



**Canarys Automations Limited**  
**(Formerly known as: Canarys Automations Private Limited)**  
**# 566 & 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd**  
**Stage, Bengaluru - 560 085**  
**CIN: U31101KA1991PLC012096**

**Standalone Financial Statements**  
**2022-23**

**SURESH & CO.**  
**Chartered Accountants**

‘SRINIDHI’, #43/61, 1st Floor,  
Surveyors Street, Basavanagudi,  
Bengaluru - 560 004

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**INDEPENDENT AUDITOR’S REPORT**

**To the Members of Canarys Automations Limited (formerly known as Canarys Automations Private limited)**

**Report on the Audit of Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **Canarys Automations Limited (formerly known as Canarys Automations Private limited)** (“the Company”) which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Standalone Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the **Companies Act, 2013 (“the Act”)** in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules issued 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Director’s Report including Annexures to the Director’s Report but does not include the Financial Statements and our auditor’s report thereon.



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Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Standalone 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 Companies (Accounting Standards) Rules, 2021 specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

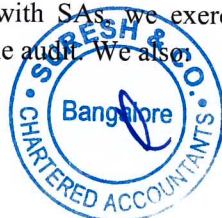
In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 Standalone Financial Statements.

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





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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.





**Other Matters**

The financial statements of the company for the year ended March 31, 2022, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on September 08, 2022. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the "Annexure A" to the Independent Auditor's Report, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules, as amended;
- e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls as required under Clause (i) of Sub-section 3 of section 143 of the Act, refer to our separate Report in "Annexure B" to the Independent Auditor's Report.
- g. In our opinion and to the best of our information and according to the explanations given to us, as on 31 March 2023, the Company being a Private Limited Company, Section 197 read with Schedule V to the Act related to the managerial remuneration is not applicable to the Company.



(B) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- a. The company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 28
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There is no amount 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, 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 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, 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 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 such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.
- e. The final dividend proposed for the equity shareholders in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.



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- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**for SURESH & CO.**

Chartered Accountants

Firm Registration No.: 0042555



**Udupi Vikram**

Partner

Membership No.: 227984

Bengaluru

August 11, 2023

UDIN: 23227984BGQSK1268



**“Annexure A” to the Independent Auditor’s Report**

The Annexure referred to in our Independent Auditor’s Report to the members of the Company on the Standalone Financial Statement for the year ended March 31, 2023

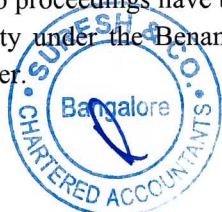
In terms of information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. In respect of the Company’s Property, Plant & Equipment and Intangible Assets:
- a) (i) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.  
(ii) The company has maintained proper records showing full particulars of Intangible Assets.
- b) The Property, Plant & Equipment have been physically verified by the management in a phased and periodical manner. Based on the test checks performed by us there are no material discrepancies noted.
- c) The company has an immovable property which is the building and the same is recognised as investment property as per Accounting Standards 13, Accounting for Investments.

<b>Description of the Property</b>	<b>Gross Carrying Value as at 31st March 2023</b>	<b>Carrying Value in the financial statements as at 31st March 2023</b>	<b>Held in the name of</b>	<b>Whether promoter, directors or their relative or employee</b>	<b>Period held - indicate range, where appropriate</b>	<b>Reason for not being held in the name of Company, also indicate if in dispute</b>
Factory Building KSSIDC Complex, Electronic City, Bengaluru	9,81,210	9,81,210	Canarys Automations Limited <i>(formerly known as Canarys Automations Private limited)</i>	No	30 years	Not applicable

d) The Company has not revalued its Property, Plant & Equipment and intangible assets or both during the year.

e) There are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



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ii. In respect of the Company's inventories or working capital:

- a) The inventory has been physically verified by the management in a phased and periodical manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of the business. As explained to us, no material discrepancies of more than 10% are noted on such verification.
- b) The company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions during any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

iii. a) During the year, the Company has provided following to other parties as follows:

To Subsidiaries, Joint Venture, Associates		
Nature	Aggregate Amount during the year	Balance Outstanding as on 31st March 2023
Corporate Guarantee extended on behalf of <i>Canarys Hanuka Apo Technologies Private Limited, an associate company.</i>	Rs. 12 Crore	Rs. 12 Crore

Other than the above, during the year, the company has not provided loans, advances in the nature of loans, stood guarantees and provided securities to companies, firms, LLP or any other parties.

b) 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.

Other than the above, during the year, the company has not provided loans, advances in the nature of loans, stood guarantees and provided securities to companies, firms, LLP or any other parties.

c) Since company has not granted any loans & advances to any other party including its subsidiaries and associate company, reporting under clause 3(iii)(c)(d)(e)(f) of the Order is not applicable to the Company.

iv. The Company has provided corporate guarantee to the entity as mentioned in (iii) above. Further, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in relation to investments and providing corporate guarantees.

v. The Company has neither accepted any deposits from the public, nor accepted any amounts which are deemed to be deposits within in the meaning of sections 73 to 76 of the Companies Act and the rules made thereon, to the extent applicable. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.



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vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for business activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

vii. (a) The Company is generally regular in depositing the amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, GST and other material statutory dues with appropriate authorities during the year.

(b) There were no undisputed amounts payable in respect of provident fund, income tax, GST and other material statutory dues in arrears as at March 31, 2023 for the period of more than six months from the date they became payable except for the below:

Name of Statue	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

viii. The company has not surrendered or disclosed any transactions, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lenders.

(b)The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c)The Company has not taken any term loan during the year, and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the company, no funds raised on a short-term basis have been utilised for the long-term purposes of the company.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures. Accordingly, reporting under clause 3(ix)(e) of the order is not applicable.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures. Accordingly, reporting under clause 3(ix)(f) of the order is not applicable.





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- x. a) The Company has not raised any money by way of initial public offer and further public offer (including debt instruments). Accordingly, reporting under clause 3(x)(a) of the order is not applicable.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) during the year under audit. Accordingly, reporting under clause 3(x)(b) of the order is not applicable.
- xi. Based on the test checks conducted by us and carried out in accordance with the generally accepted auditing procedures:
- a) No material fraud by the Company or on the Company has been noticed or reported during the year.
- b) No Report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.
- c) Establishment of vigil mechanism is not mandated for the Company as on 31 March 2023. Accordingly, clause 3(xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company as per the provisions of Companies Act, 2013. Accordingly, paragraph 3(xii)(a), (b)& (c) of the Order is not applicable to the Company.
- xiii. Based on our examination of the records of the Company:
- a) Provisions of Sections 177 of the Act are not applicable to the company during the period under audit.
- b) The Company has complied with the provisions of Section 188 of the Act, wherever applicable, for transactions with the related parties.
- c) Details of related party transactions have been disclosed in the Standalone financial statements as required by the applicable Accounting Standards.
- xiv. Internal audit is not applicable to the company as on 31 March 2023 as per provisions of the Companies Act 2013. Accordingly, paragraph 3(xiv) (a) & (b) of the Order is not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with directors or persons connected with its directors and hence provisions of section 192 of the Act are not applicable to the Company. Accordingly, paragraph 3(xv) of the Order is 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) of the Order is not applicable.



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

c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

d) The company is not part of "Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The company has incurred cash losses from operating activities during the current financial year and not in the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors during the year and there have been no issues, objections or concerns raised by the outgoing auditors.

xix. On the basis of the financial ratios (note 41 to the Standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements and 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 indicating that 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. There is no unspent amount which is required to be transferred either to a fund or a special account as specified in section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) & (b) of the Order is not applicable.

xxi. The requirement of clause 3(xxi) is not applicable in respect of standalone financial statements.

