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Canarys Automations Private Limited

Annual Report
2021-22



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

Raghu C
Director – Business Development

Arun D K
Director – Operations

Sheshadri Y S
Director & CEO

Our Bankers:

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

Canara Bank

Jayanagar Shopping Complex Branch,
155/52, Opp. Cloud 9 Hospital,
9th Main, 3rd Block, Jayanagar,
Bengaluru - 560 011, 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 **31st Annual General Meeting** of the members of **CANARYS AUTOMATIONS PRIVATE LIMITED** ("Company") will be held on Friday, 30th September, 2022 at 4.00 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 2022 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: 8th September 2022

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 2022 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 31st Annual General Meeting of the Company, to be held on **Friday, 30th September, 2022 at 04.00 P.M** at the registered office of the Company.

Signed this.....day of 2022

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**31st Annual General Meeting – Friday, 30th September 2022**

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 31st Annual General Meeting of the Company at the Registered office at No. 566 & 567, 2nd Floor, 30th Main, 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 31st 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, 2022.

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

	(Rs. In Lakhs)			
Particulars	Standalone		Consolidated	
	Financial Year Ended 31.03.2022	Financial Year Ended 31.03.2021	Financial Year Ended 31.03.2022	Financial Year Ended 31.03.2021
Revenue from Operations	5181.42	2518.33	5299.07	2562.41
Other Income	43.46	16.5	48.27	16.5
Total Income	5224.88	2534.83	5347.34	2578.91
Total Expenditures	4647.9	2238.06	4646.84	2277.55
Profit/ (Loss) Before Tax	576.97	296.78	700.5	301.36
Tax Expenses	146.26	78.29	167.96	78.36
Net Profit/(Loss) After tax	430.71	218.49	532.54	223

2. PERFORMANCE REVIEW:

During the financial year, your Company has registered revenue from operations on standalone basis of Rs. 5181.42 Lakhs as compared to previous year revenue of Rs. 2518.33 Lakhs by registering a growth rate of 105.7%. Out of the total revenue, 9.45% of revenue generated through sale of products and 90.55% of revenue generated through

sale of services. Your Company has registered profit after tax of Rs. 430.71 Lakhs during the financial year as compared to previous year profit of Rs. 218.49 Lakhs.

The total revenue from operations on consolidated basis of Rs. 5,299.07 Lakhs as compared to previous year revenue of Rs.2,562.41 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.

Your company has embarked upon a major transformation journey from “Services” to “Digital Solutions” in tune with the present market demand which will help in creating maximum value to both company and customers. The new solutions offerings include Digitalization, Modernization, Transformation, Cloudification and Intelligence.

Your company has created additional workspace which is now fully operational in our second unit. The aesthetically designed workspace provides the right environment for all round creative work and expression of talent, facilitating the company's recently launched business transformation journey from “Services to Digital Solutions”. The organisation with the new workplace is geared up to work with new and existing markets to find bespoke solutions to help clients transition to digital platforms.

Your company in tune with the current growth and scale of operations have implemented a robust GRC (Governance, Risk and Compliance) framework. The GRC implementation will enable company to provide business value and ethics to stakeholders, employees, vendors, customers and partners through stringent processes coupled with strict adherence.

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 sufficient to meet the requirements. The Company is active even in the second wave of COVID-19 pandemic, 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 2021-22.

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 2022 Company has Two Wholly Owned Subsidiaries i.e., Canarys Corp., USA and Canarys APAC Pte Ltd, Singapore and one Joint Venture Company i.e. Canarys- Hanuka Apo Technologies Private Limited. During the year, the Board of Directors have reviewed the performance of subsidiaries at 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 and Joint Venture Company as on 31st March, 2022 is disclosed in **Form AOC-1** is attached as '**Annexure -I**'.

9. DIVIDEND:

Considering the profit available for distribution of dividend for the financial year ended 31st March 2022, your directors have recommended the final equity dividend of Rs. 0.12 per share having face value of Rs. 2/- each (6% on the paid-up equity share capital as on 31st March 2022) amounting to Rs. 24.48 Lakhs, subject to approval of the shareholders at the ensuing Annual General Meeting.

Further, the Board of Directors have proposed to declare dividend to the Preference shareholders amounting to Rs. 52 Lakhs.

10. TRANSFER TO RESERVES:

During the year under review, your Company has transferred Rs. 104 Lakhs 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 2022 was Rs. 11,00,00,000/- consisting of 2,50,00,000 equity shares of Rs. 2/- each and 60,00,000 Preference shares of Rs. 10/- each and paid-up share capital is Rs. 9,28,03,920/- consisting of 2,04,01,960 equity shares of Rs. 2/- each and 52,00,000 preference shares of Rs. 10/- each.

During the year, the members at their Extra-Ordinary General Meeting held on 21st March 2022 have approved for sub-division of Equity Share of the Company having a face value of Rs. 10/- (Rupees Ten Only) each into Rs.2/- (Rupees Two Only) each and to increase the authorised share capital from Rs. 8,25,00,000/- to Rs. 11,00,00,000/- consisting of 2,50,00,000 Equity Shares of Rs. 2/- each and 60,00,000 Preference Shares of Rs. 10/- each. Further, the Board of Directors at their meeting held on 20th August 2021 have issued 127,511 equity shares of Rs. 10/- each at an issue price of Rs. 30/- per shares on right issue basis.

Further, in order to reward to the existing equity shareholders of the Company, the Board of Directors at their meeting held on 28th March 2022 have issued 1,02,00,980 fully paid Bonus shares of Rs. 2/- each by capitalizing sum of Rs. 2,04,01,960/- standing to the credit of Free Reserves of the Company in proportion of 1(One) new equity bonus share of Rs. 2/- each for every 1(One) fully paid-up equity shares of Rs. 02/- each held in the

Company by the existing equity shareholders (1:1) whose name appears in the register of members of the company as on 10th March 2022.

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 2021-22, there were 15 Board meetings held on the following dates: 20.04.2021, 22.06.2021, 13.07.2021, 29.07.2021, 02.08.2021, 18.08.2021, 20.08.2021, 06.09.2021, 08.09.2021, 01.12.2021, 22.12.2021, 30.12.2021, 03.01.2022, 10.03.2022 and 28.03.2022.

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 as on 31/03/2022:

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	Director

Mr. Sanjeev Kumar, Director has resigned from the position of directorship with effect from 9th June 2022. The Board placed on record the appreciation of valuable contribution made by him during the tenure of his 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.

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 guaranteed, and investment made by the Company during the financial year 2021-22 is disclosed in notes to financial statement.

20. RELATED PARTY TRANSACTIONS:

The Company has entered transaction with its subsidiary and associate companies at Arm's Length Basis in the ordinary course of business. Hence, provisions of Section 188 of the Companies Act, 2013 is not applicable as per notification issued by the Ministry of Corporate Affairs dated 05th June 2015.

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 equipment	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.	Updating 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 31.03.2022 (Amount in Lakhs)	As on 31.03.2021 (Amount in Lakhs)
01	Foreign Exchange Earnings	979.77	639.88
02	Foreign Exchange Outgo	15.03	140.94

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 committed to provide a professional work environment free of harassment, disrespectful or other unprofessional conduct. In order to create such a safe and conducive work environment, a policy has been framed, in line with the provisions of 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 2021-22, 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 2022.

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 T 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. xi 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 financial year 2020-21 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 and currently, the above case is before the Hon'ble High Court of Karnataka for further hearing.</p>

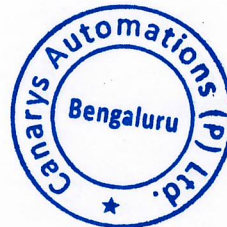
33. ACKNOWLEDGEMENT:

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.

Date: 8th September 2022
Place: Bengaluru

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


Raman Subbarao M R
DIN: 00176920
Managing Director
Sheshadri Y S
DIN: 03367545
Director & CEO

**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, different from the holding company's reporting period.	1 st April 2021 to 31 st March, 2022	1 st April 2021 to 31 st March, 2022
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 Paid up Share Capital	10,00,000 57,000	10,00,000 10,000
7	Reserves and surplus	16,297	-2,442
8	Total assets	73,297	10,558
9	Total Liabilities	73,297	10,558
10	Investments	NIL	NIL
11	Turnover	60,000	NIL
12	Profit before taxation	3,682	-822.53
13	Provision for taxation	-	-
14	Profit after taxation	3,682	-822.53
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

Part "B": Associates and Joint Ventures

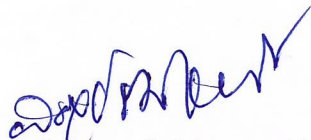
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Canarys-Hanuka APO Technologies Private Limited
Latest audited Balance Sheet Date	31/03/2022
Shares of Associate/Joint Ventures held by the company on the year end	
No. of shares	49,000
Amount of Investment in Associates/Joint Venture	4,90,000
Extend of Holding %	49%
Description of how there is significant influence	Joint Venture Company
Reason why the associate/joint venture is not consolidated	Not applicable
Networth attributable to Shareholding as per latest audited Balance Sheet	49%
Profit / Loss for the year	Rs. 205.23 Lakhs
Considered in Consolidation	Rs. 100.56 Lakhs
Not Considered in Consolidation	Rs. 104.67 Lakhs

- Names of associates or joint ventures which are yet to commence operations: **NIL**
- Names of associates or joint ventures which have been liquidated or sold during the year: **NIL**

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

Date: 8th September 2022
Place: Bengaluru



Raman Subbarao M R
DIN: 00176920
Managing Director



Sheshadri Y S
DIN: 03367545
Director & CEO



To

The Members of Canarys Automations Private Limited

Report on the audit of the standalone financial statements

We have audited the financial statements of Canarys Automations Private Limited, which comprise the balance sheet as of 31st March 2022, 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.

Opinion:

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** 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, 2022, and **its financial performance**, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Companies Act, 2013 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.

Emphasis of Matter

The company has given corporate guarantee of Rs 12.00 crore in favour of its associates i.e. Canarys Hanuka Apo Technologies Pvt Ltd for availing any credit by way of Loans, overdraft, discount of Bills from their banker.

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 previous year 2020-21. The Branch in USA had a bank account in Wells Fargo Bank. However, the Company was unable to close the said bank account it had in USA during FY 2020-21. As such, the balance in the said account has been merged with the accounts maintained at Head Office during the current financial year 2021-22 also.

Information other than the Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 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 are also:

- (a) 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.
- (b) 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

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

(d) 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.

(e) 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.

Report on Other Legal and Regulatory Requirements

1. As required by the **Companies (Auditor's Report) Order, 2020** ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the **Companies (Accounts) Rules, 2014**.

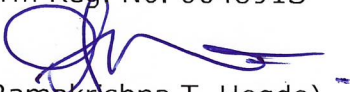
- (e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and operating effectiveness of such controls are given in separate **Annexure-B**
- (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:
- (1) The Company has disclosed details regarding pending litigations in note 28 of financial statements, which would impact its financial position.
- (2) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (4) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

- (5) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- h) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the limit prescribed by section 197 for maximum permissible managerial remuneration is not applicable to a private limited company.

for Hegde & Co.

Chartered Accountants

Firm Reg. No. 004891S



(Ramakrishna T. Hegde)

Proprietor

Membership No. 029157

ICAI'S UDIN: **22029157ARLKGH3900**



Place: Bengaluru

Date: 8th September 2022

ANNUAL REPORT 2021-22**ANNEXURE –A TO AUDITORS’ REPORT**

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

Annexure to the Independent Auditor’s report on the standalone financial statements of **Canarys Automations Private Limited** for the year ended 31 March 2022

Report as required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (Refer to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date) With reference to the Annexure A referred to in the Independent Auditors’ Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report the following:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

Description of the Property	Gross Carrying Value as at 31st March 2022	Carrying Value in the financial statements as at 31st March 2022	Held in the name of	Whether promoter, directors or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of Company, also indicate if in dispute
Factory Building KSSIDC Complex, Electronic City, Bengaluru	9,81,210	1,68,283	Canarys Automations Private Limited	No	30 years	Not applicable

- (d) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- (ii) (a) The inventory has been physically verified by the management during the year.

In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital **less than five crore rupees**, in aggregate, from banks on the basis of security of current assets. As such, the filing of quarterly return is not applicable during the current financial year.

- (iii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has made investments in subsidiary and provided corporate guarantee to its 'associate company' (i.e. joint venture entity). On the basis of our examination, the company has not given any amount in the nature of loans & advances to either to its associates nor to other companies, firms, limited liability partnerships or any other party during the year.

- a. Based on the audit procedures carried on by us and as per the information and explanations given to us, The company has issued the corporate-guarantee during the year and details of which are given here below, in respect of which:

(A) To Subsidiaries, Joint Venture, Associates		
Nature	Aggregate Amount during the year	Balance Outstanding as on 31st March 2022
Corporate Guarantee extended by M/s. Canarys Automations Private Limited on behalf of Canarys Hanuka Apo Technologies Private Limited, an associate company.	Rs. 12 Crore	Rs. 12 Crore

(B) To Other than Subsidiaries, Joint Venture and Associates		
Nature	Aggregate Amount during the year	Balance Outstanding as on 31st March 2022
NIL	NIL	NIL

On the basis of our examination, the company has not given any amount in the nature of loans & advances to either to its associates nor to other companies, firms, limited liability partnerships or any other party during the year.

- b) Based on the audit procedures conducted by us, we are of the opinion that investments made, guarantees provided and the terms and conditions of the guarantees provided are, prima facie, *not prejudicial to the interest of the Company*. No amount in the nature of loans & advances were given either to its subsidiaries nor to its associates nor to any other party during the year.

Since company has not granted any loans & advances to any other party including its subsidiaries and associate company, reporting as per sub clause **c & d** is not applicable.

- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted which has fallen due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same party. **There is nothing to**

report under this clause.

- f) On the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment to any other person or other companies or firms. **There is nothing to report under this clause.**
- g) Based on the audit procedures carried on by us, the Company has **not** granted any loans or advances and given guarantees or security to other than subsidiaries, joint ventures and associates.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records,

in respect of Section 185 of the Companies Act, 2013:

The company has not given loans & advances to its directors or to any other persons/entities where directors are interested or made any investments during the year under Section 185 of the Companies Act, 2013. However, the company has provided guarantee or security as specified under Section 185 of the Companies Act, 2013 to its associate entity in which directors are interested by complying with the provisions of Section 185 of the Act.

in respect of Section 186 of the Companies Act, 2013:

The Company has provided corporate guarantee as specified under Section 186 of the Companies Act, 2013, the details of which have been provided in point no. (iii) herein above.

Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments and providing corporate guarantees and securities during the year as applicable.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities during the

year.

On the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

Based on the examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) Based on the examination of the records of the Company, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount involved	Amount Unpaid
Income Tax	Sec. 195-TDS on non-resident payment	CIT Appeals	FY 2017-18	72,77,080	61,85,518

(Mention statutory dues)

(viii) On the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

- (ix) (a) Based on the examination of the records of the Company, the Company has borrowed loan during the year.

In respect of borrowings:

- (a). In our opinion, during the year, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) On the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution

or government or government authority.

- (c) On the basis of our examination of the records of the Company, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) On the basis of our examination of the records of the Company, and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or *to meet the obligations of its subsidiaries as defined under the Companies Act, 2013.* Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) On the basis of our examination of the records of the Company and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) **In respect of issue securities:**
 - (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year, accordingly, clause 3(x)(a) of the Order is not applicable.
 - (b) On the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year as per requirements of the section 42 and section 62 of the Companies Act, 2013. Accordingly, clause 3(x)(b) of the Order is not applicable. *However, the company had issued 1,27,511 equity shares of Rs 10 each amounting to Rs. 12,75,110 on right issue basis to the existing shareholders at premium of Rs. 20 each per share.*
- (xi) **In respect of fraud:**
 - (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit for the period between 1st April 2021 till 31st March 2022. However, during the previous year, there was a fraud by an employee. The details of the

same are as below:

*To the best of our knowledge and according to the information and explanations given to us, **during the financial year 2020 – 21 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.***

Current Status of the above reported fraud: As per the information & explanations given to us by the Management, the above refereed case is before the honourable High Court of Karnataka for further hearing.

