the year. The expenses that were incurred were merged as such in the Consolidated Financial Statement as per the details received from the said subsidiary.

2. Significant Accounting Policies:

A. Basis of accounting and preparation of Financial Statements:

The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis to comply with the Accounting Standards specified under Section 133 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / the Companies Act, 1956 ("the 1956 Act"), as applicable. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

In preparing the consolidated financial statement, we have merged the financials of the subsidiary, line by line as provided in AS 21. In case of associate to the extent applicable, the company has adopted the **equity method** for consolidating the financials as provided in AS 23 wherever applicable.

B. Use of Estimates:

The Company uses prudent and reasonable assumptions and estimates in the preparation of its consolidated financial statements, and these are reflected in the reported amounts of income and expenses during the year, and the reported balances of assets and liabilities, and disclosures relating to contingent liabilities, as at the date of the financial statements. Due care and diligence have been exercised by the management in arriving at such "estimates & assumptions" since they may directly affect the reported amounts of income and expenses during the period, as well as the balances of Assets and Liabilities, including those which are contingent in nature, as at the date of reporting of the financial statements.

Figures under the reserve & surplus also include reserve arising while merging line by line entries of foreign subsidiary. Such exchange fluctuation reserve as on 31st March 2020 have been reclassified in the financial statement of FY 2020-21 to match the exchange fluctuation reserve disclosed in the respective note attached to financial statement.

3. Accounting Standards Compliance:

Principles of consolidation

- a. The consolidated financial statements relate to the Company and its Subsidiaries (Canarys Corp. USA & Canarys APAC Pte Ltd. Singapore) (collectively referred herein under as the "Group"). The consolidated financial statements have been prepared on the following basis:
 1. In respect of Subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.
 2. Consolidated financial statements are prepared after fully eliminating intra-group balances and unrealised profits/losses on intra-group transactions as per Accounting Standard - AS 21 "Consolidated Financial Statements".
 3. In case of foreign subsidiaries, being Non-Integral Foreign Operations, revenue items are consolidated at the average rate prevailing during the year. All asset and liabilities are converted at the rate prevailing at the end of the year. Monetary items denominated in foreign currency are translated into the reporting currency at the exchange rates in effect at the balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. The resultant exchange gain / loss have been given effect directly in the balance sheet.
 4. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the

extent possible, in the same manner as the Company's separate financial statements.

- b. The Subsidiary companies considered in the consolidated financial statements are:

Canarys Corp. a wholly owned subsidiary incorporated in USA &

Canarys APAC Pte. Ltd. a wholly owned subsidiary incorporated in Singapore.

- c. The financials statement of Canarys Corp., USA & Canarys APAC Pte Ltd, Singapore are the wholly owned subsidiary is the unaudited financial statement and the same has been merged line by line.
- d. The consolidated statement has been presented by consolidating all the figures as such from the financial statements of a 100% subsidiary (Canarys Corp & Canarys APAC Pte Ltd) provided by them.

Revenue recognition

- g. Income and Expenditure are accounted ongoing concern basis.
- h. The company's income consists of income from development of software and distribution of software, electronic items and hardware. Customer contracts on software development are billed based on time and material content of the work/assignment. Revenue from distribution of software & electronic items are billed and accounted based on delivery.
- i. Export of software products are accounted based on the export documents that are available with company. Export of software has been billed on mile stone basis based on the exchange rate prevailing on that respective day.
- j. The associate's incomes consists of income from sale of Construction materials which were sold through online. The company also earns commission on sale of products of few

companies which is being recognized in books of accounts as and when the right to earn arises.

- k. All other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.
- l. Interest income is accrued at applicable interest rate. All other income has been recognized when right to receive payment is established.

Employee Benefits

c. Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and incentives if any, are recognized in the period in which the employee renders the related service.

d. Post-employment benefits:

a) Gratuity:

The company has recognized the gratuity payable in the books of accounts based on the Certificates of Actuarial Valuation received from the LIC in case of holding company. In case of Subsidiary no such amounts were provided in the books of accounts.

d) Leave Encashment on Retirement:

The Company does not have any Leave Encashment Policy. Hence, no provision has been made in this regard.

e) Provident Fund:

Contributions made by the Company towards Employees Provident Fund have been charged to the revenue account in case of holding company. In case of Subsidiary no such amounts were provided in the books of accounts.