**for SURESH & CO.**

Chartered Accountants

Firm Registration Number: 004255S



**Udupi Vikram**

Partner

Membership Number: 227984

Bengaluru

August 11, 2023

UDIN: 23227984BGQSK1268



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**“Annexure – B” to the Independent Auditors’ Report**

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

We have audited the internal financial controls over financial reporting of **Canarys Automations Limited (formerly known as Canarys Automations Private limited)** (“the Company”) as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

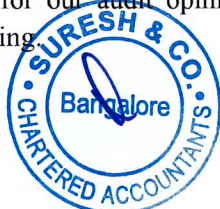
**Management’s responsibility for internal financial controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 and presentation of reliable financial information, as required under the Companies Act, 2013. (“the Act”).

**Auditors’ responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 Company’s internal financial controls system over financial reporting.





**Meaning of internal financial controls over financial reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, based on the test checks conducted by 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, 2023, 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 issued by the ICAI.

for **SURESH & CO.**

Chartered Accountants

Firm Registration Number: 004255S



**Udipi Vikram**

Partner

Membership Number: 227984

Bengaluru

August 11, 2023

UDIN: 23227984BGQSJK1268



**Canarys Automations Limited****(Formerly known as: Canarys Automations Private Limited)**

# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

**Standalone Balance Sheet as at March 31, 2023****(Amount in Rs. Lakhs)**

Particulars	Note no.	As at March 31, 2023	As at March 31, 2022
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' funds</b>			
a) Share capital	2	928.04	928.04
b) Reserves and surplus	3	1,550.98	689.37
<b>2) Non - current liabilities</b>			
a) Deferred tax liability		11.24	(2.10)
b) Other long -term liabilities	5	3.30	3.30
c) Long term provisions	6	24.55	-
<b>3) Current liabilities</b>			
a) Short term borrowings	7	400.89	97.61
b) Trade payables	8		
- Dues to micro enterprises and small enterprises		1,413.20	1,629.21
- Due to creditors other than micro and small enterprises		368.97	300.21
c) Other current liabilities	9	554.42	491.21
d) Short-term provisions	10	334.24	209.48
<b>TOTAL</b>		<b>5,589.83</b>	<b>4,346.33</b>
<b>II. ASSETS</b>			
<b>1) Non-current Assets</b>			
a) Property, Plant and Equipment and Intangible assets			
i) Property, Plant and Equipment	11	84.04	85.69
ii) Intangible assets		3.27	0.11
b) Non-current investments	12	158.77	38.82
c) Long-term loans and advances	13	12.61	12.61
d) Other non current assets	14	139.95	484.50
<b>2) Current Assets</b>			
a) Inventories	15	272.07	458.88
b) Trade receivables	16	4,209.66	2,633.33
c) Cash and bank balances	17	102.15	190.27
d) Short-term loans and advances	18	491.96	328.31
e) Other current assets	19	115.35	113.81
<b>TOTAL</b>		<b>5,589.83</b>	<b>4,346.33</b>

**Significant accounting policies**

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The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even dated attached

**for SURESH & CO.**

Chartered Accountants

Firm Registration Number: 004255S

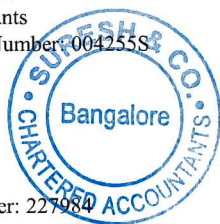
**Udupi Vikram**

Partner

Membership Number: 227984

Bengaluru

11 August 2023

for and on behalf of the Board of Directors of  
**Canarys Automations Limited****Raman SubbaRao M R**

Managing Director

DIN:00176920

Bengaluru

11 August 2023

**Sheshadri Y S**

Director &amp; CEO

DIN: 03367545

Bengaluru

11 August 2023

**Raghu C**

Director &amp; CFO

DIN: 01065269

Bengaluru

11 August 2023

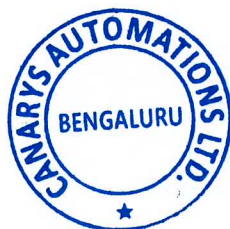
**Nagashree Hegde**

Company Secretary

M. No.: A66166

Bengaluru

11 August 2023



**Canarys Automations Limited****(Formerly known as: Canarys Automations Private Limited)**

# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

**Standalone Statement of Profit and Loss for the year ended March 31, 2023 (Amount in Rs. Lakhs)**

Particulars	Note no.	Year ended March 31, 2023	Year ended March 31, 2022
<b>I. Income</b>			
a) Revenue from operations	20	7,372.56	5,180.36
b) Other income	21	83.14	43.60
<b>Total Revenue</b>		<b>7,455.70</b>	<b>5,223.95</b>
<b>II. Expenses</b>			
a) Purchases	22	1,987.69	2,252.52
b) (Increase)/decrease in inventory	23	186.81	(354.52)
c) Employee benefits expenses	24	2,963.80	1,950.58
d) Finance costs	25	31.87	42.21
e) Depreciation and amortization expenses	11	38.31	38.00
f) Other expenses	26	978.19	718.18
<b>Total Expenses</b>		<b>6,186.67</b>	<b>4,646.98</b>
<b>III. Profit/(loss) before exceptional items and tax (I-II)</b>		<b>1,269.03</b>	<b>576.97</b>
<b>IV. Exceptional items</b>		-	-
<b>V. Profit/(loss) before tax (I-II)</b>		<b>1,269.03</b>	<b>576.97</b>
<b>VI. Tax expenses</b>			
a) Current tax		326.46	146.90
b) Deferred Tax		4.49	(0.63)
c) Income Tax - Previous year		-	(0.01)
<b>VII. Profit/(loss) for the year (III-IV)</b>		<b>938.09</b>	<b>430.71</b>
<b>Earnings per share : (Basic and diluted)</b>			
Basic		4.34	1.95
Diluted		4.34	1.95

**Significant accounting policies**

1

The accompanying notes form an integral part of the Standalone Financial Statements

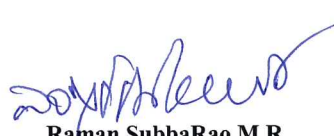
As per our report of even dated attached  
for **SURESH & CO.**

Chartered Accountants


Firm registration number: 004255S


  
**Udupi Vikram**  
 Partner  
 Membership Number: 227984  
 Bengaluru  
 11 August 2023

for and on behalf of the Board of Directors of  
**Canarys Automations Limited**

  
**Raman Subba Rao M R**  
 Managing Director  
 DIN: 00176920  
 Bengaluru  
 11 August 2023

  
**Sheshadri Y S**  
 Director & CEO  
 DIN: 03367545  
 Bengaluru  
 11 August 2023

  
**Raghu C**  
 Director & CFO  
 DIN: 01065269  
 Bengaluru  
 11 August 2023

  
**Nagashree Hegde**  
 Company Secretary  
 M. No.: A66166  
 Bengaluru  
 11 August 2023





**Canarys Automations Limited**  
**(Formerly known as: Canarys Automations Private Limited)**  
 # 566 & 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085  
 CIN: U31101KA1991PLC012096