- (b) As per the examination of records, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As per the explanation & information provided by the Company, the company has not received any whistle blower complaints during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, **where applicable**, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) In respect of Internal Audit:

- (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and based on the examination of records, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a), (b), (c) of the Order is not applicable.

b) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year. Accordingly, clause 3(xvii) of the Order is not applicable.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, sub-section (5) of Section 135 of the Companies Act, 2013 is not applicable to the company during the financial year 2021-22 as such, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) The CFS is applicable to the company. There have been no qualification or adverse remarks by the auditors in the Companies (Auditor's Report) Order (CARO) report of the company included in the consolidated financial Statement.



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



(Ramakrishna T. Hegde)
Proprietor

Membership No. 029157

ICAI'S UDIN: **22029157ARLKGH3900**

Place: Bengaluru

Date: 8th September 2022

ANNEXURE "B"

TO
THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS
Of Canarys Automations Private Limited

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

We have audited the internal financial controls over financial reporting of **Canarys Automations Private Limited** ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

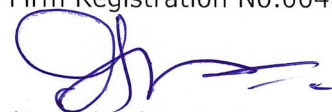
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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


(Ramakrishna T. Hegde)
Proprietor



Membership No. 029157
ICAI'S UDIN: **22029157ARLKGH3900**

Place: Bengaluru
Date: 8th September 2022

Notes forming parts of standalone financial statements**1.1. 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. The company also undertakes execution of Integrated Water Management System turnkey projects on turnkey basis.

The company has following two subsidiaries & one associate company:

Subsidiaries:

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 Automations Private Limited. The company is in operation and complied the entire statutory requirements that are applicable in United States of America. Financial Statement of this wholly owned subsidiary has been considered while preparing the consolidated financial statement as per AS 21.

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 2021-22, except incurring few expenses, there were no revenue during the said financial year. Financial Statement of this wholly owned subsidiary has been considered while preparing the consolidated financial statement as per AS 21.

Associate Company:

c. **Canarys Hanuka Apo Technologies Private Limited:** The company has formed a joint venture i.e., Canarys-Hanuka Apo Technologies Pvt Ltd by subscribing 49% of the Equity Capital of the new joint venture company during the year. The main objective of the said company is to execute the complete contract of Integrated Water Management System on turnkey basis. The company has commenced its activity during the financial year 2021-22 and has presented the financial statement for the said year. In the Consolidated Financial Statement, the company has considered 49% of the interest of the associate company's income, expenses, liabilities and assets after knocking off the common elements between each other as per AS 23 & 27.

1.2. 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") 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.

1.3. 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 milestone 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 has 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 Property, Plants & Equipment (PPE), Depreciation & amortization accounting and Impairment of assets:

A. Accounting for Property, Plants & Equipment:

PPE are capitalized at acquisition cost including attributable cost of bringing the asset to its working condition for the intended use.

i. Tangible PPE:

PPE 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 amortization

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 PPE

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.

E. A sum of Rs. 134,323 being shortage of depreciation provided on intangible during previous years has been adjusted out of the carried forward profit classified under the Reserve & surplus during financial year 2021-22

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'.

Earnings 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.

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 financial year 2020-21, the company had 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 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 first time during 2020-21 and accordingly, as per the requirement of the clauses in the Companies Act, 2013, transferred a sum of Rs.1,04,00,000 to CRR during the financial year 2021-22. 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.***

For Hegde & Co.

Chartered Accountants

Firm Registration No. 0048915

(Ramakrishna T. Hegde)

Proprietor

Membership No. 029157

ICAI'S UDIN: 22029157ARLKGH3900



for and on behalf of the Board

(Raman Subbarao M R)

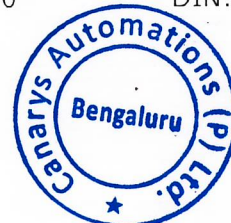
Managing Director

Din: 00176920

(Sheshadri Y S)

Director & CEO

DIN: 03367545



Place: Bengaluru

Date: 8th September 2022

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,			
			2022		2021	
			Rs. in Lakhs		Rs. in Lakhs	
I.	EQUITY and LIABILITIES					
(1)	Shareholders' Funds					
a	Share Capital	2.01	928.04		711.27	
b	Reserves and Surplus	2.02	689.37		515.00	
c	Money received against share warrants		-	1,617.41	-	1,226.27
	Share Application Money Pending Allotment			-		-
(2)	Non Current Liabilities					
a	Long Term Borrowings	2.03	90.86		-	
b	Deferred Tax Liability (net)	2.04	-		-	
c	Other Long term Liabilities	2.05	-		-	
d	Long-Term Provisions	2.06	-	90.86	-	-
(4)	Current Liabilities					
a	Short Term Borrowings	2.07	-		-	
b	Trade Payables					
	(A) total outstanding dues of micro enterprises and small enterprises	2.08	1,629.21			
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	2.08	300.21		408.60	
c	Other Current Liabilities	2.09	494.86		218.32	
d	Short Term Provisions	2.10	215.89	2,640.17	121.57	748.50
	TOTAL			4,348.44		1,974.77
II.	ASSETS					
(1)	Non Current Assets					
	Property, Plant and Equipment and					
a	Intangible assets					
	(i) Property, Plant and Equipment	2.11	85.69		77.38	
	(ii) Intangible Assets	2.12	0.11		1.98	
	(iii) Intangible Assets under Development	2.13	-	85.80	-	79.36
	(iv) Capital Work-in-Progress					-
b	Non-Current Investments	2.14	38.82		135.18	
c	Deferred Tax Assets (net)	2.15	2.10		1.47	
d	Long Term Loans and Advances	2.16	23.52		5.61	
e	Other non-current assets	2.17	28.80	93.24	53.07	195.33
(2)	Current Assets					
a	Current Investments	2.18	-		-	
b	Inventories	2.19	458.88		104.36	
c	Trade Receivables	2.20	2,633.33		1,053.19	
d	Cash and Bank Balances	2.21	759.78		388.12	
e	Short Term Loans and Advances	2.22	311.72		126.99	
f	Other Current Assets	2.23	5.69	4,169.40	27.42	1,700.08
	TOTAL			4,348.44		1,974.77

Significant Accounting Policies - Note No. 1

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

ICAI's UDIN: 22029157ARLKGH3900

Place: Bengaluru

Date : 8th September.2022



For and on behalf of the Board

(Raman Subba Rao M R)

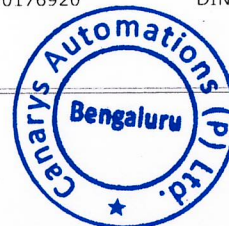
Managing Director

DIN: 00176920

(Shehsadri Y S)

Director & CEO

DIN: 03367545



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,	
			2021-22	2020-21
			Rs. in Lakhs	Rs. in Lakhs
	INCOME			
I.	Revenue from Operations	2.24	5,181.42	2,518.33
II.	Other Income	2.25	43.46	16.50
III.	Total Revenue		5,224.88	2,534.84
	EXPENDITURE			
IV.	Cost of Materials Consumed	2.26	1,728.15	637.91
	Purchases of Stock-in-trade		-	-
	Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade		-	-
	Employee Benefits Expense	2.27	1,950.04	1,204.75
	Finance Costs	2.28	49.86	15.80
	Depreciation and Amortisation Expense	2.29	38.00	35.71
	Other Expenses	2.30	881.86	343.89
	Total Expenses		4,647.90	2,238.06
V.	Profit Before exceptional items and tax (III - IV)		576.97	296.78
VI.	Exceptional Items		-	-
VII.	Profit Before extraordinary items & tax (V-VI)		576.97	296.78
VIII.	Extraordinary Items		-	-
IX.	Profit Before Tax (VII-VIII)		576.97	296.78
X.	Tax expenses			
	Income Tax - Current year		146.90	81.71
	Income Tax - Previous years (net)		(0.01)	(1.65)
	Deferred Tax expenses/(income)	2.31	(0.63)	(1.77)
XI.	Profit for the period from continuing operations (VII-VIII)		430.71	218.49
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)		430.71	218.49
XVI.	Earnings per equity share of face value of Rs 10 each			
	Basic (in Rs.)	2.32	1.95	11.42
	Diluted (in Rs.)	2.32	1.95	12.54
	Significant Accounting Policies	1		

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

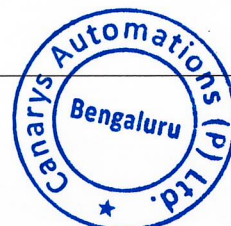
As per our report of even date
For Hegde & Co.
Chartered Accountants
Firm Registration No. 004891S

(Ranjakrishna T. Hegde)
Proprietor
Membership No. 029157
ICAI's UDIN: 22029157ARLKGH3900
Place: Bengaluru
Date :8th September,2022

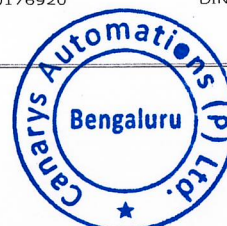
For and on behalf of the Board

(Raman SubbaRao M R)
Managing Director
DIN:00176920

(Sheshadri Y S)
Director & CEO
DIN:03367545



Canarys Automations Private Limited		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March,		
Particulars	2022	2021
	Rs. in Lakhs	Rs. in Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit after taxation	430.72	218.49
Adjustments for:		
Depreciation	38.00	35.71
Provision for taxation:-		
Current tax	146.90	81.71
Deferred tax	(0.63)	(1.77)
Interest Expense	49.86	15.80
Gain/Loss on sale of Investments	(0.52)	(2.12)
Gain/Loss on sale of Fixed Assets	0.30	
Other income		
Dividend / Interest income	(30.92)	(8.91)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	633.71	338.91
Adjustments for working capital changes:		
(Increase) / Decrease in sundry debtors	(1,580.14)	(696.57)
(Increase) / Decrease in Inventory	(354.52)	129.91
(Increase) / Decrease in Loans and advances	(202.64)	(25.23)
(Increase) / Decrease in Other Current Assets	45.36	(23.90)
Increase / (Decrease) in Trade Payables	1,520.83	77.02
Increase / (Decrease) in Provisions	94.31	58.45
Increase / (Decrease) in Other Current Liabilities	276.53	44.31
Cash Generated from Operations	433.44	(97.10)
Less: Income taxes paid	(146.27)	(79.94)
Cash flow before prior period/extraordinary items	287.17	(177.04)
Add / (Less): Prior period / Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	287.17	(177.04)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(46.47)	(18.06)
Sale proceeds of fixed assets	0.69	
Purchase of investments		(104.91)
Sale of investments	96.37	
Dividend / Interest received on investments	30.92	8.91
Loss on Sale of Fixed Assets	(0.30)	
Loss on Redemption of Investment	0.52	2.12
NET CASH FLOW FROM INVESTING ACTIVITIES	81.72	(111.94)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of Share Capital/Share application money received	38.25	572.16
Increase / (Decrease) in bank borrowings	-	-
Increase / (Decrease) in Fluctuation reserve relating US Bran	-	-
Less: Interest paid	(49.86)	(15.80)
Less: Dividend paid	(76.48)	(27.53)
Other unsecured loans/deposits received (or repaid)	90.86	-
NET CASH FLOW FROM FINANCING ACTIVITIES	2.77	528.83
NET INCREASE IN CASH AND CASH EQUIVALENTS	371.66	239.85
ADD: CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	388.12	148.27
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	759.78	388.12
As per our report of even date	For and on behalf of the Board	
For Hegde & Co.		
Chartered Accountants		
Firm Registration No. 0048915		
(Ramakrishna T. Hegde)		
Proprietor		
Membership No. 029157		
Place: Bengaluru		
Date :8th September.2022		
	(Raman Subba Rao M R)	(Sheshadri Y S)
	Managing Director	Director & CEO
	DIN:00176920	DIN:03367545



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:

	2022	2021
	Rs.	Rs.
Cash on hand	0.01	0.02
Balances with bank	137.43	41.86
Bank Deposits	622.33	346.24
	759.78	388.12
Add: Effect of exchange rate changes		
Cash and Cash Equivalents as restated	759.78	388.12

Yes	Canarys Automations Private Limited			Annual Report 2021-22	
No					
	Notes on Financial Statements for the Year ended 31st March, 2022				
2.01	SHARE CAPITAL			Amount in Rs. Lakhs	
	Particulars	31.3.2022	31.3.2021		
	Share Capital				
	Authorised Capital				
	25000000 Equity Shares of Rs. 2 each(Previous Year 2250000 equity Shares of Rs 10 Each)	500.00	225.00		
	60,00,000 Preference Shares of Rs. 10 each	600.00	600.00		
	Total	1,100.00	825.00		
	Issued and subscribed capital				
	2,04,01,960 Equity Shares of Rs. 2 each share fully paid(Previous Year 19,12,685 Equity Shares of Rs. 10 each share fully paid)	408.04	191.27		
	52,00,000 Preference Shares of Rs. 10 each share fully paid	520.00	520.00		
	Total	928.04	711.27		
	Paid up capital				
	2,04,01,960 Equity Shares of Rs. 2 each share fully paid(Previous Year 19,12,685 Equity Shares of Rs. 10 each share fully paid)	408.04	191.27		
	52,00,000 Preference Shares of Rs. 10 each share fully paid	520.00	520.00		
	Total	928.04	711.27		
	Additional Information:				
	The company has two class of share capital i.e. equity shares having face value of Rs. 2 per share (Previous Year 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. During the year company has sub divided the face value of equity shares of Rs. 10 each per share at the beginning of the year into face value of Rs. 2 each fully paid equity share. Hence, at the end of the year, face value of each equity share stands @ Rs. 2 per equity share. Each holder of equity share is entitled to one vote per share.				
	b. During the year, the company had a right issue of equity shares and shareholders subscribed 1,27,511 equity shares of Rs. 10 each at a premium of Rs. 20 each per equity share.				
	c. During the year the company has issued bonus share of 1 equity share to every 1 equity shares held by the equity shareholders after sub dividing the face value of Rs. 10 each to face value into Rs. 2 per equity share.				
	e. The Equity Shares issued during the year has rank 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 given below.				
	Before Sub Division of Equity Shares				
	Particulars	As at 31-3-2022		As at 31-3-2021	
		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	19,12,685.00	191.27	17,38,805	173.88
	Add: Further issue of shares or Bonus/rights Shares issued during the year	1,27,511.00	12.75	1,73,880	17.39
	Issued, subscribed and fully paid up equity shares outstanding before sub division of Shares	20,40,196.00	204.02	19,12,685	191.27
	After Sub Division of Equity Shares				
	Particulars	As at 31-3-2022		As at 31-3-2021	
		No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
	Fully Paid up capital of Equity Shares of Face Value of Rs. 10 each before the sub-division	20,40,196.00	204.11		
	Fully Paid up capital of Equity Share of Face Value of Rs. 10 each during the year divided into Equity Share of face value of Rs. 2 each fully paid up	1,02,00,980.00	204.02	-	-
	Add: Further issue of shares or Bonus Shares issued during the year	1,02,00,980.00	204.02	-	-
	Issued, subscribed and fully paid up equity shares having face value of Rs. 2 each at the end of the year	2,04,01,960.00	408.04	-	-

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 31-3-2022		
Promotor's Name	No. of Shares	Shareholding %age	% Change During the Year	
Raman SubbaRao M R	50,42,990.00	24.72%	0.00%	
Raghu C	37,40,320.00	18.33%	0.00%	
Arun D K	35,93,280.00	17.61%	0.00%	
Jagadeesha C S	13,52,000.00	6.63%	-0.44%	
Anuradha Hegde	12,80,000.00	6.27%	-0.42%	
Name of the Shareholder		As at 31-3-2021		
Promotor's Name	No. of Shares	Shareholding %age	% Change During the Year	
Raman SubbaRao M R	4,72,780.00	24.72%	-0.86%	
Raghu C	3,50,655.00	18.33%	-0.86%	
Arun D K	3,36,870.00	17.61%	-0.78%	
Jagadeesha C S	1,35,200.00	7.07%	-0.71%	
Anuradha Hegde	1,28,000.00	6.69%	-0.67%	
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 shares.				
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 31-3-2022		As at 31-3-2021	
	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	52,00,000.00	520.00	-	-
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	520
Issued, subscribed and fully paid up equity shares outstanding as the end of the year	52,00,000.00	520.00	52,00,000	520