Accounting for Fixed Assets, Depreciation & amortization accounting and Impairment of assets:**E. Accounting for Fixed Assets:**

Fixed assets are capitalised at acquisition cost including attributable cost of bringing the asset to its working condition for the intended use.

iii. Tangible Fixed assets:

Fixed assets are stated at cost of acquisition less accumulated depreciation. The cost of an asset comprises its purchase price and any cost directly attributable to bringing the asset to its present condition for intended use.

iv. Intangible assets and amortisation

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Cost of the software has not been bifurcated and shown separately wherever computer and laptop has been bought along with the software loaded into it and under such circumstances, the computers and laptops has been classified as tangible assets by the Company.

F. Depreciation & amortization accounting

Depreciation amount for assets is the cost of an asset, or the amount substituted for cost, less its estimated residual value as estimated by the Management which is in consistent with Schedule II to the 2013 Companies Act.

Depreciation on tangible fixed assets has been provided on the written down value method as per the useful life prescribed in Schedule II to the 2013 Act.

On all assets, the differences in depreciation that arise due to adoption of residual value on the original cost of the respective

assets, the depreciation of the last useful year of the assets would be adjusted from the written down value i.e the depreciation of the last useful year would be written down value of that respective asset minus salvage value of that respective asset.

- G. Amortizations of intangible assets have been provided as stated in AS 26. Accordingly, company has amortized the software products over its 3 years of useful life.

H. Impairment of assets

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine the provision for impairment loss, if any and its reversal of impairment loss recognized in previous periods, if any.

Similarly, intangible assets (various software) worth Rs. 4,13,876.40 (cost of acquisition) which were bought over a period of time and fully depreciated few years back & now an obsolete assets have been removed both from gross block & depreciation block. There were no written down value in the books of account for those assets.

Valuation of Inventories

Inventories are valued after providing for obsolescence. Raw Materials and finished (traded) goods are valued at lower of cost and net realizable value, on first-in, first-out basis. Work in progress were also assessed at the end of the year and valued based on the cost associated to that respective WIP.

Stock as at the end of year has been valued as per FIFO excluding GST and other taxes.

Accounting of Investments

Investments are classified as current investments and long-term investments. Long term investments including trade investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature. Current investments are stated at lower of cost or fair market value.

Investment in subsidiary has been consolidated as per AS 21 and investment in associate has been consolidated as per 23. These figures were eliminated from investment while preparing consolidated financial statements.

Borrowing Cost

The borrowing costs are charged as an expense in the year in which they are incurred.

Accounting for Effects in Foreign Exchanges Rates

Foreign currency transactions during the year are translated at the exchange rates closely approximating those prevailing on the respective date/s on inward or outward remittances. The company has revalued the receivables and payables at the end of the year.

Effects of consolidation of foreign subsidiary has been directly adjusted in reserve & surplus.

Related Party Disclosure

Disclosure is made as per the requirements of Accounting Standard 18. Related Party Disclosures and as per the clarification issued by the Institute of Chartered Accounts of India.

Segment reporting

Segment reporting is not applicable during the year since the company is SMC as defined in Appendix 1 to this Compendium 'Applicability of Accounting Standards to Various Entities'.

Earning Per Share

The Company presents basic and diluted earnings per share (EPS) data for its common shares. The basic earnings / (loss) per share is computed by dividing the net profit / (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and

also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

Accounting for Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961. However, MAT tax payable by the company during the year and the carried forward MAT has been recognized and classified under non-current asset since the same can be set off against future income tax liability.

Deferred tax is recognized on timing differences between the income accounted in financial statements and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The deferred tax assets is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes and are not usually provided for unless it is probable that future outcome may be detrimental to the company.

Capital Redemption Reserve (CRR)

During the year, the holding company has issued redeemable preference shares with certain terms and conditions. All such terms & conditions connected with issue of preference shares have been reported elsewhere in the financial statements. As per required under the Companies Act, 2013, the company has created the capital redemption reserve on a pro-rata basis as per the terms of the issue of such preference shares and accordingly transferred a sum of Rs.17,33,333 to CRR. The said CRR has been transferred from the accumulated profit of the company. Over a period of five years or before the redemption of such preference shares the entire amount of preference shares would be transferred to capital redemption reserve.

Operating cycle for current and non-current classification

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business. The operating cycle identified by the company is a duration of 12 months from the end of balance sheet date.