**Standalone Statement of Cash flow for the year ended March 31, 2023** (Amount in Rs. Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(A) Cash Flows from Operating Activities</b>		
Net Profit/(loss) before tax and extraordinary items	1,269.03	576.97
<b>Adjustments For :</b>		
Depreciation	38.31	38.00
Gain/Loss on sale of Investments	0.37	0.52
Provision for deferred tax	13.34	(0.63)
Adjustment in respect of Depreciation	-	(1.34)
Loss on sale of assets	(13.33)	(0.30)
Dividend / Interest income	15.03	26.75
<b>Operating Profit before Working Capital change</b>	<b>1,322.75</b>	<b>639.97</b>
(Increase) / Decrease in Trade receivables	(1,576.32)	(1,580.14)
(Increase) / Decrease in Inventory	186.81	(354.52)
(Increase) / Decrease in Loans and advances	(163.63)	(180.80)
(Increase) / Decrease in Other Current Assets	(1.53)	(57.06)
Increase / (Decrease) in Trade Payables	(147.27)	1,520.83
Increase / (Decrease) in Provisions	149.31	87.90
Increase / (Decrease) in Other Current Liabilities	63.20	276.19
<b>Cash Generated from/ (used in) Operating Activities</b>	<b>(166.68)</b>	<b>352.36</b>
Less: Income taxes paid	(330.95)	(146.26)
<b>Net cash from / (used in) Operating Activities</b>	<b>(497.62)</b>	<b>206.10</b>
<b>(B) Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(26.49)	(44.14)
Changes in Non-current Investments	(135.35)	69.10
<b>Net cash from / (used in) Investing Activities</b>	<b>(162.00)</b>	<b>25.00</b>
<b>(C) Cash flows from Financing Activities</b>		
Issue of Share Capital/Share application money received	-	12.75
Premium received during the year	-	25.50
Net Proceeds from borrowings	303.28	97.61
Less: Dividend paid	(76.48)	(76.48)
<b>Net cash from / (used in) Financing Activities</b>	<b>226.80</b>	<b>59.38</b>
(D) Total Increase/(Decrease) in Cash & Cash Equivalents	(432.66)	290.44
(E) Cash & Cash Equivalents at beginning of the year	674.77	384.32
<b>(F) Closing cash/ Bank balance</b>	<b>242.10</b>	<b>674.77</b>

**Notes to Cash Flow Statement**

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

**Cash and bank balances**

a) Cash on hand	0.04	0.01
b) Balance with banks		
-In current accounts	36.42	137.43
-In Fixed deposits	205.64	537.32
	<b>242.10</b>	<b>674.77</b>

As per our report of even date attached  
**for SURESH & CO.**  
 Chartered Accountants  
 FBN: 0042555



**Udupi Vikram**  
 Partner  
 Membership Number: 227984  
 Bengaluru  
 August 11, 2023

for and on behalf of the Board of Directors of  
**Canarys Automations Limited**

**Raman Subba Rao M R**  
 Managing Director  
 DIN: 00176920  
 Bengaluru  
 August 11, 2023

**Raghu C**  
 Director & CFO  
 DIN: 01065269  
 Bengaluru  
 August 11, 2023

**Sheshadri Y S**  
 Director & CEO  
 DIN: 03367545  
 Bengaluru  
 August 11, 2023

**Nagashree Hegde**  
 Company Secretary  
 M. No.: A66166  
 Bengaluru  
 August 11, 2023



**Canarys Automations Limited****(Formerly known as: Canarys Automations Private Limited)**

# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

**Notes forming part of Standalone financial statements for the year ended March 31, 2023****Company Overview**

Canarys Automations Limited (previously known as Canarys Automation Private Limited) was incorporated on 1st July, 1991 to carry on the business of Software and Hardware development and maintenance and Consultancy Services and the training of personnel in Software & Hardware and operation of the Electronic Equipments. The company also undertakes execution of Integrated Water Management System turnkey projects on turnkey basis.

**1. Significant accounting policies****1.01 Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') under the historical cost convention on the accrual basis. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder and other pronouncements of Institute of Chartered Accountants of India (ICAI). Accounting policies have been consistently applied except where a newly issued accounting standard initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**1.02 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.

Accounting estimates could change from period to period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future years and if material, their effects are disclosed in the notes to the financial statements.

**1.03 Current and Non Current Classification****Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realised within 12 months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current

**Canarys Automations Limited****(Formerly known as: Canarys Automations Private Limited)**

# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

**Notes forming part of Standalone financial statements for the year ended March 31, 2023****Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date;
- d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

**1.04 Operating cycle**

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.

**1.05 Revenue from operations:**

- (a) Income and Expenditure are accounted on going concern basis.
- (b) 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.
- (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.

**1.06 Property, Plant and Equipment, Intangible Assets, Capital Work in Progress & Intangible assets under development**

- (a) Property, Plant and Equipment are stated at their original cost of acquisition or construction less accumulated depreciation/amortization. Costs include all expenses incurred to bring the assets to its working condition for its intended use. Subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets concerned is capitalized if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance. Interest on borrowings attributable to qualifying assets are capitalized and included in the cost of property, plant and equipment as appropriate.



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CIN: U31101KA1991PLC012096

**Notes forming part of Standalone financial statements for the year ended March 31, 2023**

(b) 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.

**1.07 Depreciation/Amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. 5% of the cost of acquisition of the assets has been taken as the residual value of assets.

Depreciation on tangible assets is provided on written down value method over the estimated useful life of the assets using the indicative useful life as prescribed under Schedule II to the Companies Act, 2013. The Company has used the following useful life to provide depreciation on property, plant and equipment:

Asset Category	Useful Life (in years)
Computer equipment's	5
Computer equipment's	6
Motor vehicles	8
Furniture and fittings	10
Office equipment's	5
Software	1-3

Intangible assets are amortised over the estimated period of economic benefits on a straight line basis, commencing from the date the assets are available to the Company for its use.

**1.08 Impairment of Assets**

The Company periodically assesses whether there is any indication that an asset may be impaired. If any indication exists, the Company estimates the recoverable amount of the asset and if such recoverable of the asset is less than carrying cost of the asset, then the carrying amount is reduced to its recoverable amount. The deduction is treated as an impairment loss and is recognised in profit and loss account.

If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised.

Due consideration is given at the balance sheet date to determine whether there is any indication of impairment of the company's assets as defined in Accounting Standard 28 – "Impairment of Assets" issued by the Institute of Chartered Accountants of India and the management is of the opinion that none of the property, plant and equipment were impaired as at the date of the Balance sheet.

**1.09 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.

**Canarys Automations Limited**

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**Notes forming part of Standalone financial statements for the year ended March 31, 2023**

**1.10 Investments**

Non - current Investments are valued at cost. Provision for diminution in the value is made to recognize a decline, other than temporary, in the value of long-term investments.

Current investments are valued at cost or market value, whichever is less.

**1.11 Employee Benefits**

**Defined benefit plans**

The company has recognized the gratuity payable in the books of accounts based on the Certificates of Actuarial Valuation received from the LIC.

*(i) Short term employee benefit:*

Employee benefits payable wholly within twelve months of receiving employee services 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.

**Defined contribution plan**

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.

**1.12 Borrowing Costs**

Borrowing Costs that are attributable and exclusively relating to the acquisition, construction of the qualifying assets are capitalized as part of cost of such assets up to the date the assets are ready for its intended use. All other borrowing costs are recognized as an expense in the year in which they are incurred.

**1.13 Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis.

**1.14 Foreign Currency transactions**

Transactions in foreign currency are recognized at the rates of exchange prevailing on the dates of the transactions.

Exchange differences arising on foreign exchange transactions settled during the year are recognised in profit and loss for the year.

All other monetary assets and liabilities denominated in foreign currency are restated at the rates ruling at the year end and all exchange gains/ losses arising there from are adjusted to the Profit and Losses Account.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of fixed asset are capitalized and depreciated over the remaining useful life of the asset.