2.02	RESERVES AND SURPLUS		
	Particulars	31.3.2022	31.3.2021
	Securities Premium Reserve		
	Opening Balance	60.85	26.07
	Premium received during the year	25.50	34.78
	Total (a)	86.35	60.85
	General Reserve		
	Opening Balance	12.27	12.27
	Add: Transferred during the year	-	-
	Total (b)	12.27	12.27
	Surplus (Balance of Profit c/f)	424.55	250.93
	Add: Profit after tax	430.71	218.49
	Adjustment in respect of Depreciation*	(1.34)	-
		853.92	469.42
	Less: a. Provision for Proposed Dividend :		
	On Equity Share capital	24.48	19.13
	On Preference Share capital	52.00	8.41
	b. Transferred to Issue of Bonus shares	204.02	
	c. Transferred to Capital Redemption Reserves	104.00	17.33
	Total (c)	469.42	424.55
	Capital Redemption Reserve		
	Opening Balance	17.33	-
	Created towards redemption of Preference Shares	104.00	17.33
	Total (d)	121.33	17.33
	Total (a+b+c+d)	689.37	515.00
	* A sum of Rs. 134,323 being shortage of depreciation provided on intangible during previous years has been adjusted out of the carried forward profit classified under Reserve & surplus during financial year 2021-22		
-	MONEY RECEIVED AGAINST SHARE WARRANTS		
	Particulars	31.3.2022	31.3.2021
	Money received against Share Warrants	-	-
	Total	-	-
2.03	LONG TERM BORROWINGS		
	(I) SECURED		
	Particulars	31.3.2022	31.3.2021
	Bonds/Debentures	-	-
	Term loan from Banks	-	-
	NIL		
	Total	-	-
	(II) UNSECURED		
	Particulars	31.3.2022	31.3.2021
	Bonds/Debentures	-	-
	Term loan from Banks	-	-
	Other Loans and Advances	90.86	-
	Total	90.86	-
	Terms & Conditions of the Inter-Corporate Loan:		
	During the year, the company has borrowed a sum of Rs. 90.85 lakhs from Hanuka Technology Solutions Pvt Ltd., under the inter-corporate loan as per the Sec. 186(2) of the Companies Act, 2013 with the following terms and conditions:		
	a. The loan is repayable within two years from the date of borrowing.		
	b. Simple interest @ 10.4% shall be paid on the loan outstanding and the interest is payable at the time repayment of the loan.		
	c. The purpose for which the loan was taken is towards working capital.		

2.04	DEFERRED TAX LIABILITY (NET)	31.3.2022	31.3.2021
	Particulars		
	Deferred tax Liability arised during the year		-
	Total	-	-
	Deferred tax expenses of Rs. _____/- has been debited to Profit & Loss Account. The details of the deferred tax as on March 31, 2022 have been provided here at the end		
2.05	OTHER LONG TERM LIABILITIES	31.3.2022	31.3.2021
	Particulars		
	Trade Payables	-	-
	Interest accrued on trade payables	-	-
	Others	-	-
	Total	-	-
2.06	LONG-TERM PROVISIONS	31.3.2022	31.3.2021
	Particulars		
	Gratuity Payable	-	-
	Leave encashment payable	-	-
	Provision for Employee benefits	-	-
	Provision for Warranties	-	-
	Others	-	-
	Total	-	-
2.07	SHORT TERM BORROWINGS	31.3.2022	31.3.2021
	Particulars		
	Loans payable on demand from Banks:		
	Cash Credit from SBI: at the end of the year, the said account had debit Balance of Rs. 1,09,02,446.77* and hence, the has been classified under current assets.	-	-
	Loans payable on demand from Other Parties	-	-
	Other Loans and Advances	-	-
	Total	-	-
	<p>*The company has availed the Cash Credit Limit of Rs. 300 Lakhs & non fund based of Rs. 200 lakhs towards issue of bank guranatee from State Bank of India. However at the end of the year the said OCC Account shows debit balance and hence classified under the Current Assets.</p> <p>The primary security towards cash credit of Rs. 300 lakhs is hypothecated by first charge of stock, receivables and other assets procured out of bank finance.</p> <p>Non fund based limit of Rs. 200 lakhs is secured by Omnibus Counter Guarantee</p> <p>The above said facilities are further secured by the collataral security of a house property owned by Mr. Raman Subba Rao the Managing Director of the Company and secured by Industrial Flat at Electronic City owned by the Company. This is further secured by personal guaratees offered by the Directors of the Company.</p> <p>The working capital is repayble on demand and subject to review by the Bank once in every 12 months.</p> <p>Rate of interest on cash credit is @10.65% and Bank shall any time and from time to time be entitled to vary the margin base on Credit Risk Assessment of the borrower and the EBR/MCLR at its discretion.</p> <p>Margin for non fund based limit of Rs. 200 lakhs towards issue of bank gurantee is 25%</p> <p>Statements of Stocks / Receivables hypothecated / pledged to the Bank are to be submitted regularly at monthly intervals by the Company</p>		

2.08	TRADE PAYABLES	31.3.2022	31.3.2021
	Particulars		
	MSME		
	Less than 6 months	1,629.21	-
	6 months to 1 year		
	1 - 2 years		
	2 - 3 years		
	more than 3 years		
	Others		
	Less than 6 months	145.49	327.13
	6 months to 1 year	1.30	
	1 - 2 years	153.43	81.47
	2 - 3 years	-	-
	more than 3 years		
	Disputed Dues (MSME)		
	Less than 6 months		
	6 months to 1 year		
	1 - 2 years		
	2 - 3 years		
	more than 3 years		
	Disputed Dues (Others)		
	Less than 6 months		
	6 months to 1 year		
	1 - 2 years		
	2 - 3 years		
	more than 3 years		
	Total	1,929.43	408.60
	Bifurcation of trade payable to MSME and other than MSME vendors have been provided only to the extent of information made available in the accounts. Where vendors do not state their status, all those trade payable have been classified under trade payable to other than MSME.		
	Trade payable includes Rs. 162921422 payable to related party i.e Canarys Hanuka Apo Technologies Pvt Ltd.		
2.09	OTHER CURRENT LIABILITIES	31.3.2022	31.3.2021
	Particulars		
	Application money received due for refund and interest thereon	-	-
	Rent deposit	3.30	3.30
	Interest accrued but not due on Borrowings *	6.76	-
	Advance from customers	13.75	2.04
	Long term Debts	-	-
	ESI payable	1.23	0.26
	Provident fund payable	13.27	7.36
	Salaries and Wages payable	207.45	96.29
	TDS payable	118.10	49.81
	Professional tax payable	0.44	0.27
	GST Payable	123.48	54.55
	Other Expenses payable	7.07	4.44
	Total	494.86	218.32
	*Interest payable on corporate loan taken from Hanuka Technologies Pvt Ltd has been classified as interest accrued but not due on borrowings since the same is payable together with the payment of principal to them.		

2.10 SHORT TERM PROVISIONS

Particulars	31.3.2022	31.3.2021
Provision for Employee benefits	-	-
Provision for Dividend including DDT	48.64	27.08
Provision for Taxation	146.90	81.71
Provision for Expenses	6.41	-
Gratuity Payable	13.94	12.78
Total	215.89	121.57

Property, Plant & Equipments	31.3.2022	31.3.2021
2.11 Tangible Assets - details in next sheet	85.69	77.38
2.12 Intangible Assets - details in next sheet	0.11	1.98
2.13 Intangible Assets under Development	-	-
Capital Work in Progress	-	-
	85.80	79.36

2.14 NON-CURRENT INVESTMENTS
(I) Trade Investments

Particulars	31.3.2022	31.3.2021
Investments in debentures or bonds	-	-
Investments in mutual funds	0.69	107.66
Investment in partnership firms	-	-
Other non-current investments	-	-
Total	0.69	107.66

(II) Other Investments

Particulars	31.3.2022	31.3.2021
Investment in Property	-	-
Investment in Equity Instruments	38.12	27.53
Investment in Preference Shares	-	-
Total	38.12	27.53

Investment in Subsidiaries:

Particulars	31.3.2022	31.3.2021
Canarys APAC Pte Ltd - Singapore (100% WOS)	5.70	-
Canarys Corp. USA (100% WOS)	25.83	25.83
4900 Shares of Rs. 100 each in Canarys Hanuka Apo Technologies Pvt Ltd., Bengaluru (Holding 49%)	4.90	-
Total Investment in Subsidiaries & Associates (A)	36.42	25.83

Investment in Other Companies:

Particulars	31.3.2022	31.3.2021
3000 Shares in ICMG	1.50	1.50
Indus Critical Infra & Protections Pvt Ltd	0.20	0.20
Total Investment in other companies (B)	1.70	1.70
Total Non Current Investment (A+B)	38.12	27.53

2.15 DEFERRED TAX ASSETS (NET)

Particulars	31.3.2022	31.3.2021
Deferred Tax Assets arised during the year	2.10	1.47
Total	2.10	1.47

Deferred tax Income of Rs.63,172/- has been Credited to Profit & Loss Account. The details of the deferred tax as on March 31, 2022 have been provided here at the end

BREAK-UP FOR DEFERRED TAX ASSET/(LIABILITY):

Particulars	Deferred tax Asset/ (Liability)	Deferred tax Asset/ (Liability)
	31.3.2022	31.3.2021
Fixed Assets	(0.19)	1.47
Loss of the year/set off of brought forward losses	-	-
Net Disallowable Expenditure as per the IT Act	2.29	-
Net Deferred Tax Asset/(DTL)	2.10	1.47

2.16 LONG TERM LOANS AND ADVANCES

(Unsecured and considered good)

Particulars	31.3.2022	31.3.2021
Capital Advances	-	-
Rent deposit	12.00	5.00
Sales tax deposit	0.01	0.01
Tax deducted by customers	-	-
Deposit with BESCO	0.36	0.36
Telephone deposit	0.24	0.24
Amount With Revenue Authorities	10.92	-
Total	23.52	5.61

2.17 OTHER NON-CURRENT ASSETS

Particulars	31.3.2022	31.3.2021
Long term Trade receivables (Unsecured and considered good)	-	-
Security Deposits	35.10	53.07
Others	-	-
	35.10	53.07
Less : Provision for Doubtful Debts towards EMD Deposits	6.30	-
Total	28.80	53.07

2.18 CURRENT INVESTMENTS

Particulars	31.3.2022	31.3.2021
Investment in Equity Instruments	-	-
Investment in Preference Shares	-	-
Total	-	-

2.19 INVENTORIES

Particulars	31.3.2022	31.3.2021
Raw Materials	458.88	104.36
Work-in-progress	-	-
Finished Goods	-	-
Stock-in-Trade	-	-
Stores and Spares	-	-
Goods in Transit	-	-
Others (Inventory)	-	-
Total	458.88	104.36

Raw materials on hand at the end of the year has been valued at cost in which GST and other indirect tax paid has been excluded. However, customs duty applicable on import of goods have been included. There were no WIP at the end of the year.

2.20 TRADE RECEIVABLES

Particulars	31.3.2022	31.3.2021
Undisputed Trade receivables considered Good		
Less than 6 months	1,855.27	1,036.30
6 months to 1 year	298.87	13.19
1 - 2 years	476.96	1.48
2 - 3 years		
more than 3 years	2.23	2.23
Undisputed Trade receivables considered doubtful		
Less than 6 months		
6 months to 1 year		
1 - 2 years		
2 - 3 years		
more than 3 years		
Disputed Trade receivable considered Good		
Less than 6 months		
6 months to 1 year		
1 - 2 years		
2 - 3 years		
more than 3 years		
Disputed Trade receivable considered doubtful		
Less than 6 months		
6 months to 1 year		
1 - 2 years		
2 - 3 years		
more than 3 years		
Total	2,633.33	1,053.19
Trade receivable includes Rs. 1,62,00,000 receivable from related party i.e Canarys Hanuka Apo Technologies Pvt Ltd.		

2.21 CASH AND BANK BALANCES

Particulars	31.3.2022	31.3.2021
Cash and cash equivalents		
Balances with Banks	137.43	41.86
Cash on hand	0.01	0.02
Bank Deposits (less than 3 months)	-	91.35
Other Bank Balances		
Bank Deposits (maturity - more than 3months but less than 12months)	-	-
Bank Deposits (maturity - more than 12 months)	622.33	254.90
Interest accrued but not due	-	-
Total	759.78	388.12

2.22 SHORT TERM LOANS AND ADVANCES

Particulars	31.3.2022	31.3.2021
Loans and advances to related parties	-	-
GST input credit	92.54	9.93
Tax deducted by customers	219.18	117.06
Service tax input credit	-	-
Other Short term loans and advances	-	-
Total	311.72	126.99

2.23 OTHER CURRENT ASSETS

Particulars	31.3.2022	31.3.2021
Unamortised premium on Forward contracts	-	-
Unbilled Revenue	-	-
Advance paid to Creditors	2.37	4.98
Staff Advance	3.32	22.45
Total	5.69	27.42

2.24	REVENUE FROM OPERATIONS	31.3.2022	31.3.2021
	Particulars		
	Sale of Products	490.00	57.00
	Sales of Services - Domestic	3,719.44	1,802.38
	Sale of Services - Overseas	979.77	639.89
		5,189.21	2,499.27
	Less: GST	-	-
	Labour Charges	5,189.21	2,499.27
	Unbilled Revenue	-	-
	Other Operating revenues	(7.80)	19.06
	Other Financials services	-	-
	Total	5,181.42	2,518.33
2.25	OTHER INCOME	31.3.2022	31.3.2021
	Particulars		
	Interest Income	26.75	7.91
	Dividend Income	-	-
	Gain/(Loss) on sale of Investments	0.52	2.12
	Gain/Loss on sale of assets	(0.30)	-
	Transportation received	-	-
	Rent received	3.80	3.47
	Discount received	-	0.00
	Interest on refund	4.17	1.00
	Other non operating Income	8.53	2.01
	Total	43.46	16.50
2.26	COST OF MATERIALS CONSUMED	31.3.2022	31.3.2021
	Particulars		
	Opening Stock of Raw Materials	104.36	234.27
	Add: Purchases	2,082.67	506.46
		2,187.03	740.73
	Less: Closing stock of Raw Materials	458.88	104.36
		1,728.15	636.37
	Freight Inward	-	1.38
	Customs Duty	-	-
	Clearing and Forwarding charges	-	0.17
	Stores and Consumables	-	-
	Total	1,728.15	637.91
-	CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE	31.3.2022	31.3.2021
	Particulars		
	Inventories (Closing)		
	Finished Goods/ Stock-in-Trade	-	-
	Stock-in-Process	-	-
	Inventories (Opening)		
	Finished Goods/ Stock-in-Trade	-	-
	Stock-in-Process	-	-
	Total	-	-
2.27	EMPLOYEE BENEFITS EXPENSE	31.3.2022	31.3.2021
	Particulars		
	Salaries and Wages	1,799.53	1,137.29
	Contribution to provident and Other Funds	69.93	54.67
	Staff Welfare expenses	80.58	12.79
	Total	1,950.04	1,204.75
2.28	FINANCE COSTS	31.3.2022	31.3.2021
	Particulars		
	Interest Expense	25.06	0.14
	Other Borrowing Costs	-	-
	Bank charges	17.42	9.43
	Applicable loss on Foreign currency transactions and translation	7.38	6.23
	Total	49.86	15.80
2.29	DEPRECIATION AND AMORTISATION EXPENSE	31.3.2022	31.3.2021
	Particulars		
	Depreciation	38.00	35.71
	Amortisation Expenses	-	-
	Impairment of Assets	-	-
	Assets Discarded/Impaired	-	-
	Total	38.00	35.71