Cash & Cash Equivalents

Cash and cash equivalents (including bank balances) are reflected as such in the financial statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

Cash and Bank Balances also include fixed deposits and Interest accrued thereon, earmarked balances with banks and other bank balances which have no restrictions on repatriation. ***Deposits with Bank for Bank guarantee has also been considered under Cash and Bank Balances. Balances with banks held as margin money or security against borrowings, guarantees, etc. and bank deposits with more than 12 months maturity are grouped under Other Bank Balances as required under Revised Schedule III.***

Yes	Canarys Automations Private Limited																																								
No	Notes on Financial Statements for the Year ended 31st March, 2021																																								
	4 SHARE CAPITAL																																								
	<table> <tr> <th>Particulars</th><th>31.3.2021</th><th>31.3.2020</th></tr> <tr> <td>Share Capital</td><td></td><td></td></tr> <tr> <td>Authorised Capital</td><td></td><td></td></tr> <tr> <td>2250000 Equity Shares of Rs. 10 each</td><td>2,25,00,000</td><td>2,25,00,000</td></tr> <tr> <td>60,00,000 Preference Shares of Rs. 10 each</td><td>6,00,00,000</td><td>-</td></tr> <tr> <td></td><td></td><td>-</td></tr> <tr> <td>Issued and subscribed capital</td><td></td><td></td></tr> <tr> <td>19,12,685 Equity Shares of Rs. 10 each share fully paid</td><td>1,91,26,850</td><td>1,73,88,050</td></tr> <tr> <td>52,00,000 Preference Shares of Rs. 10 each share fully paid</td><td>5,20,00,000</td><td>-</td></tr> <tr> <td>Paid up capital</td><td></td><td></td></tr> <tr> <td>19,12,685 Equity Shares of Rs. 10 each share fully paid</td><td>1,91,26,850</td><td>1,73,88,050</td></tr> <tr> <td>52,00,000 Preference Shares of Rs. 10 each share fully paid</td><td>5,20,00,000</td><td>-</td></tr> <tr> <td>Total</td><td>7,11,26,850</td><td>1,73,88,050</td></tr> </table>	Particulars	31.3.2021	31.3.2020	Share Capital			Authorised Capital			2250000 Equity Shares of Rs. 10 each	2,25,00,000	2,25,00,000	60,00,000 Preference Shares of Rs. 10 each	6,00,00,000	-			-	Issued and subscribed capital			19,12,685 Equity Shares of Rs. 10 each share fully paid	1,91,26,850	1,73,88,050	52,00,000 Preference Shares of Rs. 10 each share fully paid	5,20,00,000	-	Paid up capital			19,12,685 Equity Shares of Rs. 10 each share fully paid	1,91,26,850	1,73,88,050	52,00,000 Preference Shares of Rs. 10 each share fully paid	5,20,00,000	-	Total	7,11,26,850	1,73,88,050	
Particulars	31.3.2021	31.3.2020																																							
Share Capital																																									
Authorised Capital																																									
2250000 Equity Shares of Rs. 10 each	2,25,00,000	2,25,00,000																																							
60,00,000 Preference Shares of Rs. 10 each	6,00,00,000	-																																							
		-																																							
Issued and subscribed capital																																									
19,12,685 Equity Shares of Rs. 10 each share fully paid	1,91,26,850	1,73,88,050																																							
52,00,000 Preference Shares of Rs. 10 each share fully paid	5,20,00,000	-																																							
Paid up capital																																									
19,12,685 Equity Shares of Rs. 10 each share fully paid	1,91,26,850	1,73,88,050																																							
52,00,000 Preference Shares of Rs. 10 each share fully paid	5,20,00,000	-																																							
Total	7,11,26,850	1,73,88,050																																							
	Additional Information:																																								
	The company has two class of share capital i.e. equity shares having face value of Rs. 10 per share and Preference share capital of Rs 10 per share.																																								
	Terms & rights attached to Equity Shares:																																								
	A. Equity Shares : Terms & Conditions attached to the equity shares																																								
	a. Equity shares having face value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.																																								
	b. During the year the company has issued 1,73,880 equity shares of Rs. 10 each at a premium of Rs. 20 each.																																								
	c. The Equity Shares issued during the year has pari passu with the other equity shares that company had already issued.																																								
	B. Preference Share: Terms & Conditions attached to the preference shares issued by the company during the year are:																																								
	a. The Partially redeemable & convertible Preference shares issued during the year has maximum 5 years tenure.																																								
	b. The Preference shares shall carry on dividend of the rate of 10% per annum on the nominal value of share. The Dividend shall be calculated on pro-rata basis from the date of allotment of such preference shares. The Dividend shall be paid in cumulative in nature.																																								
	c. The Preference Shareholders does not have right to participate in the surplus funds of the Company.																																								
	d. The Preference shareholder shall have liquidation preference in the event of winding up of the Company as provided under the Act and the preference shareholders shall not have only right to participate in the surplus asset & profit of the Company.																																								
	e. The 90% of the preference share paid-up capital held by the shareholders are Redeemable. In case, if the subscribers opt for conversion, the remaining 10% of the paid-up preference shares capitol will be converted into equity shares at the fair value determined at the time of conversion.																																								
	f. The Preference Shares shall not carry any voting rights except in case of any resolution placed before the Company which directly affects the rights attached to such shares or as otherwise provided in the Companies Act.																																								
	g. The preference shareholders or Company shall redeem 90% of Preference shares at par value in the following manner:																																								