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CIN: U31101KA1991PLC012096

**Notes forming part of Standalone financial statements for the year ended March 31, 2023****1.15 Earnings per share**

The basic earnings per share is computed by dividing the net profit/loss after tax available to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

**1.16 Income tax**

Tax expense comprises of both current and deferred taxes, Provision for current taxes is made at the current tax rates. Based on the assessable income after considering tax allowances and exemptions it terms with the applicable Income Computation Disclosure Standards (ICDS). Deferred income taxes reflects the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred taxes is measured based on the tax rates and the tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Unrecognized deferred tax asset of earlier years are reassessed and recognized to the extent that it has become reasonable certain that future taxable income will be available against which such deferred tax asset can be realised.

**1.17 Leases**

Assets acquired under Leases, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Such leases are capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

**1.18 Provisions and contingent liabilities**

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.

**1.19 Cash and cash equivalents**

Cash and cash equivalents comprise cash and balances with banks. The Company considers all highly liquid investments with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**1.20 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit or loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows arising from regular revenue generating, investing and financing activities of the Company are segregated.



**Canarys Automations Limited**

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CIN: U31101KA1991PLC012096

**Notes forming part of Standalone financial statements for the year ended March 31, 2023**

**1.21 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.

**1.22 Capital Redemption Reserve (CRR)**

In 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 accordingly. 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.

- 1.23** Investments classified as long term investments should be carried in the financial statements at cost. However, provision for diminution shall be made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually

**Canarys Automations Limited****(Formerly known as: Canarys Automations Private Limited)**

# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

(Amount in Rs. Lakhs)

**Notes forming part of Standalone financial statements for the year ended March 31, 2023****2 Share capital**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised</b>		
2,25,00,000 Equity Shares of Rs. 2 each share fully paid	500.00	500.00
60,00,000 Preference Shares of Rs. 10 each	600.00	600.00
<b>Total</b>	<b>1,100.00</b>	<b>1,100.00</b>
<b>Issued, subscribed and fully paid-up</b>		
2,04,01,960 Equity Shares of Rs. 2 each share fully paid	408.04	408.04
52,00,000 Preference Shares of Rs. 10 each share fully paid	520.00	520.00
<b>Total</b>	<b>928.04</b>	<b>928.04</b>

**(ii) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below before sub-division of shares:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	Amount	Nos.	Amount
<b>Equity shares</b>				
No. of shares at the beginning of the year	2,04,01,960	408.04	19,12,685	191.27
Movement during the year		-	21,67,707	216.77
<b>Number of shares outstanding at the end of the year.</b>	<b>2,04,01,960</b>	<b>408.04</b>	<b>40,80,392</b>	<b>408.04</b>

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	Amount	Nos.	Amount
<b>Preference shares</b>				
No. of shares at the beginning of the year	52,00,000	520.00	52,00,000	520.00
Movement during the year	-	-	-	-
<b>Number of shares outstanding at the end of the year.</b>	<b>52,00,000</b>	<b>520.00</b>	<b>52,00,000</b>	<b>520.00</b>

**(iii) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below after sub-division of shares:**

Particulars of Shares	As at March 31, 2023		As at March 31, 2022	
	Nos.	Amount	Nos.	Amount
<b>Equity shares</b>				
Fully Paid up capital of Equity Shares of Face Value of Rs. 10 each before the sub-division	NA	NA	20,40,196	204.02
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	NA	NA	1,02,00,980	204.02
Add: Further issue of shares or Bonus Shares issued during the year	NA	NA	1,02,00,980	204.02
Issued, subscribed and fully paid up equity shares having face value of Rs. 2 each at the end of the year	NA	NA	2,04,01,960	408.04
<b>Number of shares outstanding at the end of the year</b>	<b>NA</b>	<b>NA</b>	<b>2,04,01,960</b>	<b>408.04</b>

**Canarys Automations Limited****(Formerly known as: Canarys Automations Private Limited)**

# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

(Amount in Rs. Lakhs)

**Notes forming part of Standalone financial statements for the year ended March 31, 2023****(iv) Particulars of shareholders holding more than 5% shares in the Company**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	% Holding	Nos.	% Holding
<b>Equity shares of Rs.2/- each fully paid</b>				
Raman Subba Rao	50,42,990	24.72%	50,42,990	24.72%
Raghu C	37,40,320	18.33%	37,40,320	18.33%
Arun D K	35,93,280	17.61%	35,93,280	17.61%
Jagadeesha CS	13,52,000	6.63%	13,52,000	6.63%
Anuradha Hegde	12,80,000	6.27%	12,80,000	6.27%
Pushparaj Shetty	13,05,240	6.40%	-	-
Sheshadri Y S	11,75,350	5.76%	-	-
<b>Total</b>	<b>1,74,89,180</b>		<b>1,50,08,590</b>	

**(v) Particulars of shareholders holding more than 5% Preference shares in the Company**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	% Holding	Nos.	% Holding
<b>Preference shares of Rs.10/- each fully paid</b>				
Anuradha Hegde	10,00,000	19.23%	10,00,000	19.23%
Shweta S Murthy	2,75,000	5.29%	2,75,000	5.29%
<b>Total</b>	<b>12,75,000</b>		<b>12,75,000</b>	

**Shareholding of Promoters as on 31st March 2023**

Name of Promoters	No. of Shares	% of Total Shares	% Change during the year
Raman Subba Rao.M.R.	50,42,990	24.72%	0%
Arun.D.K	35,93,280	17.61%	0%
Raghu.C	37,40,320	18.33%	0%
Nagaraju Vineeth	3,05,000	1.49%	0%
Pushparaj Shetty	13,05,240	6.40%	0%
Sheshadri Y.S.	11,75,350	5.76%	1.41%
<b>Total</b>	<b>1,51,62,180</b>		

**Shareholding of Promoters as on 31st March 2022**

Name of Promoters	No. of Shares	% of Total Shares	% Change during the year
Raman Subba Rao M R	50,42,990	24.72%	0%
Raghu C	37,40,320	18.33%	0%
Arun D.K.	35,93,280	17.61%	0%
Anuradha Hegde	12,80,000	6.27%	-0.42%
Jagadeesh C S	13,52,000	6.63%	-0.44%
<b>Total</b>	<b>1,50,08,590</b>		



**Canarys Automations Limited**

**(Formerly known as: Canarys Automations Private Limited)**

# 566 & 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

**(Amount in Rs. Lakhs)**

**Notes forming part of Standalone financial statements for the year ended March 31, 2023**

**Terms/ rights attached to equity shares**

During the Financial year Financial year 2022-23, the company has no movement in equity shares.

The company has two class of share capital i.e. equity shares having face value of Rs. 2 per share and Preference share capital of Rs 10 per share. In the Financial year 2020-21 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. Each holder of equity share is entitled to one vote per share.

In the Financial year FY 2020-21, the company had a right issue of equity shares and shareholders subscribed 1,73,880 equity shares of Rs. 10 each at a premium of Rs. 20 each per equity share.

In the Financial year FY 2021-22, 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.

In the Financial year 2021-22 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.