2.30 **OTHER EXPENSES**

Particulars	31.3.2022	31.3.2021
Manufacturing & Software Development Expenses		
Labour Charges	-	0.48
Water and Electricity Charges	-	-
Project Expenses	141.40	41.47
Professional & Consultancy charges	415.54	98.19
Selling and Distribution Expenses		
Trade Discount	1.06	1.04
Foreign Travel expenses	9.34	8.76
Advertisement	6.29	
Business Promotion	4.77	3.22
Establishment Expenses		
Professional & Consultancy charges	132.57	60.35
Audit fee	3.45	1.50
Agency Charges	-	0.14
Office Software	5.89	6.51
Membership Charges	3.17	0.85
ISO Certification Charges	0.08	0.08
Water and Electricity Charges	5.84	6.70
Carriage outwards	-	-
Postage and Courier Charges	4.77	0.62
Legal Fees	2.45	3.71
Insurance	2.31	1.04
Office Expense	10.97	9.92
Printing and Stationery	1.44	0.76
Rent - Building	42.25	37.80
Rent - Laptops	9.17	
Rates & Taxes	7.74	4.53
Repairs and Maintenance	0.78	0.35
Repairs to Building	-	-
AMC Charges	0.12	0.12
Repairs to Machinery	-	-
Boarding and Lodging Expenses	7.50	3.30
Computer Maintenance	2.43	4.57
Newspapers and Periodicals	0.05	0.04
Security and Service Charges	4.04	3.22
Travelling & Conveyance	20.56	9.70
Telephone and Broadband Charges	21.98	14.57
ROC fees and Tender documents	0.46	6.64
Project charges	-	-
Vehicle Maintenance	2.55	2.55
Bad debt	6.30	10.33
Miscellaneous Expenses	0.11	0.02
Written off a/c	0.25	0.66
Taxi Hire charges	4.22	0.15
Total	881.86	343.89

Auditor's Remuneration:

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
1. Statutory Audit Fees	1.00	1.00
2. Tax Audit Fees	0.70	0.70
3. Other Professional & GST Services	1.75	1.45

These figures exclude applicable GST

2.31 **DEFERRED TAX INCOME/(EXPENSE)**

Particulars	31.3.2022	31.3.2021
Deferred tax Asset/(liability) - Closing	2.10	1.47
Deferred tax Asset/(liability) - Opening	1.47	(0.30)
Total	0.63	1.77

2.32 EARNINGS PER SHARE

Particulars	31.3.2022	31.3.2021
Basic EPS	1.95	11.42
Diluted EPS	1.95	12.54
Net profit after tax as per Profit and Loss attributable to Equity shareholders	430.71	218.49
Weighted Average number of equity shares used as denominator for calculating basic EPS	204.02	19.13
Weighted Average number of equity shares used as denominator for calculating diluted EPS	1,94,45,628.00	17,42,139.68
Basic Earnings per share (Rs.)	1.95	11.42
Diluted Earnings per share (Rs.)	1.95	12.54
Face Value per equity share (Rs.) Current year Rs. 2 per share (Previous year Rs 10 per share)	2.00	10.00

2.33 EARNINGS IN FOREIGN CURRENCY

Particulars	31.3.2022	31.3.2021
Export of goods	979.77	639.89
Equity participation (including Share application money pending allotment, if any)	-	-
Advance received towards future supply		
Total	979.77	639.89

2.34 FOREIGN CURRENCY OUTFLOW

Particulars	31.3.2022	31.3.2021
Import of Raw Materials	-	132.18
Travelling Expenses	9.34	8.76
Technical Consultancy	-	-
Subscription of shares in Foreign subsidiary Canarys APAC Pte Ltd, Signapore	5.70	-
Total	15.03	140.94

2.35 EXCHANGE GAIN OR LOSS

A sum of Rs. -7,38,045.76 (net) being exchange fluctuation gain/(loss) calculated as per AS 11 has been credited to Profit & Loss account during the year.

(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
Canarys Corp, USA	Wholly owned Subsidiary
Canarys APAC Pte Ltd	Wholly owned Subsidiary
Canarys Hanuka Apo Technologies Pvt Ltd	Associate Company

(ii) Transactions during the year with related parties (The Company has identified all related parties and details of transactions are given below:)

Name of the Related Party	Relationship	Nature of transaction	Amount (2021-22)	Amount O/s. 31.3.2022	Amount (2020-21)	Amount O/s. 31.3.2021
Raman SubbaRao M R - Managing Director	Key Managerial Personnel	Managerial Remuneration	45.25	(6.48)	41.04	(4.00)
		Reimbursement of Travel & Other Expenses	2.81	(0.03)	2.98	(0.25)
		Subscription of Shares	9.46	-	8.40	-
		Dividend Paid	4.73	-	4.45	-
Raghu C - Whole Time Director	Key Managerial Personnel	Managerial Remuneration	47.05	(7.97)	41.64	(4.33)
		Reimbursement of Travel & Other Expenses	16.46	(1.63)	6.46	(1.58)
		Subscription of Shares	7.01	-	5.10	-
		Dividend Paid	3.51	-	3.34	-
Arun D K - Whole Time Director	Key Managerial Personnel	Managerial Remuneration	45.25	(7.90)	41.04	(4.47)
		Loan - repayment	-	-	35.00	-
		Dividend Paid	3.37	-	3.20	-
		Subscription of Shares	6.74	-	5.10	-
		Reimbursement of Travel & Other Expenses	2.10	(0.05)	1.60	(0.08)
Sheshadri Y S - Director	Key Managerial Personnel	Managerial Remuneration	64.05	(16.67)	41.11	(4.50)
		Reimbursement of Travel & Other Expenses	3.29	(2.27)	1.93	(0.53)
		Subscription of Shares	4.10	-	9.00	-
		Dividend Paid	0.70	-	0.40	-
Sanjeev Kumar I S - Director	Key Managerial Personnel	Managerial Remuneration	30.25	(1.98)	37.31	(3.30)
		Reimbursement of Travel & Other Expenses	1.69	0.29	2.68	(0.13)
		Subscription of Shares	3.61	-	8.34	-
		Dividend Paid	0.46	-	0.18	-
Pushparaj Shetty	Key Managerial Personnel	Managerial Remuneration	-	-	19.47	-
		Reimbursement of Travel & Other Expenses	-	-	1.01	-
		Dividend Paid	-	-	0.26	-
Canarys APAC Pte Ltd	Wholly owned Subsidiary	Subscription of Shares	5.70	-	-	-
Canarys Hanuka Apo Technologies Pvt Ltd	Associate Company	Subscription of Shares	4.90	-	-	-
		Purchase of Goods (excluding taxes)	2,007.76	(1,629.21)	-	-
		Sale of Services (excluding taxes)	150.00	162.00	-	-

2.37

CONTINGENT LIABILITIES AND COMMITMENTS

The total outstanding bank guarantee issued by the company at the end of the year was Rs. 5,40,03,495. The details of BG are as follows:

a. Rs. 5,10,04,685 was issued by State Bank of India favour of various customers are outstanding at th end of the year.

b. Rs. of Rs. 29,98,810 was issued by Canara Bank in favour of various customers & Customs and Central Excise/Tax Department are outstanding at the end of the year.

c. The company has given corporate guarantee of Rs 12.00 crore in favour of its subsidiary i.e. Canarys Hanuka Apo Technologies Pvt Ltd for availing any credit by way of Loans, overdraft, discount of Bills from their banker.

2.38

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 .

2.39

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. The agewise details were given elsewhere in this financial statement.

2.40

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'. Wherever suppliers have provided the information about their status about MSME, the same has been classified under 'trade payable' to MSME. Wherever suppliers have not provided their status to the Company, all those trade payable has been classified and included under 'trade payable to others' during the year.The agewise details were given elsewhere in this financial statement.

2.41

SECURED & UNSECURED LOAN

The company has obtained the secured loan from State bank of India during the year and the details were provided in note no.2.7 of this financial statement

The company has obtained unsecured loan from a corporate as per sec 186(2) of the Companies Act, 2013 and the details have been provided in note no.2.3 of this financial statement

2.42

INVESTMENTS

All the investments in equity instruments & mutual fund are appearing at the cost of acquisition of such investments

2.43

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

2.44

Prior period income & expenditure:

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

2.45

There are no capital commitment during the year

2.46

Ratios - Please refer Annexure to note no. 2.46 attached in this respect.

2.47

Consumption of raw materials and spare parts

Particulars	2021-22	2020-21
Materials wise		
1 Meteorological items	513.13	113.97
2.Integrated Water Management System	1,035.76	-
3. Hydrology meteorological instruments	22.19	201.29
4. Solar Charge controller	5.65	3.26
5. Control Panel Assembly	6.64	-
6. Other Spares & civil works	40.43	57.31
7. Water Flow measurement system	104.36	262.08
Total	1,728.15	637.91

2.48

Value of Raw Materials Consumed during the period

Particulars	2021-22	2020-21
Imported	104.36	262.08
Indigenous	1,623.79	375.83
Total	1,728.15	637.91

2.49

Trade receivable, Trade payables ,Loan and advances shown in the Balances Sheet are subject to confirmation.

2.50 **Disclosure required under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:**

Particulars	2022	2021
i) Principal Amount Due	-	-
Interest due thereon remaining unpaid as at the end of the year	-	-
ii) The Amount of Interest paid in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-
iii) Amount of Delayed Payments made to Suppliers	-	-
Interest due and payable for the period of delay in making payment	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-
Interest remaining due and payable in succeeding years	-	-

There were no dues to MSME beyond stipulated period and as such, there is nothing to be reported under Sec 22 of the MSME Act, 2006

2.51 **Undisclosed Income: Nil**

2.52 **Willful Defaulter:** The Company has not declared as defaulter by any Banks/Financial Institutions.

2.53 **Transactions with Struck off Companies:** The Company has not entered into any transactions with Struck off Companies

2.54 **Scheme of Arrangement:** The Company has not approved any scheme of Arrangements.

2.55 **Employee Benefits:**
Defined Benefit Plans:
a. Gratuity:

The company has a defined gratuity plan and has obtained a policy from Life Insurance Corporation of India and remitting the dues regularly since few years. The company is contributing the yearly gratuity payable to LIC of India towards such policy and the accumulated fund balance as on the reporting date is Rs. 1,35,58,863 as per the gratuity policy scheme sent by LIC of India. During the year, company has provided a sum of Rs. 11,92,471 towards gratuity payable. The balance payable towards the said policy to LIC of India at the end of the year is Rs. 13,93,821.

b. Leave Encashment

The company does not have leave encashment policy and as such no amount has been provided in the book of accounts during the year.

2.56 **Details of Loans & Advances to Directors/KMP/Related Parties**

Type of Borrower	Repayable on Demand		Without specifying terms	
	% of Loan	Amount of Loan Outstanding	% of Loan	Amount of Loan Outstanding
Promoters				
Directors				
KMPs	NIL	NIL	NIL	NIL
Related Parties				
Total				

2.57 **Details of Benami Property (if any) : Nil**

2.58 **Charge Details:** Details of Registration or satisfaction of charge not registered with ROC: Nil

2.59 **Details of immovable property not held in company name (other than lease where company is lessee): Nil**

2.60 **Borrowings from Banks & Financial institutions**

a) i) Whether the Company has submitted the Return of Book debts to the Banks/Financial Institutions - Yes

ii) Whether the returns filed are in Agreement with Books of Accounts - Yes except as disclosed below (to be obtained from Canarys and should be reported)

Particulars	Reasons for Mismatch	Amount As per Books	Amount As per Statement	Diff	Bank Name
Statement of Book Debts as 30/06/2021	Effect of Exchange fluctuation	1,152.63	1,156.48	(3.86)	State Bank of India
Statement of Book Debts as 30/07/2021	Effect of Exchange fluctuation	1,174.74	1,181.94	(7.20)	State Bank of India
Statement of Book Debts as 31/08/2021	Effect of Exchange fluctuation	1,195.59	1,189.84	5.75	State Bank of India
Statement of Book Debts as 30/09/2021	Clerical & copying error	1,307.43	1,115.00	192.43	State Bank of India
Statement of Book Debts as 31/10/2021	Clerical & copying error	1,228.83	1,280.71	(51.88)	State Bank of India
Statement of Book Debts as 30/11/2021	Clerical & copying error	1,513.45	1,533.56	(20.11)	State Bank of India
Statement of Book Debts as 31/12/2021	Clerical & copying error	1,824.99	1,856.36	(31.36)	State Bank of India
Statement of Book Debts as 31/01/2022	Clerical & copying error	2,236.04	2,266.84	(30.80)	State Bank of India
Statement of Book Debts as 28/02/2022	Clerical & copying error	2,607.99	2,640.28	(32.29)	State Bank of India
Statement of Book Debts as 31/03/2022	Clerical & copying error	3,068.20	3,109.61	(41.40)	State Bank of India

b) The Company has used the funds borrowed from the Bank for the purpose for which the same is obtained. And the share premium which company has collected has been used for working capital.

2.61 **Details of crypto currency or virtual currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

2.62 **Corporate social responsibility**

CSR provisions was not applicable to the Company till 2021-22. Based on the profit of the Company for the FY 2021-22, CSR provisions will be applicable for the FY 2022-23 onwards. The same may be spent based on the decision taken by the management of the Company during the current financial year 2022-23.

2.63 Certain comparative figures have been reclassified/regrouped, wherever found necessary, to confirm to the presentation adopted in these financial statements. All the amount appearing in the financial statement have been rounded off to Rupees in Lakhs.