i. 30% of the preference shares shall be repaid at the end of 3rd year				
ii. 30% of the preference shares shall be repaid at the end of 4th year				
iii. 30% of the preference shares shall be repaid at the end of 5th year				
iv. The balance 10% may be converted into Equity share at a fair market value determined at that time of such conversion				
v. The Company may redeem the preference shares at any time after expiry of one year from the date of issue of such shares.				
vi. At the end of 5th year, the balance 10% may be converted into Equity share at the option of the preference shareholder at a fair market value determined of that time				
h. The Company may redeem the preference shares at any time after expiry of one year from the date of issue of such shares.				
i. With the consent of preference shareholders, the Company may convert 10% of preference share capitol into equity shares of only time after expiry of one year from the date of issue, of fair market value determined of the time of conversion.				
Opening number & closing number of shares along with reconciliation of the number of equity shares and share capital are given below.				
Particulars	As at 31-3-2021		As at 31-3-2020	
	No of Shares	Amount (in Rs)	No of Shares	Amount (in Rs)
Issued, subscribed and fully paid up equity shares outstanding as the beginning of the year	17,38,805	1,73,88,050	17,38,805	1,73,88,050
Add: Further issue of shares or Bonus/rights Shares issued during the year	1,73,880	17,38,800	-	-
Issued, subscribed and fully paid up equity shares outstanding as the end of the year	19,12,685	1,91,26,850	17,38,805	1,73,88,050
Opening number & closing number of shares along with reconciliation of the number of preference shares and share capital				
Particulars	As at 31-3-2021		As at 31-3-2020	
	No of Shares	Amount (in Rs)	No of Shares	Amount (in Rs)
Preference Share Capital:				
Issued, subscribed and fully paid up equity shares outstanding as the beginning of the year	-	-		
Add: Bonus Shares issued during the year				
a. Issued during the year : Issue & paid up 52,00,000 preference shares of Rs. 10 each fully paid up (Previous year NIL)	52,00,000	5,20,00,000		
Issued, subscribed and fully paid up equity shares outstanding as the end of the year	52,00,000	5,20,00,000	-	-
Shareholders holding more than 5% of the equity shares as at the end of the year are here below:				
Name of the Shareholder	As at 31-3-2021		As at 31-3-2020	
	No. of Shares	Shareholding %age	No. of Shares	Shareholding %age
Raman SubbaRao M R	4,72,780	24.72%	4,44,780	25.58%
Raghu C	3,50,655	18.33%	3,33,655	19.19%
Arun D K	3,36,870	17.61%	3,19,870	18.40%
Jagadeesha C S	1,35,200	7.07%	1,35,200	7.78%
Anuradha Hegde	1,28,000	6.69%	1,28,000	7.36%

5 RESERVES AND SURPLUS

Particulars	31.3.2021	31.3.2020
Securities Premium Reserve		
Opening Balance	26,07,300	26,07,300
Premium received during the year	34,77,600	
Total (a)	60,84,900	26,07,300
General Reserve		
Opening Balance	12,27,049	12,27,049
Add: Transferred during the year		-
Total (b)	12,27,049	12,27,049
Capital Redemption Reserve		
Opening Balance		-
Created towards redemption of Preference Shares	17,33,333	-
Total (c)	17,33,333	-
Exchange Fluctuation reserve Canarys Corp (net)	16,79,538	18,31,277
Total (d)	16,79,538	18,31,277
Surplus (Balance of Profit c/f)	2,52,82,125	1,37,28,096
Add: Profit after tax	2,22,99,529	1,23,17,606
Adjustment in respect of Depreciation	-	-
Less: Accumulated Loss & current year loss that is attributable to associates during the year (calculated as per AS23)		9,75,228
	4,75,81,653	2,70,20,930
Less: Provision for Proposed Dividend		
On Equity Share capital	8,40,537	17,38,805
On Preference Share capital	19,12,685	
Transferred to Redemption Reserve	17,33,333	
Total (e)	4,30,95,098	2,52,82,125
Total (a+b+c+d+e)	5,38,19,918	3,09,47,750