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

**Terms & Conditions attached to the preference shares issued by the company during the year are:**

- a. The Partially redeemable & convertible Preference shares issued during the year has maximum 5 years tenure.
- b. The Preference shares shall carry on dividend of the rate of 10% per annum on the nominal value of share. The Dividend shall be calculated on pro-rata basis from the date of allotment of such preference shares. The Dividend shall be paid in cumulative in nature.
- c. The Preference Shareholders does not have right to participate in the surplus funds of the Company.
- d. The Preference shareholder shall have liquidation preference in the event of winding up of the Company as provided under the Act and the preference shareholders shall not have only right to participate in the surplus asset & profit of the Company.
- e. The 90% of the preference share paid-up capital held by the shareholders are redeemable. In case, if the subscribers opt for conversion, the remaining 10% of the paid-up preference shares capitol will be converted into equity shares at the fair value determined at the time of conversion.
- f. The Preference Shares shall not carry any voting rights except in case of any resolution placed before the Company which directly affects the rights attached to such shares or as otherwise provided in the Companies Act.
- g. The preference shareholders or Company shall redeem 90% of Preference shares at par value in the following manner:
  - i. 30% of the preference shares shall be repaid at the end of 3rd year
  - ii. 30% of the preference shares shall be repaid at the end of 4th year
  - iii. 30% of the preference shares shall be repaid at the end of 5th year
- iv. The balance 10% may be converted into Equity share at a fair market value determined at that time of such conversion
- v. The Company may redeem the preference shares at any time after expiry of one year from the date of issue of such shares.
- vi. At the end of 5th year, the balance 10% may be converted into Equity share at the option of the preference shareholder at a fair market value determined of that time
- h. The Company may redeem the preference shares at any time after expiry of one year from the date of issue of such shares.
- i. With the consent of preference shareholders, the Company may convert 10% of preference share capitol into equity shares of only time after expiry of one year from the date of issue, of fair market value determined of the time of conversion.
- j. Further, the company has converted the 10% of Preference shares on 18th July of 2023 at a Fair Market Value (FMV) of ₹25/- per share.

**Unpaid calls on shares** - There have been no unpaid calls.

**Forfeiture of shares** - None of the shares have been forfeited during the year.

**Employee stock option scheme** - No equity shares of the company has been reserved towards employee stock option scheme.

**Canarys Automations Limited****(Formerly known as: Canarys Automations Private Limited)**

# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

**(Amount in Rs. Lakhs)****Notes forming part of Standalone financial statements for the year ended March 31, 2023****3 Reserves and surplus**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a) Securities premium</b>		
<b>Opening balance</b>	86.35	60.85
Premium received during the year	-	25.50
<b>Closing balance (a)</b>	<b>86.35</b>	<b>86.35</b>
<b>b) General reserve</b>		
<b>Opening balance</b>	12.27	12.27
Add: Transfer from profit & loss account	-	-
<b>Closing balance (b)</b>	<b>12.27</b>	<b>12.27</b>
<b>c) Capital Redemption Reserve (CRR)</b>		
<b>Opening balance</b>	121.33	17.33
Created towards redemption of Preference Shares	104.00	104.00
<b>Closing balance (c)</b>	<b>225.33</b>	<b>121.33</b>
During 2022-23 the company has transferred a sum of Rs.1,04,00,000 to CRR in financial year 2022-23 and accumulated CRR created is amounting to Rs. 2,25,33,333		
<b>a) Surplus/(deficit) in the statement of profit and loss</b>		
<b>Opening balance</b>	469.42	424.55
Add: Profit/(Loss) for the year	938.09	430.71
	<b>1,407.50</b>	<b>855.26</b>
<b>Less: Appropriations</b>		
Dividend paid		
On Equity Share capital	24.48	24.48
On Preference Share capital	52.00	52.00
Adjustment in respect of Depreciation*	-	1.34
Transferred to Capital Redemption Reserves	104.00	104.00
Transferred to Issue of Bonus shares	-	204.02
<b>Closing balance (d)</b>	<b>1,227.02</b>	<b>469.42</b>
<b>Total reserves and surplus</b>	<b>1,550.98</b>	<b>689.37</b>

**4 Deferred tax Liability (Net)**

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liability	11.24	(2.10)
Deferred tax asset	-	-
<b>Deferred tax Liability (Net)</b>	<b>11.24</b>	<b>(2.10)</b>

**5 Other long term liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Rental deposit/Security deposits	3.30	3.30
<b>Total</b>	<b>3.30</b>	<b>3.30</b>

**Canarys Automations Limited****(Formerly known as: Canarys Automations Private Limited)**

# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

**(Amount in Rs. Lakhs)****Notes forming part of Standalone financial statements for the year ended March 31, 2023****6 Long term provisions**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Rent equalization reserve	24.55	-
<b>Total</b>	<b>24.55</b>	<b>-</b>

**7 Short term borrowings**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Cash credit account overdrawn*	392.27	-
b) Inter Corporate Deposits	8.62	97.61
<b>Total</b>	<b>400.89</b>	<b>97.61</b>

\*The company has availed the Cash Credit Limit of Rs. 300 Lakhs & non fund based limit of Rs. 1000 lakhs towards issue of bank guarantee from State Bank of India.

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.

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 @10.55% 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. 1000 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

**8 Trade payables**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Due to micro, small and medium enterprises*	1,413.20	1,629.21
b) Due to creditors other than micro and small enterprises**	368.97	300.21
<b>Total</b>	<b>1,782.16</b>	<b>1,929.43</b>

\*Amount included in "Due to MSME" is relating to amount payable to Canarys -Hanuka Apo Technologies Private Limited - A joint venture entered between Canarys Automation Limited and Hanuka Technologies Solutions Private Limited.

In reality, there are only two partners to the JV (Canarys Automations Private Limited and Hanuka Technology Solutions Private Limited) wherein both partners contribute towards the resources required for the purpose of execution of JV objective. The fact remains that the JV Company consisting of two partners, as aforesaid, have come together and are more in the nature of contributors rather than buyers and sellers or service providers and service recipients. In view of this, The company has obtained a board resolution from Canarys -Hanuka Apo Technologies Private Limited which has been taken as a basis to waive the rights of Canarys -Hanuka Apo Technologies Private Limited as per sections 15, and 16 of the MSMED Act, 2006. (Provisions of claiming interest on delayed payments)

\*\*Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises.

The company has not received the required information from any of the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (Except as mentioned above). Hence disclosures, if any, relating to amounts unpaid as the year end together with interest paid/payable as required under the Act have not been made.



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# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

**(Amount in Rs. Lakhs)****Notes forming part of Standalone financial statements for the year ended March 31, 2023****9 Other current liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Advances from customers	68.02	13.75
b) Dividend payable	-	-
c) Statutory dues	341.33	256.53
d) Salary payable	135.97	207.45
e) Due to employees	6.10	7.07
f) Other payables	3.00	6.41
<b>Total</b>	<b>554.42</b>	<b>491.21</b>

**10 Short term provisions**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Provision for taxation	325.30	146.90
b) Provision for Gratuity	8.94	13.94
c) Provision for Dividend	-	48.64
<b>Total</b>	<b>334.24</b>	<b>209.48</b>

**12 Non-current investments**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Investments in Equity Instruments	0.05	1.70
b) Investments in Mutual Funds	112.48	0.69
c) Investment in Subsidiaries	31.52	31.52
d) Investment in Joint Venture	4.90	4.90
e) Investment property*	9.81	-
<b>Total</b>	<b>158.77</b>	<b>38.82</b>

\* Building from which the rental income is earned is classified as long term investment property at cost. (read with AS 13, Accounting for investments )

**13 Long term loans and advances**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
a) Security deposit	0.61	0.61
b) Rent deposit	12.00	12.00
<b>Total</b>	<b>12.61</b>	<b>12.61</b>

**14 Other non current assets**

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposit with maturity more than 12 months	139.95	484.50
<b>Total</b>	<b>139.95</b>	<b>484.50</b>

**Canarys Automations Limited****(Formerly known as: Canarys Automations Private Limited)**

# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

**(Amount in Rs. Lakhs)****Notes forming part of Standalone financial statements for the year ended March 31, 2023****15 Inventories**

Particulars	As at March 31, 2023	As at March 31, 2022
Raw material and Components	96.75	458.88
Work-in-progress	175.31	-
<b>Total</b>	<b>272.07</b>	<b>458.88</b>