For Hegde & Co.
Chartered Accountants
Firm Registration No. 004891S
(Ramakrishna T.Hegde)
Proprietor
Membership No. 029157
ICAI's UDIN: 22029157ARLKGH3900

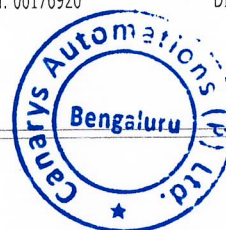


Place: Bengaluru
Date : 8th September 2022

for and on behalf of the Board

(Raman SubbaRao M R)
Managing Director
Din: 00176920

(Sheshadri Y S)
Director & CEO
DIN:03367545



Sub Schedule to Note 2.46

Particulars	2021-22	2020-21	% of Change	Reasons for changes more than 25%
Current Ratio= Current Assets/Current Liabilities	1.58	2.27	30.47%	
Current Assets	4,169.40	1,700.08		
Inventory	458.88	104.36		
Trade Receivables	2,633.33	1,053.19		
Cash and Cash Equivalents	759.78	388.12		
Short-term Loans and Advances	311.72	126.99		
Other Current Assets	5.69	27.42		
Current Liabilities	2,640.17	748.50		
Short-term Borrowings	-	-		
Trade Payables	1,929.43	408.60		
Other Current Liabilities	494.86	218.32		
Short-term Provisions	215.89	121.57		
Debt-Equity Ratio = Total Debt/ Total Shareholders Equity	0.09	-	0.00%	
Debt	90.86	-		
Equity	976.08	688.94		
Equity Share Capital	408.04	191.27		
Free Reserves				
General Reserve	12.27	12.27		
Securities Premium Reserve	86.35	60.85		
Profit & Loss c/f	469.42	424.55		
Debt Service Coverage Ratio= EBDIT/Interest	25.54	NA	0.00%	
EBDIT	640.03			
Interest	25.06			
Return on Equity Ratio= Net Earnings/ Shareholders equity	44.13%	31.71%	39.14%	
Net Earnings	430.71	218.49		
Shareholders equity	976.08	688.94		
Inventory turnover ratio = Cost of Goods Sold/ Average Inventory	7.40	2.99	147.23%	
Cost of Goods Sold	2,082.67	506.46		
Average Inventory				
Average Inventory = (Opening Inventory + Closing Inventory)/2	281.62	169.31		
Opening Inventory	104.36	234.27		
Closing Inventory	458.88	104.36		
Trade Receivables turnover ratio = Net Credit Sales/Average Accounts Receivable	129.85	102.17	27.09%	
Net Credit Sales	5,181.42	2,518.33		
Average accounts receivable	1,843.26	704.90		
Opening Accounts Receivables	1,053.19	356.62		
Closing Accounts Receivables	2,633.33	1,053.19		
Trade payables turnover ratio= Net Credit Purchases/Average Accounts Payables	204.88	266.72	-23.19%	
Net Credit Purchases	2,082.67	506.46		
Average accounts Payable	1,169.02	370.09		
Opening Accounts Payable	408.60	331.58		
Closing Accounts Payable	1,929.43	408.60		
Net capital turnover ratio	4.18	5.29	21.08%	
Turnover	5,181.42	2,518.33		
Average Net Working Capital	1,240.41	475.79		
Opening Net Working Capital	951.58	-		
Closing Net Working Capital	1,529.23	951.58		
Net profit ratio= Net profit/ Revenue x 100	8.31%	8.68%	4.18%	
Net Profit	430.71	218.49		
Turnover	5,181.42	2,518.33		
Return on Capital employed = EBIT/Capital Employed	56.43%	43.10%	30.92%	
EBIT	602.03	296.92		
Capital Employed	1,066.94	688.94		
Return on investment = Net profit/ Net share Capital	46.41%	30.72%	51.09%	
Net profit	430.71	218.49		
Net Share Capital	928.04	711.27		

Canarys Automations Private Limited
Notes to Financial Statements for the year ending 31st March, 2022

2.11. Property, plant and equipment

Amount in Lakhs

2.11: Property, plant and equipment		Gross Carrying Value				Accumulated depreciation				Amount in Lakhs	
Particulars	Estimated useful life	As at 1st April 2021	Additions	Deletions / Adjustments	As at 31st March 2022	As at 1st April 2021	For the year	Deletions / Adjustments	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Tangible assets:											
Factory Building	60	9.81	-	-	9.81	8.07	0.06	-	8.13	1.68	1.74
Vehicles	8	47.53	-	-	47.53	39.93	1.88	-	41.81	5.72	7.60
Office Equipment	5	42.12	2.82	-	44.94	36.04	2.71	-	38.75	6.18	6.08
Electrical Fittings	10	9.21	-	-	9.21	7.19	0.50	-	7.69	1.52	2.02
Furniture	10	77.73	-	-	77.73	62.23	3.43	-	65.66	12.07	15.51
Computers	5	228.94	43.65	0.69	271.91	184.51	28.90	-	213.40	58.50	44.43
TOTAL (A)		415.34	46.47	0.69	461.13	337.96	37.48	-	375.44	85.69	77.38
Capital work-in-progress (B)		-	-	-	-	-	-	-	-	-	-
Grand Total (A+B)		415.34	46.47	0.69	461.13	337.96	37.48	-	375.44	85.69	77.38
Previous Year		397.28	18.06	-	415.34	303.66	34.31	-	337.96	77.38	93.62

2.12 Intangible asset - acquired

Particulars	Estimated Useful Life	ORIGINAL COST				AMORTISATION				CARRYING VALUE	
		As at 1st April 2021	Additions	Deletions / Adjustments	As at 31st March 2022	As at 1st April 2021	For the year	Deletions / Adjustments	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Software	3	5.17	-	3.42	1.75	3.19	0.52	2.07	1.64	0.11	1.98
TOTAL (C)		5.17	-	3.42	1.75	3.19	0.52	2.07	1.64	0.11	1.98
Previous Year		9.31	-	4.14	5.17	5.93	1.40	4.14	3.19	1.98	3.38

2.13 Intangible asset - development

Particulars	Estimated Useful Life	ORIGINAL COST				AMORTISATION				CARRYING VALUE	
		As at 1st April 2021	Additions	Deletions	As at 31st March 2022	As at 1st April 2021	For the period	Deletions including assets impaired	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Intangible assets under development											-
TOTAL (D)		-	-	-	-	-	-	-	-	-	-
Previous Year		-	-	-	-	-	-	-	-	-	-
Grand Total (A +B+C+D)		420.51	46.47	4.11	462.88	341.16	38.00	2.07	377.08	85.80	79.36
Previous Year		406.59	18.06	4.14	420.51	309.58	35.71	4.14	341.16	79.36	97.01

CA 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**08th September 2022**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, 2022, 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 which includes

- a. **Audited financial statement of an Associate i.e., Canarys Hanuka APO Technologies Private Limited to the extent of 49% of all income, expenses, liabilities and assets after knocking off the common elements.**
- b. **Line by line consolidation of an Unaudited Financial Statement of a wholly owned foreign subsidiary i.e., Canarys Corp, C/o Florida Filing & Search Services, Inc 155, Office Plaza DR., Suite A, Tallahassee FL 32301 USA**
- c. **Line by line consolidation of an Unaudited Financial Statement of a wholly owned foreign subsidiary i.e., 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, and based on the consideration of reports of the other auditors on separate information of an associate and unaudited financial statements of two wholly owned subsidiaries, 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 standard prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flow on that date.

Basis of 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.

Emphasis of Matter

The company has given corporate guarantee of Rs 12.00 crore in favor of its associate i.e., Canarys Hanuka Apo Technologies Pvt Ltd for availing any credit by way of Loans, overdraft, discount of Bills from their banker.

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 previous year 2020-21. The Branch in USA had a bank account in Wells Fargo Bank. However, the Company was unable to close the said bank account it had in USA during FY 2020-21. As such, the balance in the said account has been merged with the accounts maintained at Head Office during the current financial year 2021-22 also.

Consolidated financial statement includes two unaudited financial statement of wholly owned subsidiaries i.e., Canarys Corp., USA and CANARYS APAC PTE. LTD, Singapore and the same has been merged line by line.

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 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.

Responsibilities of Management and Those Charged with Governance for the 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 are 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:**In respect of an Associate:**

- (i) Audited financial statement of an Associate i.e., Canarys Hanuka APO Technologies Private Limited to the extent of interest of 49% of all the income, expenses, liabilities and assets after knocking off the common elements, following have been consolidated line by line
 - Income : Rs. 151.80 Lakhs
 - Expenses : Rs. 51.23 Lakhs
 - Liabilities : Rs. 685.21 Lakhs
 - Assets : Rs. 685.21 Lakhs

In respect of Subsidiaries:

- (ii) 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.55.11 lakhs (USD 0.73 lakhs) as at 31st March, 2022, total revenues of Rs. 44.15 lakhs (USD 0.60 lakhs) and net cash flows amounting to Rs. 42.43 lakhs (USD 0.56 lakhs) for the year ended on that date, has been considered in the consolidated financial statements.
- (iii) We did not audit the financial statements / financial information of **M/s. Canarys APAC Pte Ltd**, a subsidiary situated in **Singapore**, whose financial statements reflect total assets of Rs. 5.81 lakhs (SGD 0.11 lakhs) as of 31st March 2022, total revenues of Rs. Nil (SGD Nil) and net cash flows amounting to Rs.0.46 lakhs (SGD 0.01 lakhs) for the year ended on that date, has been 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 Subsidiaries, 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 subsidiaries 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, 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, 2020 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 holding company i.e., Canarys Automations Private Limited and relating to operations of Canarys Hanuka Apo Technologies Pvt. Ltd. being an associate of the Holding Company have been kept so far as it appears from our examination of those books and the reports of the other auditor.

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, 2022, taken on record by the board of directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and operating effectiveness of such controls are given in separate **Annexure-A**

(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

d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(i) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

(e) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

- i) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the limit prescribed by section 197 for maximum permissible managerial remuneration is not applicable to a private limited company.

for Hegde & Co.

Chartered Accountants

Firm Reg. No. 004891S

(Rama Krishna T. Hegde)

Proprietor

Membership No. 029157

ICAI's UDIN: **22029157ASOIZA9478**



Place: Bengaluru

Date: 8th September 2022

ANNEXURE "A"**TO
THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL
STATEMENTS OF CANARYS AUTOMATIONS PRIVATE LIMITED****Report on the Internal Financial Controls over Financial Reporting under
Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the
Act")**

We have audited the internal financial controls over financial reporting of **Canarys Automations Private Limited** ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

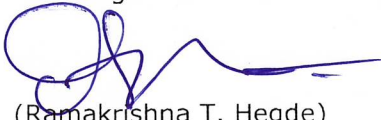
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for Hegde & Co.
Chartered Accountants
Firm Registration No.0048915



(Ramakrishna T. Hegde)
Proprietor



Membership No. 029157
ICAI'S UDIN: **22029157ASOIZA9478**

Place: Bengaluru
Date: 8th September 2022

Notes forming parts of Consolidated Financial Statements

1.4. 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. The company also undertakes execution of Integrated Water Management System turnkey projects on turnkey basis.

The company has following two subsidiaries & one associate company:

Subsidiaries:

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 Automations Private Limited. The company is in operation and complied the entire statutory requirements that are applicable in United States of America. Financial Statement of this wholly owned subsidiary has been considered while preparing the consolidated financial statement as per AS 21.

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 2021-22, except incurring few expenses, there were no revenue during the said financial year. Financial Statement of this wholly owned subsidiary has been considered while preparing the consolidated financial statement as per AS 21.

Associate Company:

c. **Canarys Hanuka Apo Technologies Private Limited:** The company has formed a joint venture i.e., Canarys-Hanuka Apo Technologies Pvt Ltd by subscribing 49% of the Equity Capital of the new joint venture company during the year. The main objective of the said company is to execute the complete contract of Integrated Water Management System on turnkey basis. The company has commenced its activity during the financial year 2021-22 and has presented the financial statement for the said year. In the Consolidated Financial Statement, the company has considered 49% of the interest of the associate company's income, expenses, liabilities and assets after knocking off the common elements between each other as per AS 23 & 27.

1.5. 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") 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 the Consolidated Financial Statement, the company has considered 49% of the interest of the associate company's income, expenses, liabilities and assets after knocking off the common elements between each other as per AS 23 & 27.

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 arises while merging line by line entries of foreign subsidiary. Such exchange fluctuation reserve as on 31st March 2022 have been reclassified in the financial statement of FY 2021-22 to match the exchange fluctuation reserve disclosed in the respective note attached to financial statement.

1.1 Accounting Standards Compliance:**Principles of Consolidation:****A. In respect of Subsidiaries (AS 21):**

- a. The consolidated financial statements relate to the Company and its Subsidiaries i.e. 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 unrealized 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 has 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.

B. In respect of Associate Company (AS 23 & 27)

- a. Canarys Hanuka Apo Technologies Pvt. Ltd. is an associate (joint venture) of the company.
- b. Canarys Automations Pvt. Ltd. has 49% interest in the said associate company and has subscribed 49% of the equity shares of the said associate company.
- c. In the Consolidated Financial Statement, the company has considered 49% of the interest of the associate company's income, expenses, liabilities and assets.
- d. The common elements between the Company and this Associate have been knocked off before merging the entries in the consolidated financial statement.

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 milestone basis based on the exchange rate prevailing on that respective day.
- j. The associate's incomes consist 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 Property, Plants & Equipment (PPE), Depreciation & amortization accounting and Impairment of assets:

F. Property, Plants & Equipment (PPE):

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

iii. Tangible PPE:

PPE 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 amortization

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.

G. 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.

H. 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.

I. Impairment of property, plants & equipment's

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 asset has been removed both from gross block & depreciation block. There were no written down value in the books of account for those assets.

- J.** A sum of Rs. 1.34 lakhs being shortage of depreciation provided on intangible during previous years has been adjusted out of the carried forward profit classified under the Reserve & surplus during financial year 2021-22

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'.

Earnings 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 financial year 2020-21, the company had 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 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 first time during 2020-21 and accordingly, as per the requirement of the clauses in the Companies Act, 2013, transferred a sum of Rs.1,04,00,000 to CRR during the financial year 2021-22. 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.***

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

(Ramakrishna T. Hegde)
Proprietor
Membership No. 029157

ICAI'S UDIN: 22029157ASOIZA9478



for and on behalf of the Board

(Raman Subbarao M R)
Managing Director
Din: 00176920

(Sheshadri Y S)
Director & CEO
DIN:03367545

Place: Bengaluru
Date: 08/09/2022



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	LIABILITIES	Note	As at March 31,			
			2022		2021	
				Rs. in Lakhs		Rs. in Lakhs
I.	EQUITY					
(1)	Shareholders' Funds					
a	Share Capital	2.01	928.04		711.27	
b	Reserves and Surplus	2.02	817.72		538.20	
c	Money received against share warrants		-	1,745.76	-	1,249.47
	Share Application Money Pending Allotment					
(2)				-		-
(3)	Non Current Liabilities					
a	Long Term Borrowings	2.03	90.86		-	
b	Deferred Tax Liability (net)	2.04	-		-	
c	Other Long term Liabilities	2.05	-		-	
d	Long-Term Provisions	2.06	1.62	92.47	-	-
(4)	Current Liabilities					
a	Short Term Borrowings	2.07	781.72		-	
b	Trade Payables					
	(A) total outstanding dues of micro enterprises and small enterprises	2.08	668.90			
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	2.08	942.29		408.60	
c	Other Current Liabilities	2.09	511.47		218.32	
d	Short Term Provisions	2.10	318.82	3,223.20	121.57	748.50
	TOTAL			5,061.43		1,997.97
II.	ASSETS					
(1)	Non Current Assets					
a	Property, Plant and Equipment and Intangible assets					
	(i) Property, Plant and Equipment	2.11	88.16		77.38	
	(ii) Intangible Assets	2.12	0.11		1.98	
	(iii) Intangible Assets under Development	2.13	-	88.28	-	79.36
	(iv) Capital Work-in-Progress					
b	Non-Current Investments	2.14	2.39		109.36	
c	Deferred Tax Assets (net)	2.15	2.28		1.47	
d	Long Term Loans and Advances	2.16	23.52		5.61	
e	Other non-current assets	2.17	28.80	57.00	53.07	169.50
(2)	Current Assets					
a	Current Investments	2.18	-		-	
b	Inventories	2.19	504.74		104.36	
c	Trade Receivables	2.20	2,843.24		1,055.84	
d	Cash and Bank Balances	2.21	1,125.36		434.49	
e	Short Term Loans and Advances	2.22	348.17		126.99	
f	Other Current Assets	2.23	94.66	4,916.16	27.42	1,749.11
	TOTAL			5,061.43		1,997.97

Significant Accounting Policies -Note No. 1

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

ICAI's UDIN: 22029157ASOIZA9478

Place: Bengaluru

Date : 8th September 2022



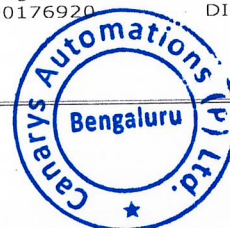
For and on behalf of the Board

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

(Shehsadri Y S)
Director & CEO
DIN: 03367545



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,	
			2021-22	2020-21
			Rs. in Lakhs	Rs. in Lakhs
	INCOME			
I.	Revenue from Operations	2.24	5,299.07	2,562.42
II.	Other Income	2.25	48.26	16.50
III.	Total Revenue		5,347.34	2,578.92
	EXPENDITURE			
IV.	Cost of Materials Consumed	2.26	1,365.65	637.91
	Purchases of Stock-in-trade		-	-
	Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade		(13.14)	-
	Employee Benefits Expense	2.27	1,972.55	1,204.75
	Finance Costs	2.28	74.46	16.02
	Depreciation and Amortisation Expense	2.29	38.47	35.71
	Other Expenses	2.30	1,208.85	383.17
	Total Expenses		4,646.84	2,277.56
V.	Profit Before exceptional items and tax (III - IV)		700.50	301.36
VI.	Exceptional Items		-	-
VII.	Profit Before extraordinary items & tax (V-VI)		700.50	301.36
VIII.	Extraordinary Items		-	-
IX.	Profit Before Tax (VII-VIII)		700.50	301.36
X.	Tax expenses			
	Income Tax - Current year		168.77	81.78
	Income Tax - Previous years (net)		(0.01)	(1.65)
	Deferred Tax expenses/(income)	2.31	(0.81)	(1.77)
XI.	Profit for the period from continuing operations (VII-VIII)		532.54	223.00
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)		532.54	223.00
XVI.	Earnings per equity share of face value of Rs 10 each			
	Basic (in Rs.)	2.32	2.47	11.66
	Diluted (in Rs.)	2.32	2.47	12.80
	Significant Accounting Policies 1			
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. 0048915 (Ramakrishna T.Hegde) Proprietor Membership No. 029157 ICAI's UDIN: 22029157ASOIZA9478 Place: Bengaluru Date : 8th September 2022				
			For and on behalf of the Board (Raman SubbaRao M R) Managing Director DIN:00176920 (Sheshadri Y S) Director & CEO DIN:03367545	