Consolidated Surplus (Profit/(loss))

Particulars	31.3.2021	31.3.2020
Opening Surplus:		
Canarys Automations Pvt Ltd	2,50,92,940	1,63,56,103
Canarys Corp - Revalued	1,89,184	(16,52,779)
Parts2build Technologies Pvt Ltd		(9,75,228)
Total Brought forward surplus	2,52,82,125	1,37,28,096
Profit/(loss) for the year:		
Canarys Automations Pvt Ltd	2,18,48,651	87,36,838
Canarys Corp	5,40,494	18,41,964
Canarys APAC PTE Ltd	(89,616)	
Parts2build Technologies Pvt Ltd Attributed loss reversed	-	9,75,228
Total surplus for the year	2,22,99,529	1,15,54,029
Closing Surplus:		
Canarys Automations Pvt Ltd	4,69,41,591	2,50,92,940
Canarys Corp	7,29,678	1,89,184
Canarys APAC PTE Ltd	(89,616)	
Parts2build Technologies Pvt Ltd	-	-
Total Closing surplus c/f	4,75,81,653	2,52,82,125

6 LONG TERM BORROWINGS
(I) SECURED

Particulars	31.3.2021	31.3.2020
NIL		
Total	-	-

7 DEFERRED TAX LIABILITY (NET)

Particulars	31.3.2021	31.3.2020
Deferred tax Liability arised during the year	-	30,424
Total	-	30,424

8 LONG-TERM PROVISIONS

Particulars	31.3.2021	31.3.2020
Gratuity Payable	12,78,255	6,81,838
Total	12,78,255	6,81,838

9 SHORT TERM BORROWINGS

Particulars	31.3.2021	31.3.2020
NIL		
Total	-	-

10 TRADE PAYABLES

Particulars	31.3.2021	31.3.2020
Micro, Small and Medium Enterprises	-	-
Others	4,08,60,196	3,31,58,452
Total	4,08,60,196	3,31,58,452

11 OTHER CURRENT LIABILITIES

Particulars	31.3.2021	31.3.2020
Rent deposit	3,30,000	3,30,000
Advance from customers	2,04,283	23,55,456
ESI payable	25,525	22,643
Provident fund payable	7,35,908	6,11,152
Salaries and Wages payable	96,29,286	1,03,00,427
TDS payable	49,80,724	35,41,595
Professional tax payable	27,400	23,200
GST Payable	54,55,090	5,366
Other Expenses payable	4,44,142	2,11,809
Total	2,18,32,357	1,74,01,649

12 SHORT TERM PROVISIONS

Particulars	31.3.2021	31.3.2020
Provision for Dividend including DDT	27,07,948	17,38,805
Provision for Taxation	81,71,280	38,91,427
Total	1,08,79,228	56,30,232

13 FIXED ASSETS

Details Enclosed in schedule separately

14 NON-CURRENT INVESTMENTS
(I) Trade Investments

Particulars	31.3.2021	31.3.2020
Investments in mutual funds	1,07,65,611	2,74,852
Total	1,07,65,611	2,74,852

(II) Other Investments

Particulars	31.3.2021	31.3.2020
Investment in Canarys Corp		
Subscription of Equity Capital by Canarys Automations Pvt Ltd	25,82,840	25,82,840
Less; Eliminated while consolidating the Financials	25,82,840	25,82,840
Net Investment in Canarys Corp for consolidated FS	-	-
Investment in Parts2build Technologies Pvt Ltd		
Subscription of Equity Shares by Canarys Automations Pvt Ltd - Opening	-	9,55,600
Further paid up shares subscribed during the year	-	-
Less: Equity Shares sold & transferred by Canarys Automations Pvt Ltd during the year	-	9,55,600
Equity shares outstanding at the end of the year	-	9,55,600
Less: Eliminated while consolidating the Financials	-	-
Net Investment in Parts2build Technologies Pvt Ltd. for consolidated FS	-	-
Net investment after elimination	-	-
Investment in Equity Instruments	1,70,000	1,70,000
Total	1,70,000	1,70,000

15 DEFERRED TAX ASSETS (NET)

Particulars	31.3.2021	31.3.2020
Deferred Tax Assets arised during the year	1,46,544	-
Total	1,46,544	-

Deferred tax expenses of Rs.1,76,968 /- has been Credited to Profit & Loss Account. The details of the deferred tax as on March 31, 2021 are as follows:

BREAK-UP FOR DEFERRED TAX ASSET/(LIABILITY):		
Particulars	Deferred tax Asset/ (Liability) 31.3.2021	Deferred tax Asset/ (Liability) 31.3.2020
Fixed Assets	1,46,544	(30,424)
Loss of the year/set off of brought forward losses	-	-
Net Disallowable Expenditure as per the IT Act	-	-
Net Deferred Tax Asset/(DTL)	1,46,544	(30,424)

16 LONG TERM LOANS AND ADVANCES

(Unsecured and considered good)

Particulars	31.3.2021	31.3.2020
Capital Advances	-	-
Security Deposits	53,07,074	50,02,651
Rent deposit	5,00,000	5,00,000
Sales tax deposit	1,000	1,000
Tax deducted by customers	1,17,06,064	76,86,066
Deposit with BESCOM	36,059	36,059
Telephone deposit	23,802	23,802
Advance Tax paid	-	20,00,000
Total	1,75,73,999	1,52,49,578

17 OTHER NON-CURRENT ASSETS

Particulars	31.3.2021	31.3.2020
Others	-	-
Total	-	-

18 INVENTORIES

Particulars	31.3.2021	31.3.2020
Raw Materials	1,04,36,102	2,34,26,722
Total	1,04,36,102	2,34,26,722

19 TRADE RECEIVABLES

(Unsecured and considered good)

Particulars	31.3.2021	31.3.2020
Over Six months	19,54,746	65,58,739
Others	10,36,29,646	3,16,44,778
Total	10,55,84,392	3,82,03,516

20 CASH AND BANK BALANCES

Particulars	31.3.2021	31.3.2020
Cash and cash equivalents		
Balances with Banks	88,20,965	37,22,782
Cash on hand	3,783	4,895
Bank Deposits (less than 3 months)	91,34,722	92,09,476
Other Bank Balances		
Bank Deposits (maturity - more than 3months but less than 12months)	-	-
Bank Deposits (maturity - more than 12 months)	2,54,89,537	39,51,940
Interest accrued but not due	-	-
Total	4,34,49,007	1,68,89,092

21 SHORT TERM LOANS AND ADVANCES		
Particulars	31.3.2021	31.3.2020
GST input credit	9,92,979	7,94,307
Total	9,92,979	7,94,307
22 OTHER CURRENT ASSETS		
Particulars	31.3.2021	31.3.2020
Advance paid to Creditors	4,97,643	-
Staff Advance	22,44,695	5,29,789
Total	27,42,338	5,29,789
23 REVENUE FROM OPERATIONS		
Particulars	31.3.2021	31.3.2020
Sale of Products	57,00,000	12,51,163
Sales of Services - Domestic	18,02,38,436	8,89,32,379
Sale of Services - Overseas	6,83,97,727	9,23,08,581
	25,43,36,163	18,24,92,123
Less: GST	-	-
	25,43,36,163	18,24,92,123
Labour Charges	-	-
Unbilled Revenue	19,05,774	-
Total	25,62,41,937	18,24,92,123
24 OTHER INCOME		
Particulars	31.3.2021	31.3.2020
Interest Income	7,90,736	3,62,925
Dividend Income	-	11,892
Gain/(Loss) on sale of Investments	2,12,008	1,79,398
Rent received	3,46,500	1,27,119
Discount received	269	10,180
Interest on refund	99,984	-
Exchange Fluctuation	-	10,56,873
Other non operating Income	2,00,910	-
Total	16,50,407	17,48,387
25 COST OF MATERIALS CONSUMED		
Particulars	31.3.2021	31.3.2020
Opening Stock of Raw Materials	2,34,26,722	-
Add: Purchases	5,06,46,284	4,07,86,017
	7,40,73,006	4,07,86,017
Less: Closing stock of Raw Materials	1,04,36,102	2,34,26,722
	6,36,36,904	1,73,59,294
Freight Inward	1,37,750	15,135
Customs Duty	-	44,217
Clearing and Forwarding charges	16,600	55,633
Stores and Consumables	-	-
Total	6,37,91,254	1,74,74,279
26 EMPLOYEE BENEFITS EXPENSE		
Particulars	31.3.2021	31.3.2020
Salaries and Wages	11,37,28,598	10,61,38,408
Contribution to provident and Other Funds	54,67,444	43,08,031
Staff Welfare expenses	12,78,887	32,57,588
Total	12,04,74,929	11,37,04,027
27 FINANCE COSTS		
Particulars	31.3.2021	31.3.2020
Interest Expense	17,056	25,650
Other Borrowing Costs	-	-
Bank charges	9,61,802	1,82,447
Applicable loss on Foreign currency transactions and translation	6,22,891	-
Total	16,01,749	2,08,097
28 DEPRECIATION AND AMORTISATION EXPENSE		
Particulars	31.3.2021	31.3.2020
Depreciation	35,71,006	26,54,971
Assets Discarded/Impaired	-	1,90,354
Total	35,71,006	28,45,325