**16 Trade receivable**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured considered good</b>		
a) Over six months from the date they were due for payment	1,686.51	778.06
b) Others	2,523.14	1,855.27
<b>Total</b>	<b>4,209.66</b>	<b>2,633.33</b>

**17 Cash and bank balance**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Cash and cash equivalents</b>		
a) Cash on hand	0.04	0.01
b) Balance with banks		
-In current accounts	36.42	137.43
-In Fixed deposits	65.69	52.82
<b>Total</b>	<b>102.15</b>	<b>190.27</b>

**18 Short-term loans and advances**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
a) Balances with statutory authorities	435.78	322.63
b) Trade advance	35.25	2.36
c) Staff Advance	20.92	3.32
<b>Total</b>	<b>491.96</b>	<b>328.31</b>

**19 Other current assets**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Earnest Money Deposit	35.93	113.81
b) Prepaid expense	1.65	-
c) Interest receivable	0.30	-
d) Unbilled revenue	77.47	-
<b>Total</b>	<b>115.35</b>	<b>113.81</b>

**Canarys Automations Limited**  
**(Formerly known as: Canarys Automations Private Limited)**  
 # 566 & 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085  
 CIN: U31101KA1991PLC012096

12 Non-Current Investments	(Amount in Rs. Lakhs)	
	As at 31st March 2023	As at 31st March 2022
<b>In Equity Shares of Subsidiary Companies -Unquoted, fully paid up</b>		
10,000 (2022-10,000) shares of SGD 1 per share, fully paid up In Canarys APAC PTE. LTD.	5.70	5.70
57,000 (2022-57,000) shares of USD 1 per share, fully paid up In Canarys Corp USA	25.83	25.83
<b>In Equity Shares of Joint Venture -Unquoted, fully paid up</b>		
4,900 (2022-4,900) shares of INR 100 per share, fully paid up In Canarys Hanuka Apo Technologies Pvt Lt	4.90	4.90
<b>In Equity Shares of other companies -Unquoted, fully paid up</b>		
500 (2022-0) shares of INR 10 per share, fully paid up In iBOTomate Private Limited	0.05	-
0 (2022-3,000) shares of INR 50 per share, fully paid up In ICMG	-	1.50
0 (2022-200) shares of INR 100 per share, fully paid up In Indus Critical Infra & Protections Prt Ltd	-	0.20
<b>In Mutual Funds</b>	112.48	0.69
<b>Total</b>	<b>148.96</b>	<b>38.82</b>



**Canarys Automations Limited**

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# 566 & 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

**Note 11: Property, Plant and Equipments, Intangible assets and Depreciation Schedule**

Particulars	Gross block				Accumulated depreciation / amortisation				(Amount in Rs. Lakhs)	
	As at 1.04.2022	Additions during the year	Deletions during the year	As at 31.03.2023	As at 1.04.2022	Depreciation for the year	Deletions during the year	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
<b><u>Tangible fixed assets - owned</u></b>										
Factory Building	9.81	-	9.81	-	8.13	-	8.13	-	-	1.68
Vehicles	47.53	10.66	8.34	49.86	41.81	2.37	7.92	36.26	13.60	5.72
Office Equipment	44.94	11.94	17.13	39.75	38.75	5.01	16.25	27.51	12.24	6.18
Electrical Fittings	9.21	6.52	2.23	13.50	7.69	1.37	2.12	6.94	6.56	1.52
Furniture	77.73	16.06	44.85	48.95	65.66	4.84	42.60	27.90	21.05	12.07
Computers	271.91	6.64	139.70	138.84	213.40	24.45	129.60	108.25	30.59	58.50
<b><u>Intangible assets</u></b>										
Software	0.13	3.43	1.55	2.01	-	0.27	1.55	(1.26)	3.27	0.11
<b>Total</b>	<b>461.25</b>	<b>55.25</b>	<b>223.61</b>	<b>292.90</b>	<b>367.32</b>	<b>38.31</b>	<b>208.18</b>	<b>205.59</b>	<b>87.30</b>	<b>85.80</b>
<b>Previous year</b>	420.51	46.47	4.11	462.88	341.16	38.00	2.07	377.08	85.80	79.36

**Canarys Automations Limited****(Formerly known as: Canarys Automations Private Limited)**

# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

**(Amount in Rs. Lakhs)****Notes forming part of Standalone financial statements for the year ended March 31, 2023****20 Revenue from operations**

<b>Particulars</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Revenue from operations	7,372.56	5,180.36
<b>Total</b>	<b>7,372.56</b>	<b>5,180.36</b>

**21 Other income**

<b>Particulars</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Interest income	15.03	26.75
Profit on sale of investments	0.37	0.52
Rental Income	3.96	3.80
Interest on IT Refund	-	4.17
Exchange gain	53.29	-
Prior period item	10.49	-
Miscellaneous income( Other non operating income)	-	8.36
<b>Total</b>	<b>83.14</b>	<b>43.60</b>

**22 Purchases**

<b>Particulars</b>	<b>Year ended March 31, 2023</b>	<b>As at March 31, 2022</b>
Purchases	1,735.06	2,082.67
Direct expenses	252.62	169.86
<b>Total</b>	<b>1,987.69</b>	<b>2,252.52</b>

**23 (Increase)/decrease in inventory**

<b>Particulars</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Opening Inventory	458.88	104.36
Less : Closing Inventory	(272.07)	(458.88)
<b>(Increase)/decrease in Inventory</b>	<b>186.81</b>	<b>(354.52)</b>

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# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

**(Amount in Rs. Lakhs)****Notes forming part of Standalone financial statements for the year ended March 31, 2023****24 Employee benefit expenses**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	2,664.61	1,799.53
Contributions to Provident and other funds	111.85	70.47
Staff welfare expenses	188.14	80.58
Gratuity expenses (Net)	(0.81)	-
<b>Total</b>	<b>2,963.80</b>	<b>1,950.58</b>

**25 Finance cost**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense	12.19	24.79
Bank Charges	19.68	17.42
<b>Total</b>	<b>31.87</b>	<b>42.21</b>

**26 Other expenses**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rates and taxes	8.54	7.07
Rent expenses	53.77	42.25
Repairs and maintenance	70.65	28.20
Office maintenance	40.32	10.91
Insurance	33.78	0.87
Professional charges	631.60	545.76
Communication & internet charges	17.06	17.17
Payment to auditors		
i) Audit fees	3.00	2.20
Travelling and conveyance	48.36	17.07
Marketing expense	14.91	7.99
Security Charges	3.10	2.95
Printing and stationery	6.16	1.49
Electricity charges	10.20	5.84
Exchange loss	-	7.38
Bad debts	2.48	6.54
Subscription Charges	12.45	12.39
CSR Expense	6.80	-
Assets discarded/Loss on sale of asset	13.33	0.30
Miscellaneous expenses	1.69	1.79
<b>Total</b>	<b>978.19</b>	<b>718.18</b>



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# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

**27 Retirement benefit plan****(a) Gratuity plan**

The company has defined gratuity plan. Every employee who has completed 5 years or more is eligible for gratuity on separation, worked out at as per payment of Gratuity Act, 1972.