Canarys Automations Private Limited		
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March,		
Particulars	2022 Rs. in Lakhs	2021 Rs. in Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit after taxation	532.54	223.00
Adjustments for:		
Depreciation	38.47	35.71
Provision for taxation:-		
Current tax	168.77	81.78
Deferred tax	(0.81)	(1.77)
Written off	0.25	0.66
Trade Discount	1.06	1.04
Interest Expense	74.46	16.02
Gain/Loss on sale of Investments	(0.52)	(2.12)
Gain/Loss on sale of Fixed Assets	0.30	
Other income	(35.72)	(8.91)
Dividend / Interest income		
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	778.80	345.41
Adjustments for working capital changes:		
(Increase) / Decrease in sundry debtors	(1,788.70)	(675.51)
(Increase) / Decrease in Inventory	(400.37)	129.91
(Increase) / Decrease in Loans and advances	(239.09)	(5.03)
(Increase) / Decrease in Other Current Assets	(43.78)	(22.13)
Increase / (Decrease) in Trade Payables	1,202.59	77.02
Increase / (Decrease) in Provisions	198.86	15.66
Increase / (Decrease) in Other Current Liabilities	293.15	44.31
Cash Generated from Operations	1.45	(90.37)
Less: Income taxes paid	(167.96)	(59.19)
Cash flow before prior period/extraordinary items	(166.52)	(149.55)
Add / (Less): Prior period / Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(166.52)	(149.55)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(49.42)	(18.06)
Sale proceeds of fixed assets	0.69	
Purchase of investments		(104.91)
Sale of investments	106.96	9.56
Sale of investments - Parts2build		(9.56)
Gain on Redemption of Investment	35.72	8.91
Dividend / Interest received on investments	(0.30)	
Loss on Sale of Fixed Assets	0.52	2.12
Loss on Redemption of Investment		
NET CASH FLOW FROM INVESTING ACTIVITIES	94.17	(111.94)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of Share Capital/Share application money received	38.25	572.16
Increase / (Decrease) in bank borrowings	781.72	-
Increase / (Decrease) in Fluctuation reserve relating US Branch	3.32	(1.52)
Less: Interest paid	(74.46)	(16.02)
Less: Dividend paid	(76.48)	(27.53)
Other unsecured loans/deposits received (or repaid)	90.86	
NET CASH FLOW FROM FINANCING ACTIVITIES	763.21	527.10
NET INCREASE IN CASH AND CASH EQUIVALENTS	690.87	265.60
ADD: CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	434.49	168.89
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	1,125.36	434.49
As per our report of even date	For and on behalf of the Board	
For Hegde & Co.		
Chartered Accountants		
Firm Registration No. 0048915		
(Ramanishna T. Hegde)		
Proprietor		
Membership No. 029157		
Place: Bengaluru		
Date : 8th September 2022		



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:

	2022	2021
	Rs.	Rs.
Cash on hand	0.03	0.04
Balances with bank	148.81	88.21
Bank Deposits	976.51	346.24
	1,125.36	434.49
Add: Effect of exchange rate changes		
Cash and Cash Equivalents as restated	1,125.36	434.49

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 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.

During the year, the Company has following two Subsidiaries:

- a. **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.
- b. **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. s

Yes	Canarys Automations Private Limited			Annual Report 2021-22	
No					
	Notes on Consolidated Financial Statements for the Year ended 31st March, 2022				
2.01	SHARE CAPITAL				
	Particulars	31.3.2022	31.3.2021		
	Share Capital				
	Authorised Capital				
	25000000 Equity Shares of Rs. 2 each(Previous Year	500.00	225.00		
	2250000 equity Shares of Rs 10 Each)				
	60,00,000 Preference Shares of Rs. 10 each	600.00	600.00		
	Total	1,100.00	825.00		
	Issued and subscribed capital				
	2,04,01,960 Equity Shares of Rs. 2 each share fully	408.04	191.27		
	paid(Previous Year 19,12,685 Equity Shares of Rs. 10 each				
	share fully paid)				
	52,00,000 Preference Shares of Rs. 10 each share fully	520.00	520.00		
	paid				
	Total	928.04	711.27		
	Paid up capital				
	2,04,01,960 Equity Shares of Rs. 2 each share fully	408.04	191.27		
	paid(Previous Year 19,12,685 Equity Shares of Rs. 10 each				
	share fully paid)				
	52,00,000 Preference Shares of Rs. 10 each share fully	520.00	520.00		
	paid				
	Total	928.04	711.27		
	Additional Information:				
	The company has two class of share capital i.e. equity shares having face value of Rs. 2 per share (Previous Year 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. During the year company has sub divided the face value of equity shares of Rs. 10 each per share at the beginning of the year into face value of Rs. 2 each fully paid equity share. Hence, at the end of the year, face value of each equity share stands @ Rs. 2 per equity share. Each holder of equity share is entitled to one vote per share.				
	b. During the year, the company had a right issue of equity shares and shareholders subscribed 1,27,511 equity shares of Rs. 10 each at a premium of Rs. 20 each per equity share.				
	c. During the year the company has issued bouns share of 1 equity share to every 1 equity shares held by the equity shareholders after sub dividing the face value of Rs. 10 each to face value into Rs. 2 per equity share.				
	e. The Equity Shares issued during the year has rank 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 given below.				
	Before Sub Division of Equity Shares				
	Particulars	As at 31-3-2022		As at 31-3-2021	
		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	19,12,685.00	191.27	17,38,805.00	173.88
	Add: Further issue of shares or Bonus/rights Shares issued during the year	1,27,511.00	12.75	1,73,880.00	17.39
	Issued, subscribed and fully paid up equity shares outstanding before sub division of Shares	20,40,196.00	204.02	19,12,685.00	191.27
	After Sub Division of Equity Shares				
	Particulars	As at 31-3-2022		As at 31-3-2021	
		No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
	Fully Paid up capital of Equity Shares of Face Vauue of Rs. 10 each before the sub-division	20,40,196.00	204.11		
	Fully Paid up capital of Equity Share of Face Vauue of Rs. 10 each during the year devided into Equity Share of face value of Rs. 2 each fully paid up	1,02,00,980.00	204.02	-	-
	Add: Further issue of shares or Bonus Shares issued during the year	1,02,00,980.00	204.02	-	-
	Issued, subscribed and fully paid up equity shares having face value of Rs. 2 each at the end of the year	2,04,01,960.00	408.04	-	-
	Shareholders holding more than 5% of the equity shares as at the end of the year are here below:				

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Name of the Shareholder	As at 31-3-2022		
Promotor's Name	No. of Shares	Shareholding %age	% Change During the Year
Raman SubbaRao M R	50,42,990.00	24.72%	0.00%
Raghu C	37,40,320.00	18.33%	0.00%
Arun D.K.	35,93,280.00	17.61%	0.00%
Jagadeesha C S	13,52,000.00	6.63%	-0.44%
Anuradha Hegde	12,80,000.00	6.27%	-0.42%

Name of the Shareholder	As at 31-3-2021		
Promotor's Name	No. of Shares	Shareholding %age	% Change During the Year
Raman SubbaRao M R	4,72,780.00	24.72%	-0.86%
Raghu C	3,50,655.00	18.33%	-0.86%
Arun D.K.	3,36,870.00	17.61%	-0.78%
Jagadeesha C S	1,35,200.00	7.07%	-0.71%
Anuradha Hegde	1,28,000.00	6.69%	-0.67%

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

- The Partially redeemable & convertible Preference shares issued during the year has maximum 5 years tenure.
- 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.
- The Preference Shareholders does not have right to participate in the surplus funds of the Company.
- 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.
- 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.
- 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.
- The preference shareholders or Company shall redeem 90% of Preference shares at par value in the following manner:
 - 30% of the preference shares shall be repaid at the end of 3rd year
 - 30% of the preference shares shall be repaid at the end of 4th year
 - 30% of the preference shares shall be repaid at the end of 5th year
- The balance 10% may be converted into Equity share at a fair market value determined at that time of such conversion
- The Company may redeem the preference shares at any time after expiry of one year from the date of issue of such shares.
- 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
- The Company may redeem the preference shares at any time after expiry of one year from the date of issue of such shares.
- 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 31-3-2022		As at 31-3-2021	
	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	52,00,000.00	520.00	-	-
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)	-	-	52,00,000.00	520.00
Issued, subscribed and fully paid up equity shares outstanding as the end of the year	52,00,000.00	520.00	52,00,000.00	520.00

2.02

RESERVES AND SURPLUS

Particulars	31.3.2022	31.3.2021
Securities Premium Reserve		
Opening Balance	60.85	26.07
Premium received during the year	25.50	34.78
Total (a)	86.35	60.85
General Reserve		
Opening Balance	12.27	12.27
Add: Transferred during the year	-	-
Total (b)	12.27	12.27
Exchange Fluctuation reserve Canarys Corp (net)	20.12	16.80
Total (C)	20.12	16.80
Surplus (Balance of Profit c/f)	430.95	252.82
Add: Profit after tax	532.54	223.00
Adjustment in respect of Depreciation*	(1.34)	-
	962.15	475.82
Less: a. Provision for Proposed Dividend :		
On Equity Share capital	24.48	19.13
On Preference Share capital	52.00	8.41
b. Transferred to Issue of Bonus shares	204.02	
c. Transferred to Capital Redemption Reserves	104.00	17.33
Total (c)	577.64	430.95
Capital Redemption Reserve		
Opening Balance	17.33	-
Created towards redemption of Preference Shares	104.00	17.33
Total (d)	121.33	17.33
Total (a+b+c+d)	817.72	538.20

Consolidated Surplus (Profit/(loss))

Particulars	31.3.2022	31.3.2021
Opening Surplus:		
Canarys Automations Pvt Ltd	424.55	250.93
Canarys Corp - Revalued	7.30	1.89
Canarys APAC PTE Ltd	(0.90)	
Total Brought forward surplus	430.95	252.82
Profit/(loss) for the year:		
Canarys Automations Pvt Ltd	430.71	218.49
Canarys Corp	1.72	5.40
Canarys APAC PTE Ltd	(0.46)	(0.90)
Canarys Hanuka APO Technologies Pvt Ltd -JV	100.56	
Less :Transferred to varoius reserves & Provision of Dividend	385.85	44.87
Total surplus for the year	532.54	223.00
Closing Surplus:		
Canarys Automations Pvt Ltd	469.42	424.55
Canarys Corp	9.02	7.30
Canarys APAC PTE Ltd	(1.36)	(0.90)
Canarys Hanuka APO Technologies Pvt Ltd -JV	100.56	
Total Closing surplus c/f	577.64	430.95

* A sum of Rs. 1.34 lakhs being shortage of depreciation provided on intangible during previous year has been adjusted out of the carried forwad profit classified under Reserve & surplus duirng financial year 2021-22

	MONEY RECEIVED AGAINST SHARE WARRANTS		
	Particulars	31.3.2022	31.3.2021
	Money received against Share Warrants	-	-
	Total	-	-
2.03	LONG TERM BORROWINGS		
	(I) SECURED		
	Particulars	31.3.2022	31.3.2021
	Bonds/Debentures	-	-
	Other Loans and Advances	-	-
	NIL		
	Total	-	-
	(II) UNSECURED		
	Particulars	31.3.2022	31.3.2021
	Bonds/Debentures	-	-
	Finance Lease Obligations	-	-
	Other Loans and Advances	90.86	-
	Total	90.86	-
	<p>Terms & Conditions of the Inter-Corporate Loan:</p> <p>During the year, the company has borrowed a sum of Rs. 90.85 lakhs from Hanuka Technology Solutions Pvt Ltd., under the inter-corporate loan as per the Sec. 186(2) of the Companies Act, 2013 with the following terms and conditions:</p> <p>a. The loan is repayable within two years from the date of borrowing.</p> <p>b. Simple interest @ 10.4% shall be paid on the loan outstanding and the interest is payable at the time repayment of the loan.</p> <p>c. The purpose for which the loan was taken is towards working capital.</p>		
2.04	DEFERRED TAX LIABILITY (NET)		
	Particulars	31.3.2022	31.3.2021
	Deferred tax Liability arised during the year		-
	Total	-	-
	Deferred tax expenses of Rs. _____/- has been debited to Profit & Loss Account. The details of the deferred tax as on March 31, 2022 have been provided here at the end		
2.05	OTHER LONG TERM LIABILITIES		
	Particulars	31.3.2022	31.3.2021
	Trade Payables	-	-
	Contribution to Provident fund payable - due	-	-
	Others	-	-
	Total	-	-
2.06	LONG-TERM PROVISIONS		
	Particulars	31.3.2022	31.3.2021
	Gratuity Payable	0.47	-
	Leave encashment payable	1.15	-
	Provision for Employee benefits	-	-
	Provision for Warranties	-	-
	Others	-	-
	Total	1.62	-

2.07

SHORT TERM BORROWINGS

Particulars	31.3.2022	31.3.2021
Loans payable on demand from Banks:		
Cash Credit from SBI availed by Canarys Automations Pvt Ltd: at the end of the year, the said account had debit Balance of Rs. 109.02 lakhs and hence, the has been classified under current assets. *1	-	-
Loans payable on demand from Banks (of Associate Company's) *2	624.92	-
Loans payable on demand from Other Parties (of Associate Company's) *3	156.80	-
Other Loans and Advances	-	-
Total	781.72	-

*1 The company has availed the Cash Credit Limit of Rs. 300 Lakhs & non fund based of Rs. 200 lakhs towards issue of bank guarantee from State Bank of India. However at the end of the year the said OCC Account shows debit balance and hence classified under the Current Assets.

The primary security towards cash credit of Rs. 300 lakhs is hypothecated by first charge of stock, receivables and other assets procured out of bank finance.

Non fund based limit of Rs. 200 lakhs is secured by Omnibus Counter Guarantee

The above said facilities are further secured by the collateral security of a house property owned by Mr. Raman Subba Rao the Managing Director of the Company and secured by Industrial Flat at Electronic City owned by the Company. This is further secured by personal guarantees offered by the Directors of the Company.

The working capital is repayable on demand and subject to review by the Bank once in every 12 months.

Rate of interest on cash credit is @10.65% and Bank shall any time and from time to time be entitled to vary the margin base on Credit Risk Assessment of the borrower and the EBR/MCLR at its discretion.

Margin for non fund based limit of Rs. 200 lakhs towards issue of bank guarantee is 25%

Statements of Stocks / Receivables hypothecated / pledged to the Bank are to be submitted regularly at monthly intervals by the Company

*2 The associate company has availed overdraft facility of Rs. 1,200 Lakhs from Canara Bank with the Outstanding amount of Rs. 1,148.21 Lakhs and the same is hypothecated by first Charge on Book Debts of the Company and pledge fixed Deposits to the Extent of 40% of proposed exposure of Rs.1,200 Lakhs and 10% cut back on every remittance as and when received against total value of OCC/ODBD limit sanctioned of Rs. 1,200.00 Lakh. Further, the same is secured by Corporate Guarantees provided by M/s. Hanuka Technologies solutions Pvt Ltd & M/s. Canary's Automations Pvt Ltd along with personal guarantees of Directors of Company.