29 OTHER EXPENSES

Particulars	31.3.2021	31.3.2020
Manufacturing & Software Development Expenses		
Labour Charges	48,110	-
Water and Electricity Charges	6,69,931	7,78,953
Professional & Consultancy charges	98,19,336	89,23,186
Selling and Distribution Expenses		
Trade Discount	1,03,789	1,69,107
Foreign Travel expenses	8,76,153	24,36,367
Business Promotion	3,21,720	4,14,675
Establishment Expenses		
Professional & Consultancy charges	98,45,132	57,47,792
Audit fee	1,50,000	1,70,000
Agency Charges	13,973	32,296
Office Software	6,50,768	1,57,958
Membership Charges	84,916	1,13,543
ISO Certification Charges	8,000	30,000
Carriage outwards	-	65,480
Postage and Courier Charges	62,292	73,464
Legal Fees	4,27,391	30,000
Insurance	1,03,538	1,11,924
Office Expense	10,13,671	11,40,342
Printing and Stationery	76,388	71,410
Rent	37,80,000	29,92,000
Rates & Taxes	4,53,093	1,54,929
Repairs and Maintenance	34,636	17,26,688
Repairs to Building	-	-
AMC Charges	11,800	12,11,920
Repairs to Machinery	-	-
Boarding and Lodging Expenses	3,30,177	-
Computer Maintenance	4,57,110	6,55,496
Newspapers and Periodicals	4,115	12,760
Security and Service Charges	3,22,120	2,78,649
Travelling & Conveyance	9,69,799	17,40,443
Telephone and Broadband Charges	14,97,566	12,09,139
ROC fees and Tender documents	6,63,947	49,714
Project charges	41,47,363	27,12,043
Vehicle Maintenance	2,55,406	1,37,243
Bad debt	10,32,500	-
Miscellaneous Expenses	1,760	12,640
Written off a/c	65,970	30,324
Taxi Hire charges	14,888	1,38,959
Total	3,83,17,355	3,35,29,446

Auditor's Remuneration:

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
1. Statutory Audit Fees	1,00,000	1,00,000
2. Tax Audit Fees	70,000	70,000
3. Other Professional & GST Services	1,45,000	1,45,000

These figures exclude applicable GST

30 DEFERRED TAX INCOME/(EXPENSE)

Particulars	31.3.2021	31.3.2020
Deferred tax Asset/(liability) - Closing	1,46,544	(30,424)
Deferred tax Asset/(liability) - Opening	(30,424)	2,39,880
Total	1,76,968	(2,70,304)

31 EARNINGS PER SHARE

Particulars	31.3.2021	31.3.2020
Basic EPS	11.66	7.08
Diluted EPS	12.80	7.08
Net profit after tax as per Profit and Loss attributable to Equity shareholders	2,22,99,529	1,23,17,606
Weighted Average number of equity shares used as denominator for calculating basic EPS	19,12,685	17,38,805
Weighted Average number of equity shares used as denominator for calculating diluted EPS	17,42,140	17,38,805
Basic Earnings per share (Rs.)	11.66	7.08
Diluted Earnings per share (Rs.)	12.80	7.08
Face Value per equity share (Rs.)	10.00	10.00

32 EARNINGS IN FOREIGN EXCHANGE

Particulars	31.3.2021	31.3.2020
Export of goods - includes US Branch sales	6,83,97,727	9,23,08,581
Equity participation (including Share application money pending allotment, if any)	-	-
Advance received towards future supply		23,55,456
Total	6,83,97,727	9,46,64,038

33 EXPENSES IN FOREIGN EXCHANGE

Particulars	31.3.2021	31.3.2020
Import of Raw Materials	1,32,17,862	3,79,63,506
Travelling Expenses	8,76,153	17,52,269
Technical Consultancy		-
Total	1,40,94,015	3,97,15,774

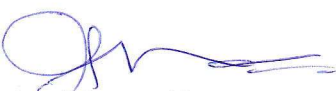

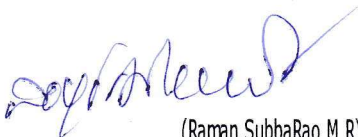
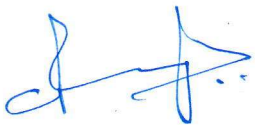

34 EXCHANGE GAIN OR LOSS

A sum of Rs. -6,17,849.55 (net) being exchange fluctuation gain/loss calculated as per AS 11 has been credited to Profit & Loss account during the year.