Reconciliation of opening and closing balances of present value of the defined benefit obligation and plan assets are as follows:

<b>I. Components of employer expenses</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Current Service cost	14.59	10.93
Interest cost	3.09	2.27
Expected return on plan assets	3.91	3.03
Past Service Cost(Non Vested)	(2.25)	(4.18)
<b>Net gratuity cost</b>	<b>16.02</b>	<b>14.36</b>
<b>II. Net asset/liability recognised during the year</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Present Value of DBO	75.32	57.33
Fair Value of Plan Assets at the end of year	66.38	51.29
Funded status (deficit)	(8.94)	(6.04)
Unrecognized Past Service Cost	-	-
<b>Net asset/(liability) recognised in the balance sheet</b>	<b>(8.94)</b>	<b>(6.04)</b>
<b>III. Change in defined benefit obligation</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Obligations at beginning of the year	57.33	42.72
Service cost	14.59	10.93
Interest cost	3.09	2.27
Past service cost - vested benefits	-	-
Benefit payments	(2.22)	(2.86)
Actuarial loss/(gains) due to change in assumptions	-	-
Actuarial Loss/(gain) due to plan experience	2.53	4.26
<b>Obligations at end of the year</b>	<b>75.32</b>	<b>57.33</b>
<b>IV. Reconciliation of net asset/(liability)</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Net asset/(liability) at beginning of the year	(6.04)	(1.90)
Employer expense	16.02	14.36
Benefits payments made directly by sponsor	(13.12)	(10.22)
<b>Net asset/(liability) at end of the year</b>	<b>(8.94)</b>	<b>(6.04)</b>

The following table set out the status of the gratuity as required under AS-15:

<b>Assumptions</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Discount rate	7.10%	7.10%
Expected rate of return on assets	7.00%	7.00%
Withdrawal /attrition rate	25.00%	25.00%
Salary escalation	9.00%	9.00%
Mortality*	IAL12-14ULT	IAL12-14ULT
Retirement age	58 Years	58 Years

\* IAL: India Assured Lives Mortality modified Ult.

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# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

Notes forming part of Standalone financial statements for the year ended March 31, 2023

(Amount in Rs. Lakhs)

**28 Contingent liabilities and capital commitments****Contingent liabilities in respect of disputed tax/liability not provided in the books. The details are as under:**

Name of Statute	Nature of the dues	Period to which the amount related (Assessment Year)	Forum where dispute is pending	As at March 31, 2023	As at March 31, 2022
The Income Tax Act, 1961	Sec. 195 - TDS on non-resident payment	2018-19	CIT Appeals	72.77	72.77

**Contingent liability towards the Corporate Guarantee given**

Name of Bank	Person to whom Corporate Guarantee is given	Relationship with the person	As at March 31, 2023	As at March 31, 2022
Canara Bank	Canarys-Hanuka Apo Technologies Private Limited	Joint Venture	1,200.00	1,200.00

**29 Earnings and expenditure in foreign currency**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Earnings in foreign currency:</b>		
Export of services	1,796.28	979.77
<b>Expenditure in foreign currency:</b>		
-Import of Raw Materials	(217.81)	-
-Travelling and conveyance	(29.70)	(9.34)
-Subscription of shares in Foreign subsidiary Canarys APAC Pte Ltd, Singapore	-	(5.70)
<b>Total</b>	<b>1,548.76</b>	<b>964.73</b>

**30(a) Disclosure under Micro, Small and Medium Enterprises Development Act (MSMED) 2006:**

Based on the information available with the company, there are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding more than 45 days as on 31st March, 2023. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

Particulars	As at March 31, 2023	As at March 31, 2022
Amount due to vendor	1,413.20	1,629.21
Principal amount paid beyond the appointed date	-	-
Interest under normal credit terms-	-	-
Accrued during the year	-	-
Unpaid	-	-
Total interest payable-	-	-
Accrued during the year	-	-
Unpaid	-	-
<b>Total</b>	<b>1,413</b>	<b>1,629</b>

**30(b) Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023**

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	1,413.20	-	-	-	1,413.20
(ii) Others	368.97	-	-	-	368.97
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,782.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,782.16</b>

**Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022**

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	1,629.21	-	-	-	1,629.21
(ii) Others	145.49	1.30	153.43	-	300.21
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,774.70</b>	<b>1.30</b>	<b>153.43</b>	<b>-</b>	<b>1,929.43</b>

**Canarys Automations Limited**

(Formerly known as: Canarys Automations Private Limited)

# 566 &amp; 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085

CIN: U31101KA1991PLC012096

Notes forming part of Standalone financial statements for the year ended March 31, 2023

(Amount in Rs. Lakhs)

**31 Payment to auditor**

Particulars	As at March 31, 2023	As at March 31, 2022
For services as auditors	3.00	1.00
For tax audit and other services	-	0.70
For other charges	-	3.45
<b>Total</b>	<b>3.00</b>	<b>5.15</b>

\* The amount disclosed above does not include GST component.

**32 Related party disclosures under accounting standard (AS-18)****Names of related parties and description of relationship with the Company**

Key managerial personnel & their Relatives	1. Raman Subba Rao MR	Managing Director
	2. C Raghu	Whole Time Director
	3. D K Arun	Whole Time Director
	4. Sheshadri Y S	Director
	5. Sanjeev Kumar (Resigned on 09-06-2022)	Director
	6. Pushparaj Shetty (Resigned on 24-02-2021)	Director
Entities under common control	1. Canarys Corp, USA	Wholly owned Subsidiary
	2. Canarys APAC Pte Ltd	Wholly owned Subsidiary
	3. Canarys Hanuka Apo Technologies Pvt Ltd	Joint Venture
Entities in which key managerial personnel are interested	1. iBOTomate Private Limited	

**Note:** The above information has been determined to the extent such parties have been identified on the basis of information available with the company.

The following transactions were carried out with the related parties in the ordinary course of business, during the period ended March 31, 2023

Sl. No.	Transactions	As at March 31, 2023	As at March 31, 2022
<b>I</b>	<b><u>Revenue Transactions</u></b>		
	<b>Remuneration:</b>		
i)	Raman Subba Rao MR	68.48	45.25
ii)	C Raghu	70.28	47.05
iii)	D K Arun	68.48	45.25
iv)	Sheshadri Y S	100.28	64.05
v)	Sanjeev Kumar	7.26	30.25
vi)	Pushparaj Shetty	68.48	-
	<b>Reimbursement of Travel &amp; Other Expenses:</b>		
i)	Raman Subba Rao MR	1.71	2.81
ii)	C Raghu	12.64	16.46
iii)	D K Arun	12.39	2.10
iv)	Sheshadri Y S	8.85	3.29
v)	Sanjeev Kumar	0.29	1.69
vi)	Pushparaj Shetty	3.58	-
	<b>Dividend Paid:</b>		
i)	Raman Subba Rao MR	6.05	4.73
ii)	C Raghu	4.49	3.51
iii)	D K Arun	4.31	3.37
iv)	Sheshadri Y S	1.41	0.70
v)	Sanjeev Kumar	-	0.46
vi)	Pushparaj Shetty	1.57	-
	<b>Purchase of Goods:</b>		
i)	Canarys Hanuka Apo Technologies Pvt Ltd	1,274.25	2,007.76
	<b>Sale of Services :</b>		
i)	Canarys Hanuka Apo Technologies Pvt Ltd	45.00	150.00
ii)	iBOTomate Private Limited	40.00	-
<b>II</b>	<b><u>Capital Transactions</u></b>		
	<b>Issue of Shares:</b>		
i)	Raman Subba Rao MR	-	9.46
ii)	C. Raghu	-	7.01
iii)	D.K. Arun	-	6.74
iv)	Sheshadri Y S	-	4.10
v)	Sanjeev Kumar	-	3.61



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CIN: U31101KA1991PLC012096

**Notes forming part of Standalone financial statements for the year ended March 31, 2023****(Amount in Rs. Lakhs)****Subscription of Shares:**

i) Canarys APAC Pte Ltd	-	5.70
ii) Canarys Hanuka Apo Technologies Pvt Ltd	-	4.90
iii) iBOTOMate Private Limited	0.05	-