*3 The associate company has availed overdraft facility of Rs. 200 Lakhs from Axis Bank with the Outstanding amount of Rs. 127.14 Lakhs and the same is secured by way of Fixed Deposits amounting to Rs.200 Lakhs

2.08	TRADE PAYABLES	31.3.2022	31.3.2021
	Particulars		
	MSME		
	Less than 6 months	668.90	-
	6 months to 1 year		
	1 - 2 years		
	2 - 3 years		
	more than 3 years		
	Others		
	Less than 6 months	787.57	327.13
	6 months to 1 year	1.30	
	1 - 2 years	153.43	81.47
	2 - 3 years	-	-
	more than 3 years		
	Disputed Dues (MSME)		
	Less than 6 months		
	6 months to 1 year		
	1 - 2 years		
	2 - 3 years		
	more than 3 years		
	Disputed Dues (Others)		
	Less than 6 months		
	6 months to 1 year		
	1 - 2 years		
	2 - 3 years		
	more than 3 years		
	Total	1,611.19	408.60
	Bifurcation of trade payable to MSME and other than MSME vendors have been provided only to the extent of information made available in the accounts. Where vendors do not state their status, all those trade payable have been classified under trade payable to other than MSME.		
	Trade payable includes Rs. 162921422 payable to related party i.e Canarys Hanuka Apo Technologies Pvt Ltd.		
2.09	OTHER CURRENT LIABILITIES	31.3.2022	31.3.2021
	Particulars		
	Application money received due for refund and interest thereon	-	-
	Rent deposit	3.30	3.30
	Interest accrued but not due on Borrowings *	12.19	-
	Advance from customers	13.75	2.04
	Long term Debts	-	-
	ESI payable	1.23	0.26
	Provident fund payable	13.48	7.36
	Salaries and Wages payable	207.52	96.29
	TDS payable	128.98	49.81
	Professional tax payable	0.46	0.27
	GST Payable	123.48	54.55
	Other Expenses payable	7.07	4.44
	Total	511.47	218.32
	*Interest payable on corporate loan taken from Hanuka Technologies Pvt Ltd has been classified as interest accrued but not due on borrowings since is the same payable together with the payment of principal to them.		

2.10 SHORT TERM PROVISIONS

Particulars	31.3.2022	31.3.2021
Provision for Employee benefits	0.13	-
Provision for Dividend including DDT	48.64	27.08
Provision for Taxation	153.40	81.71
Provision for Expenses	102.71	-
Gratuity Payable	13.94	12.78
Total	318.82	121.57

Property, Plants & Equipments	31.3.2022	31.3.2021
2.11 Tangible Assets - details in next sheet	88.16	77.38
2.12 Intangible Assets - details in next sheet	0.11	1.98
2.13 Intangible Assets under Development	-	-
Capital Work in Progress	-	-
	-	-
	88.28	79.36

2.14 NON-CURRENT INVESTMENTS
(I) Trade Investments

Particulars	31.3.2022	31.3.2021
Investments in debentures or bonds	-	-
Investments in mutual funds	0.69	107.66
Investment in partnership firms	-	-
Other non-current investments	-	-
Total	0.69	107.66

(II) Other Investments

Particulars	31.3.2022	31.3.2021
Investment in Property	-	-
Investment in Equity Instruments	1.70	1.70
Investment in Preference Shares	-	-
Other non-current investments	-	-
Total	1.70	1.70

2.15 DEFERRED TAX ASSETS (NET)

Particulars	31.3.2022	31.3.2021
Deferred Tax Assets arised during the year	2.10	1.47
Deferred Tax Assets of associate company arised during the year	0.18	-
Total	2.28	1.47

Deferred tax Income of Rs.0.81 lakhs has been Credited to Profit & Loss Account. The details of the deferred tax as on March 31, 2022 have been provided here at the end

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BREAK-UP FOR DEFERRED TAX ASSET/(LIABILITY):

Particulars	Deferred tax Asset/ (Liability)	Deferred tax Asset/ (Liability)
	31.3.2022	31.3.2021
Fixed Assets	(0.01)	1.47
Loss of the year/set off of brought forward losses	-	-
Net Disallowable Expenditure as per the IT Act	2.29	-
Net Deferred Tax Asset/(DTL)	2.28	1.47

2.16 LONG TERM LOANS AND ADVANCES			
(Unsecured and considered good)			
Particulars	31.3.2022	31.3.2021	
Capital Advances	-	-	
Security Deposits	-	-	
Rent deposit	12.00	5.00	
Sales tax deposit	0.01	0.01	
Tax deducted by customers	-	-	
Deposit with BESCO	0.36	0.36	
Telephone deposit	0.24	0.24	
Amount With Revenue Authorities	10.92	-	
Total	23.52	5.61	
2.17 OTHER NON-CURRENT ASSETS			
Particulars	31.3.2022	31.3.2021	
Long term Trade receivables	-	-	
(Unsecured and considered good)	-	-	
Security Deposits	35.10	53.07	
Dues in insurance claims	-	-	
Others	-	-	
	35.10	53.07	
Less : Provision for Doubtful Debts towards EMD Deposits	6.30	-	
Total	28.80	53.07	
2.18 CURRENT INVESTMENTS			
Particulars	31.3.2022	31.3.2021	
Investment in Equity Instruments	-	-	
Other current investments	-	-	
Total	-	-	
2.19 INVENTORIES			
Particulars	31.3.2022	31.3.2021	
Raw Materials	491.60	104.36	
Work-in-progress	13.14	-	
Finished Goods	-	-	
Stock-in-Trade	-	-	
Total	504.74	104.36	
Raw materials on hand at the end of the year has been valued at cost in which GST and other indirect tax paid has been excluded. However, customs duty applicable on import of goods have been included. There were no WIP at the end of the year.			
2.20 TRADE RECEIVABLES			
Particulars	31.3.2022	31.3.2021	
Undisputed Trade receivables considered Good			
Less than 6 months	2,062.49	1,036.30	
6 months to 1 year	298.87	15.85	
1 - 2 years	479.65	1.48	
2 - 3 years	-	-	
more than 3 years	2.23	2.23	
Undisputed Trade receivables considered doubtful			
Less than 6 months	-	-	
6 months to 1 year	-	-	
1 - 2 years	-	-	
2 - 3 years	-	-	
more than 3 years	-	-	
Disputed Trade receivable considered Good			
Less than 6 months	-	-	
6 months to 1 year	-	-	
1 - 2 years	-	-	
2 - 3 years	-	-	
more than 3 years	-	-	
Disputed Trade receivable considered doubtful			
Less than 6 months	-	-	
6 months to 1 year	-	-	
1 - 2 years	-	-	
2 - 3 years	-	-	
more than 3 years	-	-	
Total	2,843.24	1,055.84	
Trade receivable includes Rs. 1,62,00,000 receivable from related party i.e Canarys Hanuka Apo Technologies Pvt Ltd.			

2.21	CASH AND BANK BALANCES	31.3.2022	31.3.2021
Particulars			
Cash and cash equivalents			
Balances with Banks		148.81	88.21
Cash on hand		0.03	0.04
Bank Deposits (less than 3 months)		-	91.35
Other Bank Balances			
Bank Deposits (maturity - more than 3months but less than 12months)		351.72	-
Bank Deposits (maturity - more than 12 months)		622.33	254.90
Interest accrued but not due		2.46	-
Total		1,125.36	434.49
2.22	SHORT TERM LOANS AND ADVANCES	31.3.2022	31.3.2021
Particulars			
Loans and advances to related parties		-	-
GST input credit		128.99	9.93
Tax deducted by customers		219.18	117.06
Service tax input credit		-	-
Other Short term loans and advances		-	-
Total		348.17	126.99
2.23	OTHER CURRENT ASSETS	31.3.2022	31.3.2021
Particulars			
Unamortised premium on Forward contracts		-	-
Prepaid expenses		0.28	-
Advance paid to Creditors		91.06	4.98
Staff Advance		3.32	22.45
Total		94.66	27.42
2.24	REVENUE FROM OPERATIONS	31.3.2022	31.3.2021
Particulars			
Sale of Products		490.00	57.00
Sales of Services - Domestic		3,792.94	1,802.38
Sale of Services - Overseas		1,023.92	683.98
		5,306.87	2,543.36
Less: GST		-	-
		5,306.87	2,543.36
Labour Charges		-	-
Unbilled Revenue		(7.80)	19.06
Other Operating revenues		-	-
Other Financials services		-	-
Total		5,299.07	2,562.42
2.25	OTHER INCOME	31.3.2022	31.3.2021
Particulars			
Interest Income		31.55	7.91
Dividend Income		-	-
Gain/(Loss) on sale of Investments		0.52	2.12
Gain/Loss on sale of assets		(0.30)	-
Transportation received		-	-
Rent received		3.80	3.47
Discount received		-	0.00
Interest on refund		4.17	1.00
Other non operating Income		8.53	2.01
Total		48.26	16.50

2.26 COST OF MATERIALS CONSUMED

Particulars	31.3.2022	31.3.2021
Opening Stock of Raw Materials	104.36	234.27
Add: Purchases	1,752.89	506.46
	1,857.25	740.73
Less: Closing stock of Raw Materials	491.60	104.36
	1,365.65	636.37
Freight Inward	-	1.38
Customs Duty	-	-
Clearing and Forwarding charges	-	0.17
Stores and Consumables	-	-
Total	1,365.65	637.91

- CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

Particulars	31.3.2022	31.3.2021
Inventories (Closing)		
Finished Goods/ Stock-in-Trade	-	-
Stock-in-Process	-	-
Inventories (Opening)		
Finished Goods/ Stock-in-Trade	13.14	-
Stock-in-Process	-	-
Total	13.14	-

2.27 EMPLOYEE BENEFITS EXPENSE

Particulars	31.3.2022	31.3.2021
Salaries and Wages	1,820.06	1,137.29
Contribution to provident and Other Funds	70.83	54.67
Staff Welfare expenses	81.66	12.79
Total	1,972.55	1,204.75

2.28 FINANCE COSTS

Particulars	31.3.2022	31.3.2021
Interest Expense	39.43	0.17
Other Borrowing Costs	6.04	-
Loan Processing Charges	2.84	-
Bank charges	18.76	9.62
Applicable loss on Foreign currency transactions and translation	7.38	6.23
Total	74.46	16.02

2.29	DEPRECIATION AND AMORTISATION EXPENSE		
	Particulars	31.3.2022	31.3.2021
	Depreciation	38.47	35.71
	Amortisation Expenses	-	-
	Impairment of Assets	-	-
	Assets Discarded/Impaired	-	-
	Total	38.47	35.71
2.30	OTHER EXPENSES		
	Particulars	31.3.2022	31.3.2021
	Manufacturing & Software Development Expenses		
	Labour Charges	-	0.48
	Water and Electricity Charges	-	-
	Project Expenses	141.40	41.47
	Professional & Consultancy charges	489.04	98.19
	Selling and Distribution Expenses		
	Trade Discount	1.06	1.04
	Foreign Travel expenses	9.34	8.76
	Advertisement	6.29	
	Business Promotion	4.77	3.22
	Establishment Expenses		
	Professional & Consultancy charges	278.11	98.45
	Audit fee	3.45	1.50
	Agency Charges	-	0.14
	Office Software	5.89	6.51
	Membership Charges	3.17	0.85
	ISO Certification Charges	0.08	0.08
	Water and Electricity Charges	5.84	6.70
	Carriage outwards	0.00	-
	Postage and Courier Charges	4.79	0.62
	Legal Fees	2.45	4.27
	Insurance	2.32	1.04
	Office Expense	11.02	10.14
	Printing and Stationery	1.49	0.76
	Rent - Building	43.25	37.80
	Rent - Laptops	9.17	
	Rates & Taxes	7.87	4.53
	Repairs and Maintenance	0.78	0.35
	Repairs to Building	-	-
	AMC Charges	0.12	0.12
	Repairs to Machinery	-	-
	Boarding and Lodging Expenses	7.50	3.30
	Computer Maintenance	2.53	4.57
	Newspapers and Periodicals	0.05	0.04
	Security and Service Charges	4.04	3.22
	Travelling & Conveyance	31.43	9.70
	Telephone and Broadband Charges	22.65	14.98
	ROC fees and Tender documents	0.46	6.64
	Project charges	-	-
	Vehicle Maintenance	2.55	2.55
	Bad debt	6.30	10.33
	Miscellaneous Expenses	0.11	0.02
	Written off a/c	0.25	0.66
	Taxi Hire charges	4.22	0.15
	Liquidated Damages - Customer	55.87	-
	Rework Charges	39.20	-
	Total	1,208.85	383.17

Auditor's Remuneration:

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
1. Statutory Audit Fees	1.00	1.00
2. Tax Audit Fees	0.70	0.70
3. Other Professional & GST Services	1.75	1.45

These figures exclude applicable GST

2.31 DEFERRED TAX INCOME/(EXPENSE)

Particulars	31.3.2022	31.3.2021
Deferred tax Asset/(liability) - Closing	2.10	1.47
Deferred tax Asset/(liability) - Opening	1.47	(0.30)
Total	0.63	1.77

2.32 EARNINGS PER SHARE

Particulars	31.3.2022	31.3.2021
Basic EPS	2.47	11.66
Diluted EPS	2.47	12.80
Net profit after tax as per Profit and Loss attributable to Equity shareholders	532.54	223.00
Weighted Average number of equity shares used as denominator for calculating basic EPS	204.02	19.13
Weighted Average number of equity shares used as denominator for calculating diluted EPS	1,94,45,628.00	17,42,139.68
Basic Earnings per share (Rs.)	2.47	11.66
Diluted Earnings per share (Rs.)	2.47	12.80
Face Value per equity share (Rs.) Current year Rs. 2 per share (Previous year Rs 10 per share)	2.00	10.00

2.33 EARNINGS IN FOREIGN CURRENCY

Particulars	31.3.2022	31.3.2021
Export of goods	1,023.92	683.98
Equity participation (including Share application money pending allotment, if any)	-	-
Advance received towards future supply	-	-
Total	1,023.92	683.98

2.34 FOREIGN CURRENCY OUTFLOW

Particulars	31.3.2022	31.3.2021
Import of Raw Materials	-	132.18
Travelling Expenses	9.34	8.76
Technical Consultancy	-	-
Subscription of shares in Foreign subsidiary Canarys APAC Pte Ltd, Signapore	5.70	-
Total	15.03	140.94

2.35 EXCHANGE GAIN OR LOSS

A sum of Rs. -7.38 lakhs (net) being exchange fluctuation gain/(loss) calculated as per AS 11 has been credited to Profit & Loss account during the year.