35 RELATED PARTY DISCLOSURES

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships

Name of the Related Party	Relationship
Raman SubbaRao M R - Managing Director	Key Managerial Personnel
Raghu C - Whole Time Director	Key Managerial Personnel
Arun D K - Whole Time Director	Key Managerial Personnel
Sheshadri Y S - Director	Key Managerial Personnel
Sanjeev Kumar I S - Director	Key Managerial Personnel
Pushparaj Shetty - Director	Key Managerial Personnel
Parts2build Technologies Pvt Ltd	Associate Concern
Canarys Corp, USA	Wholly owned Subsidiary
Canarys APAC Pte Ltd	Wholly owned Subsidiary

36	The Company has Outstanding Bank Guarantees of Rs. 1,61,63,164.00 as at 31st March 2021 and is guaranteed by the bank in favour of customers & Customs and Central Excise/Tax Department.
37	In the opinion of the Board, the value of realization of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
38	TRADE RECEIVABLE The amount due on account of goods sold or services rendered in the normal course of business have been classified under the 'trade receivable'. The Company periodically evaluates all customer dues to the Company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could affect the customer's ability to settle. The Company pursues the recovery of the dues, in part or full.
39	TRADE PAYABLE The amount due on account of goods purchased or services received in the normal course
40	SECURED & UNSECURED LOAN Company has not obtained any secured loan during the year. Also, Company has not obtained any unsecured loan during the year.
41	INVESTMENTS All other investments are appearing at the cost of acquisition of such investments
42	DEPOSITS AGAINST BANK GUARANTEE Bank has a lien over the deposits kept for obtaining the bank guarantee from them to issue the performance bank guarantee and to submit the same to Customers and Customs department
43	Prior period income & expenditure: There are no prior period expenses nor income during the year.
44	There are no capital commitment during the year
45	Certain comparative figures have been reclassified/regrouped, wherever found necessary, to confirm to the presentation adopted in these financial statements.
<hr/>	
For Hegde & Co. Chartered Accountants Firm Registration No. 004891S  (Ramakrishna T. Hegde) Proprietor Membership No. 029157 Place: Bengaluru Date : 6th September 2021 	for and on behalf of the Board  (Raman Subba Rao M R) Managing Director Din: 00176920  (Raghu C.) Director DIN:01065269 

13. Fixed Assets

Fixed Assets Schedule for the FY 20-21											
Description	Gross Block				Depreciation Block					Net Block	
	As on 1.4.20	Additions	Deletions	As on 31.3.21	As on 1.4.20	for the year	Deletions	Assets Impaired	As on 31.3.21	As on 31.3.21	As on 31.3.20
Factory Building	9,81,210.25			9,81,210.25	8,00,518.25	6,333.00			8,06,851.25	1,74,359.00	1,80,692.00
Vehicles	47,53,188.00			47,53,188.00	37,15,208.00	2,77,807.00			39,93,015.00	7,60,173.00	10,37,980.00
Office Equipment	42,11,515.00			42,11,515.00	32,21,760.00	3,82,139.00			36,03,899.00	6,07,616.00	9,89,755.00
Electrical Fittings	9,21,018.39			9,21,018.39	6,52,094.39	66,883.00			7,18,977.39	2,02,041.00	2,68,924.00
Furniture	77,73,101.68			77,73,101.68	57,59,086.68	4,63,474.00			62,22,560.68	15,50,541.00	20,14,015.00
Computers	2,10,87,931.96	18,06,300.00		2,28,94,231.96	1,62,16,869.05	22,33,944.00			1,84,50,813.05	44,43,418.91	48,71,062.91
Software	9,30,959.40		4,13,876.40	5,17,083.00	5,92,850.00	1,40,426.00	4,13,876.40		3,19,399.60	1,97,683.40	3,38,109.40
Total 31.3.2021	4,06,58,924.68	18,06,300.00	4,13,876.40	4,20,51,348.28	3,09,58,386.37	35,71,006.00	4,13,876.40	-	3,41,15,515.97	79,35,832.31	97,00,538.31
Total 31.3.2020	3,90,42,326.88	67,26,406.91	51,09,809.11	4,06,58,924.68	3,32,22,870.48	26,54,971.00	49,19,455.11	1,90,354.00	3,09,58,386.37	97,00,538.31	58,19,456.40