Sl. No.	Closing balance Balance Receivable/(Payable):	As at March 31, 2023	As at March 31, 2022
1	<b>Raman Subba Rao MR</b>		
	i) Salary Payable	(15.28)	(6.48)
	ii) Due to employees (Reimbursement )	(0.24)	(0.03)
2	<b>C. Raghu</b>		
	i) Salary Payable	(15.11)	(7.97)
	ii) Due to employees (Reimbursement )	(0.48)	(1.63)
3	<b>D.K. Arun</b>		
	i) Salary Payable	(14.86)	(7.90)
	ii) Due to employees (Reimbursement )	(0.74)	(0.05)
4	<b>Sheshadri</b>		
	i) Salary Payable	(31.66)	(16.67)
	ii) Due to employees (Reimbursement )	(0.80)	(2.27)
5	<b>Sanjeev Kumar</b>		
	i) Salary Payable	-	(1.98)
	ii) Due to employees (Reimbursement )	-	(0.29)
6	<b>Pushparaj Shetty</b>		
	i) Salary Payable	(15.39)	-
7	<b>Canarys Hanuka Apo Technologies Pvt Ltd</b>		
	i) Trade payables	(1,413.20)	(1,629.21)
	ii) Trade receivable	-	162.00
8	<b>iBOTOMate Private Limited</b>		
	i) Trade receivable	43.20	-

**33 Earnings per Share (EPS) : Computation of Earnings Per Share is as follows**

Particulars	As at March 31, 2023	As at March 31, 2022
<b><u>Equity Shares of ₹10 each</u></b>		
Profit / (Loss) after tax attributable to equity share holders (Rs.)	886.09	378.71
Total number of equity shares of Rs.2 each	2,04,01,960	2,04,01,960
Total number of equity shares of Rs.10 each	-	-
Weighted average number of shares in calculating EPS	2,04,01,960	1,94,45,628
	<b>4.34</b>	<b>1.95</b>

Note: Referring to Note 2 - Share Capital, 90% of the paid-up capital for preference shares, which is held by the shareholders, can be redeemed. The remaining 10% of the paid-up capital for preference shares will be converted into equity shares. This conversion will occur at the fair value that is established during the conversion process. Due to the current inability to determine the conversion rate as of the balance sheet date, it is not possible to ascertain the impact of anti-dilution for the calculation of diluted Earnings Per Share (EPS). Therefore, the calculation for diluted EPS has not been performed.

- 34 The company has neither advanced or loaned or invested funds nor received any advances (either borrowed funds or share premium or any other sources or kind of funds) from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
- (i) 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)
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

**35 Impairment of assets**

During the previous year the company has Impaired assets of book value amounting to Rs. 13,33,146 which are at salvage value. For which we have not received any cash flow.

**36 Prior year comparatives**

The previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification. Further, disclosures are amended wherever necessary, in line with the amendments in Schedule III vide Notification dated March 24, 2021

37 Trade Receivables Aging Schedule as at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables						
- Considered Good	2,523.14	805.41	864.61	16.15	0.35	4,209.66
- Considered Doubtful	-	-	-	-	-	-
(i) Disputed Trade Receivables						
- Considered Good	-	-	-	-	-	-
- Considered Doubtful	-	-	-	-	-	-
<b>Total</b>	<b>2,523.14</b>	<b>805.41</b>	<b>864.61</b>	<b>16.15</b>	<b>0.35</b>	<b>4,209.66</b>

Trade Receivables Aging Schedule as at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables						
- Considered Good	1,855.27	298.87	476.96	-	2.23	2,633.33
- Considered Doubtful	-	-	-	-	-	-
(i) Disputed Trade Receivables						
- Considered Good	-	-	-	-	-	-
- Considered Doubtful	-	-	-	-	-	-
<b>Total</b>	<b>1,855.27</b>	<b>298.87</b>	<b>476.96</b>	<b>-</b>	<b>2.23</b>	<b>2,633.33</b>

Additional regulatory Requirements

38 Wilful Defaulter

The company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

39 Relationship with Struck off Companies

The company has not had any transactions with companies struck off under section 248 of the Companies Act, 2013

40 Corporate Social Responsibility (CSR) expenditure

Particulars	As at March 31, 2023	As at March 31, 2022
Amount required to be spent by the company during the year	6.80	-
Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	6.80	-
Shortfall at the end of the year	-	-
Total of previous years shortfall	NA	NA
Reason for shortfall		
Nature of CSR activities	Animal Welfare, conservation of natural resources and maintaining quality of soil	

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CIN: U31101KA1991PLC012096

**41 Ratio analysis**

(Amount in Rs. Lakhs)

Ratio analysis for the year ended March 31, 2023

Ratio	Numerator	Demominator	Current Period	Previous period	% of variance	Reason for variance of 25% or more
Current Ratio	Current assets	Current liabilities	1.69	1.37	24%	
Debt Equity Ratio	Total debt	Shareholder's equity	NA	NA	NA	
Debt service coverage ratio	Earnings available for debt service	Debt service	NA	NA	NA	
Return on equity Ratio	Net profits after taxes	Average shareholder's equity	0.69	0.39	76%	The increase in return on equity is due to variation in % of profit from project to project and increase in our software revenue by 60% during 2022-23 over FY 2021-22
Inventory Turnover ratio	Revenue	Average inventory	1.07	1.47	-28%	Stock & WIP at the end of FY 2022-23 was less since we had tried to complete the project before the year end when compared to FY 2021-22 where completion of project was pending at the end of previous year. And hence, stock at the end of FY 2022-23 less by 68% over FY 2021-22.
Trade Receivable Turnover Ratio	Revenue	Average trade receivable	2.15	2.81	-23%	
Trade Payable Turnover Ratio	Purchases of services and other expenses	Average trade payables	1.07	1.93	-44%	All World Bank Funded NHP Projects which company is executing -the Payment Terms are up to 5 Years and does not directly correspond to the Billed/Invoice amount. There is an inordinate delay from all our Government Customers in clearing our outstanding payments. For which we have back to back arrangement with our suppliers.
Net capital Turnover Ratio	Revenue	Working capital	4.73	6.16	-23%	
Net Profit Ratio	Net profit	Revenue	0.13	0.08	53%	The increase in net profit is depending on managing & execution of project in time and has direct bearing on % of profit from project to project
Return on capital Employed	Earning before interest and taxes	Capital employed	0.44	0.35	27%	The increase in total revenue & improvement in ability to handle the various project has directly contributed the increase in EBIT
Return on Investments	Income generated from investments	Time weighted average investments	0.07	0.05	47%	Variation in interest rate on fixed deposit from time to time by Bank has direct bearing on interest earned

42 The additional information and other regulatory disclosures called for by Schedule III in the form of notes to Balance Sheet and Statement of Profit and Loss Account, if not expressly mentioned elsewhere, is either NIL or Not Applicable to this company.

As per our report of even dated attached  
for **SURESH & CO.**  
Chartered Accountants  
Firm Registration Number: 004255S



**Udupi Vikram**  
Partner  
Membership Number: 227984  
Bengaluru  
11 August 2023

for and on behalf of the Board of Directors of  
**Canarys Automations Limited**

**Raman Subba Rao M R**  
Managing Director  
DIN: 00176920  
Bengaluru  
11 August 2023

**Raghu C**  
Director & CFO  
DIN: 01065269  
Bengaluru  
11 August 2023

**Sheshadri Y S**  
Director & CEO  
DIN: 03367545  
Bengaluru  
11 August 2023

**Sheshadri Y S**  
Director & CEO  
DIN: 03367545  
Bengaluru  
11 August 2023

**Nagashree Hegde**  
Company Secretary  
M. No.: A66166  
Bengaluru  
11 August 2023