2.36+A67 **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
Canarys Corp, USA	Wholly owned Subsidiary
Canarys APAC Pte Ltd	Wholly owned Subsidiary
Canarys Hanuka Apo Technologies Pvt Ltd	Associate Company

(ii) Transactions during the year with related parties (The Company has identified all related parties and details of transactions are given below:)

Name of the Related Party	Relationship	Nature of transaction	Amount (2021-22)	Amount O/s. 31.3.2022	Amount (2020-21)	Amount O/s. 31.3.2021
Raman SubbaRao M R - Managing Director	Key Managerial Personnel	Managerial Remuneration	45.25	(6.48)	41.04	(4.00)
		Reimbursement of Travel & Other Expenses	2.81	(0.03)	2.98	(0.25)
		Subscription of Shares	9.46	-	8.40	-
		Dividend Paid	4.73	-	4.45	-
Raghu C - Whole Time Director	Key Managerial Personnel	Managerial Remuneration	47.05	(7.97)	41.64	(4.33)
		Reimbursement of Travel & Other Expenses	16.46	(1.63)	6.46	(1.58)
		Subscription of Shares	7.01	-	5.10	-
		Dividend Paid	3.51	-	3.34	-
Arun D K - Whole Time Director	Key Managerial Personnel	Managerial Remuneration	45.25	(7.90)	41.04	(4.47)
		Loan - repayment	-	-	35.00	-
		Dividend Paid	3.37	-	3.20	-
		Subscription of Shares	6.74	-	5.10	-
		Reimbursement of Travel & Other Expenses	2.10	(0.05)	1.60	(0.08)
Sheshadri Y S - Director	Key Managerial Personnel	Managerial Remuneration	64.05	(16.67)	41.11	(4.50)
		Reimbursement of Travel & Other Expenses	3.29	(2.27)	1.93	(0.53)
		Subscription of Shares	4.10	-	9.00	-
		Dividend Paid	0.70	-	0.40	-
Sanjeev Kumar I S - Director	Key Managerial Personnel	Managerial Remuneration	30.25	(1.98)	37.31	(3.30)
		Reimbursement of Travel & Other Expenses	1.69	0.29	2.68	(0.13)
		Subscription of Shares	3.61	-	8.34	-
		Dividend Paid	0.46	-	0.18	-
Pushparaj Shetty	Key Managerial Personnel	Managerial Remuneration	-	-	19.47	-
		Reimbursement of Travel & Other Expenses	-	-	1.01	-
		Dividend Paid	-	-	0.26	-
Canarys APAC Pte Ltd	Wholly owned Subsidiary	Subscription of Shares	5.70	-	-	-
Canarys Hanuka Apo Technologies Pvt Ltd	Associate Company	Subscription of Shares	4.90	-	-	-
		Purchase of Goods (excluding taxes)	2,007.76	(1,629.21)	-	-
		Sale of Services (excluding taxes)	150.00	162.00	-	-

2.37	CONTINGENT LIABILITIES AND COMMITMENTS
	<p>The total outstanding bank guarantee issued by the company at the end of the year was Rs. 540.03 lakhs. The details of BG are as follows:</p>
	<p>a. Rs. 510.04 lakhs was issued by State Bank of India favour of various customers are outstanding at th end of the year.</p>
	<p>b. Rs. of Rs. 29.99 lakhs was issued by Canara Bank in favour of various customers & Customs and Central Excise/Tax Department are outstanding at the end of the year.</p>
	<p>c. The company has given corporate gurantee of Rs 1200.00 lakhs in favour of its subsidiary i.e. Canarys Hanuka Apo Technologies Pvt Ltd for availing any credit by way of Loans, overdraft, discount of Bills from their banker.</p>
2.38	<p>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 .</p>
2.39	TRADE RECEIVABLE
	<p>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. The agewise details were given elsewhere in this financial statement.</p>
2.40	TRADE PAYABLE
	<p>The amount due on account of goods purchased or services received in the normal course of business have been classified as 'trade payable'. Wherever suppliers have provided the information about their status about MSME, the same has been classified under 'trade payable' to MSME. Wherever suppliers have not provided their status to the Company, all those trade payable has been classified and included under 'trade payable to others' during the year.The agewise details were given elsewhere in this financial statement.</p>
2.41	SECURED & UNSECURED LOAN
	<p>The company has obtained the secured loan from State bank of India during the year and the details were provided in note no.2.7 of this financial statement</p>
	<p>The company has obtained unsecured loan from a corporate as per sec 186(2) of the Companies Act, 2013 and the details have been provided in note no.2.3 of this financial statement</p>
2.42	INVESTMENTS
	<p>All the investments in equity instruments & mutual fund are appearing at the cost of acquisition of such investments</p>
2.43	DEPOSITS AGAINST BANK GUARANTEE
	<p>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</p>
2.44	Prior period income & expenditure:
	<p>There are no prior period expenses nor income during the year.</p>
2.45	<p>There are no capital commitment during the year</p>
2.46	<p>Ratios - Please refer Annexure to note no. 2.46 attached in this respect.</p>

2.47 **Consumption of raw materials and spare parts**

Particulars	2021-22	2020-21
Materials wise		
1. Meteorological items	513.13	113.97
2. Integrated Water Management System	673.26	-
3. Hydrology meteorological instruments	22.19	201.29
4. Solar Charge controller	5.65	3.26
5. Control Panel Assembly	6.64	-
6. Other Spares & civil works	40.43	57.31
7. Water Flow measurement system	104.36	262.08
Total	1,365.65	637.91

2.48 **Value of Raw Materials Consumed during the period**

Particulars	2021-22	2020-21
Imported	104.36	262.08
Indigenous	1,261.29	375.83
Total	1,365.65	637.91

2.49 Trade receivable, Trade payables, Loan and advances shown in the Balances Sheet are subject to confirmation.

2.50 **Disclosure required under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:**

Particulars	2,022.00	2,021.00
i) Principal Amount Due	-	-
Interest due thereon remaining unpaid as at the end of the year	-	-
ii) The Amount of Interest paid in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-
iii) Amount of Delayed Payments made to Suppliers	-	-
Interest due and payable for the period of delay in making payment	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-
Interest remaining due and payable in succeeding years	-	-

There were no dues to MSME beyond stipulated period and as such, there is nothing to be reported under Sec 22 of the MSME Act, 2006

2.51 **Undisclosed Income: Nil**

2.52 **Willful Defaulter:** The Company has not declared as defaulter by any Banks/Financial Institutions.

2.53 **Transactions with Struck off Companies:** The Company has not entered into any transactions with Struck off Companies

2.54 **Scheme of Arrangement:** The Company has not approved any scheme of Arrangements.

2.55 **Employee Benefits:**
Defined Benefit Plans:
a. Gratuity:

The company has a defined gratuity plan and has obtained a policy from Life Insurance Corporation of India and remitting the dues regularly since few years. The company is contributing the yearly gratuity payable to LIC of India towards such policy and the accumulated fund balance as on the reporting date is Rs. 135.58 lakhs as per the gratuity policy scheme sent by LIC of India. During the year, company has provided a sum of Rs. 11.92 lakhs towards gratuity payable. The balance payable towards the said policy to LIC of India at the end of the year is Rs. 13.94 lakhs.

b. Leave Encashment

The company does not have leave encashment policy and as such no amount has been provided in the book of accounts during the year.

2.56 **Details of Loans & Advances to Directors/KMP/Related Parties**

Type of Borrower	Repayable on Demand		Without specifying terms	
	% of Loan	Amount of Loan Outstanding	% of Loan	Amount of Loan Outstanding
Promoters				
Directors				
KMPs	NIL	NIL	NIL	NIL
Related Parties				
Total				

2.57 **Details of Benami Property (if any) : Nil**

2.58 **Charge Details:** Details of Registration or satisfaction of charge not registered with ROC: **Nil**

2.59 **Details of immovable property not held in company name (other than lease where company is lessee): Nil**

2.60 **Borrowings from Banks & Financial institutions**

a) i) Whether the Company has submitted the Return of Book debts to the Banks/Financial Institutions - **Yes**

ii) Whether the returns filed are in Agreement with Books of Accounts - **Yes except as disclosed below (to be obtained from Canarys and should be reported)**

Particulars	Reasons for Mismatch	Amount As per Books	Amount As per Statement	Diff	Bank Name
Statement of Book Debts as 30/06/2021	Effect of Exchange fluctuation	1,152.63	1,156.48	(3.86)	State Bank of India
Statement of Book Debts as 30/07/2021	Effect of Exchange fluctuation	1,174.74	1,181.94	(7.20)	State Bank of India
Statement of Book Debts as 31/08/2021	Effect of Exchange fluctuation	1,195.59	1,189.84	5.75	State Bank of India
Statement of Book Debts as 30/09/2021	Clerical & copying error	1,307.43	1,115.00	192.43	State Bank of India
Statement of Book Debts as 31/10/2021	Clerical & copying error	1,228.83	1,280.71	(51.88)	State Bank of India
Statement of Book Debts as 30/11/2021	Clerical & copying error	1,513.45	1,533.56	(20.11)	State Bank of India
Statement of Book Debts as 31/12/2021	Clerical & copying error	1,824.99	1,856.36	(31.36)	State Bank of India
Statement of Book Debts as 31/01/2022	Clerical & copying error	2,236.04	2,266.84	(30.80)	State Bank of India
Statement of Book Debts as 28/02/2022	Clerical & copying error	2,607.99	2,640.28	(32.29)	State Bank of India
Statement of Book Debts as 31/03/2022	Clerical & copying error	3,068.20	3,109.61	(41.40)	State Bank of India

b) The Company has used the funds borrowed from the Bank for the purpose for which the same is obtained. And the share premium which company has collected has been used for working capital.

2.61 **Details of crypto currency or virtual currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

2.62 **Corporate social responsibility**

CSR is not applicable till the financial year 2020-21. CSR which is applicable for the FY 2021-22 on certain criteria would be reserved and would be spent based on the decision taken by the CSR Committee during the current financial year.

2.63 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

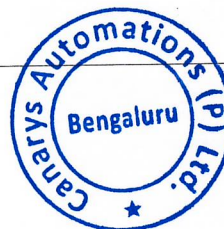
(Ramakrishna T. Hegde)
Proprietor
Membership No. 029157
UDIN : 22029157ASOIZA9478
Place: Bengaluru
Date : 8th September, 2022



for and on behalf of the Board


(Raman SubbaRao M R)
Managing Director
Din: 00176920


(Sheshadri Y S)
Director & CEO
DIN: 03367545



Sub Schedule to Note 2.46

Particulars	2021-22	2020-21	% of Change	Reasons for changes more than 25%
Current Ratio= Current Assets/Current Liabilities	1.53	2.34	34.73%	Due to increase in turnover, the payable also increased in corresponding to long outstanding dues receivable from government in respect of telemetry division.
Current Assets	4,916.16	1,749.11		
Inventory	504.74	104.36		
Trade Receivables	2,843.24	1,055.84		
Cash and Cash Equivalents	1,125.36	434.49		
Short-term Loans and Advances	348.17	126.99		
Other Current Assets	94.66	27.42		
Current Liabilities	3,223.20	748.50		
Short-term Borrowings	781.72	-		
Trade Payables	1,611.19	408.60		
Other Current Liabilities	511.47	218.32		
Short-term Provisions	318.82	121.57		
Debt-Equity Ratio = Total Debt/ Total Shareholders Equity	0.08	-	0.00%	
Debt	90.86	-		
Equity	1,084.30	695.34		
Equity Share Capital	408.04	191.27		
Free Reserves				
General Reserve	12.27	12.27		
Securities Premium Reserve	86.35	60.85		
Profit & Loss c/f	577.64	430.95		
Debt Service Coverage Ratio= EBDIT/Interest	19.74	NA	0.00%	There were no borrowings in the FY 2020-21 and hence figures were not provided in the previous year column.
EBDIT	778.40			
Interest	39.43			
Return on Equity Ratio= Net Earnings/ Shareholders equity	49.11%	32.07%	17.04%	Due to covid cost of executing the project was high when compared to the others years which was normal and further, the %age of profit varies from project to project is also the other reasons.
Net Earnings	532.54	223.00		
Shareholders equity	1,084.30	695.34		
Inventory turnover ratio = Cost of Goods Sold/ Average Inventory	5.88	2.99	96.66%	This is due to drastic increase in telemetry turnover during the year 2021-22 when compared to the FY 2020-21 where revenue from software business was major turnover which does not require holding of inventory
Cost of Goods Sold	1,752.89	506.46		
Average Inventory				
Average Inventory = (Opening Inventory + Closing Inventory)/2	297.98	169.31		
Opening Inventory	104.36	234.27		
Closing Inventory	491.60	104.36		
Trade Receivables turnover ratio = Net Credit Sales/Average Accounts Receivable	134.28	100.60	33.49%	The dues receivable from Government project varies from 6 months to two years which has affected the increase in trade receivable turnover ratio
Net Credit Sales	5,299.07	2,562.42		
Average accounts receivable	1,949.54	706.23		
Opening Accounts Receivables	1,055.84	356.62		
Closing Accounts Receivables	2,843.24	1,055.84		
Trade payables turnover ratio= Net Credit Purchases/Average Accounts Payables	210.29	266.72	21.16%	NA
Net Credit Purchases	1,752.89	506.46		
Average accounts Payable	1,009.90	370.09		
Opening Accounts Payable	408.60	331.58		
Closing Accounts Payable	1,611.19	408.60		
Net capital turnover ratio	3.93	5.12	23.18%	NA
Turnover	5,299.07	2,562.42		
Average Net Working Capital	1,346.78	500.30		
Opening Net Working Capital	1,000.61	-		
Closing Net Working Capital	1,692.96	1,000.61		
Net profit ratio= Net profit/ Revenue x 100	10.05%	8.70%	15.48%	NA
Net Profit	532.54	223.00		
Turnover	5,299.07	2,562.42		
Return on Capital employed = EBIT/Capital Employed	62.96%	43.36%	45.20%	The turnover has increased two fold and it is also due to increase in profit and increase in share capital during 2021-22 over the previous year.
EBIT	739.93	301.53		
Capital Employed	1,175.16	695.34		
Return on investment = Net profit/ Net share Capital	57.38%	31.35%	83.03%	The turnover and profit after tax has increased almost more than 100% which has helped the company in case of return on investment.
Net profit	532.54	223.00		
Net Share Capital	928.04	711.27		

Canarys Automations Private Limited
Notes to Financial Statements for the year ending 31st March, 2022

2.11. Property, plant and equipment											Rs in lakhs	
Particulars	Estimate d useful life	Gross Carrying Value				Accumulated depreciation				Net Carrying Value		
		As at 1st April 2021	Additions	Deletions / Adjustments	As at 31st March 2022	As at 1st April 2021	For the year	Deletions / Adjustments	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021	
Tangible assets:												
Factory Building	60	9.81	-	-	9.81	8.07	0.06	-	8.13	1.68	1.74	
Vehicles	8	47.53	-	-	47.53	39.93	1.88	-	41.81	5.72	7.60	
Office Equipment	5	42.12	2.82	-	44.94	36.04	2.71	-	38.75	6.18	6.08	
Electrical Fittings	10	9.21	-	-	9.21	7.19	0.50	-	7.69	1.52	2.02	
Furniture	10	77.73	-	-	77.73	62.23	3.43	-	65.66	12.07	15.51	
Computers	5	228.94	43.65	0.69	271.91	184.51	28.90	-	213.40	58.50	44.43	
Computers - CHAT's 49%	3	-	2.94	-	2.94	-	0.47	-	0.47	2.48	-	
TOTAL (A)		415.34	49.42	0.69	464.07	337.96	37.95	-	375.91	88.16	77.38	
Capital work-in- progress (B)		-	-	-	-	-	-	-	-	-	-	
Grand Total (A+B)		415.34	49.42	0.69	464.07	337.96	37.95	-	375.91	88.16	77.38	
Previous Year		397.28	18.06	-	415.34	303.66	34.31	-	337.96	77.38	93.62	
2.12 Intangible asset - acquired												
Particulars	Estimate d Useful Life	ORIGINAL COST				AMORTISATION				CARRYING VALUE		
		As at 1st April 2021	Additions	Deletions / Adjustments	As at 31st March 2022	As at 1st April 2021	For the year	Deletions / Adjustments	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021	
Software	3	5.17	-	3.42	1.75	3.19	0.52	2.07	1.64	0.11	1.98	
TOTAL (C)		5.17	-	3.42	1.75	3.19	0.52	2.07	1.64	0.11	1.98	
Previous Year		9.31	-	4.14	5.17	5.93	1.40	4.14	3.19	1.98	3.38	
2.13 Intangible asset - development												
Particulars	Estimate d Useful Life	ORIGINAL COST				AMORTISATION				CARRYING VALUE		
		As at 1st April 2021	Additions	Deletions	As at 31st March 2022	As at 1st April 2021	For the period	Deletions including assets impaired	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021	
Intangible assets											-	
TOTAL (D)		-	-	-	-	-	-		-	-	-	
Previous Year		-		-	-	-	-		-	-	-	
Grand Total (A +B+C+D)												
		420.51	49.42	4.11	465.82	341.16	38.47	2.07	377.55	88.28	79.36	
Previous Year		406.59	18.06	4.14	420.51	309.58	35.71	4.14	341.16	79.36	97.01	

