CANARYS AUTOMATIONS LIMITED
(formerly Canarys Automations Private Limited)
CIN: L31101KA1991PLC012096
Reg Off: No. 566 & 567, 2nd Floor, 30th Main,
Attimabbe Road, Banagirinagara, Banashankari
3rd Stage, Bengaluru 560085, Karnataka India
Contact No: +91 98458 62780; Email Id: fin@ecanarys.com
website: www.ecanarys.com

Date: 06.09.2024

To,
National Stock Exchange of India Limited ("NSE")
Exchange Plaza, Plot No. C/1, G- Block,
Bandra –Kurla Complex, Bandra (East),
Mumbai-400051

Scrip Code: CANARYS

Dear Sir/Madam,

Subject: **Notice of 33rd Annual General Meeting ("AGM") and Annual Report for the Financial year 2023-24**

This is to inform that the 33rd Annual General Meeting ('AGM') of the CANARYS AUTOMATIONS LIMITED (formerly known as Canarys Automations Private Limited) ('Company') is scheduled to be held on **Monday, 30th September 2024 at 04:00 P.M**. (IST) through Video Conferencing ('**VC**')/ Other Audio Visual Means ('**OAVM**').

Pursuant to section 108 of the Companies Act 2013 and Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following:

1. Notice of the 33rd Annual General Meeting (including e-voting instructions)
2. Annual report for the financial year 2023-24.

The aforesaid copies are available on the website of the Company i.e.: https://ecanarys.com/statutory-filings/

We request you to kindly take the same on record.

Thanking you

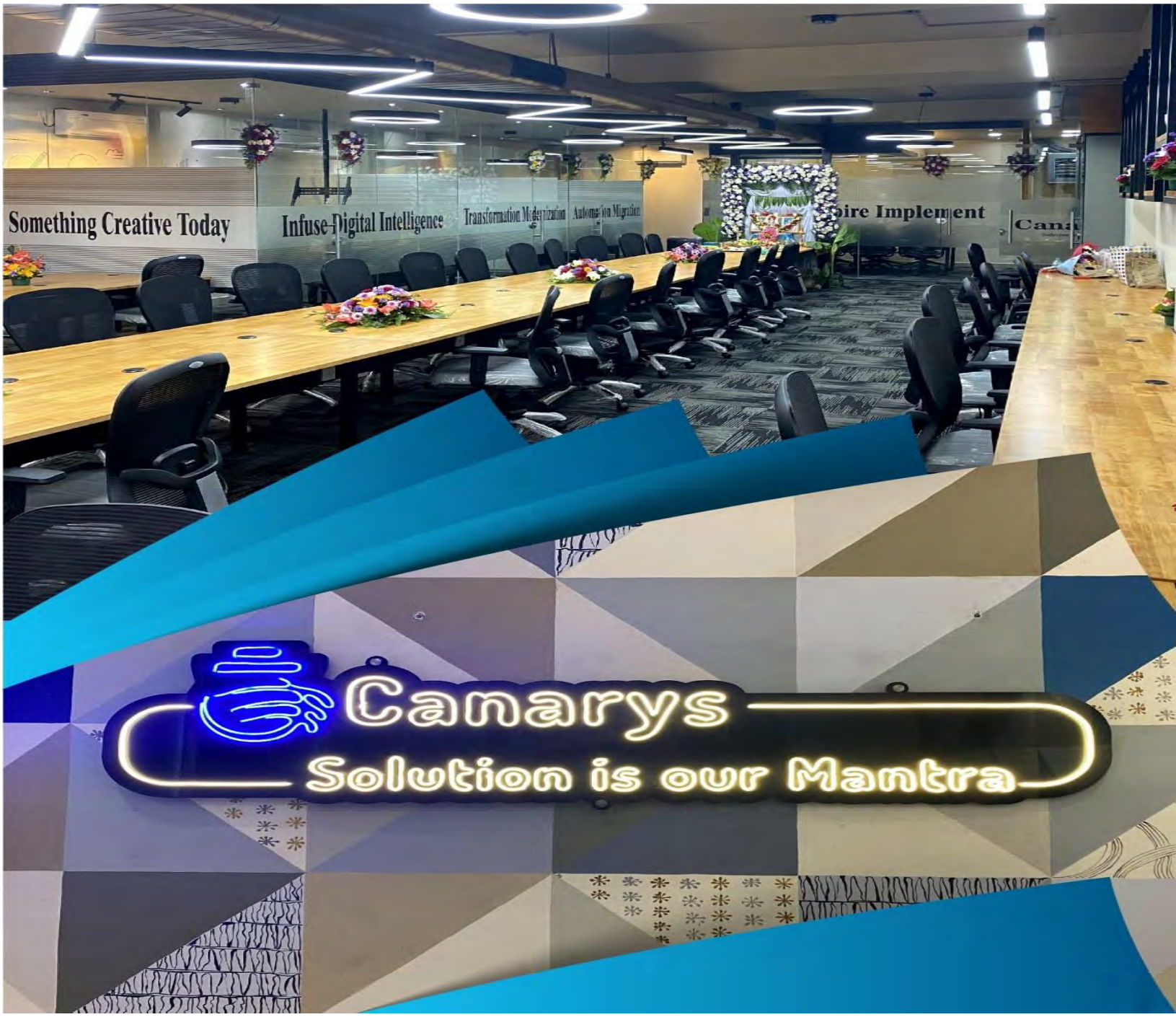
For, Canarys Automations Limited
(formerly known as Canarys Automations Private Limited)

Ambikeshwari M A
Digitally signed by Ambikeshwari M A
Date: 2024.09.06 23:37:55 +05'30'

Ambikeshwari M A
Company Secretary & Compliance officer
Membership No. A67639

Enclosed as above.

Canarys Automations Limited



Annual Report
for the FY 2023-24

ABOUT CANARYS

CANARYS is a leading IT solutions provider with over 30 years of existence in the industry. Our expertise lies in enabling digital transformation for businesses through our comprehensive range of software solutions in the space of Digitalization, Modernization, Automation and Intelligence. With a team of 500+ technology solutions professionals, we are committed to delivering innovative and tailored solutions to meet our client needs.

At Canarys, we understand the evolving demands of the digital landscape, and we are dedicated to helping organizations harness the power of technology to drive growth and success. Our solutions span across various industry sectors, BFSI, Retail, Healthcare, Pharmaceutical, Manufacturing, Insurance and more.

With a strong focus on digital transformation, we empower businesses to optimize their operations, enhance customer experiences, and stay ahead of the competition. Our commitment to excellence has been recognized and rewarded by various customers, alliance partners and OEM's.

OUR PROCESS	OUR GOAL
Canarys provide a token of appreciation and respect to individual ideation and their unique voices, concepts, and backgrounds since we work in diverse industry verticals with dynamic approaches. The cloud-certified engineers and technocrats at Canarys adhere to mission-critical methods to deliver impeccable IT solutions to transform new-gen business.	Embracing a change can help make a difference at Canarys, our goal is to follow this idiom to deliver our global clients a way practical approach with tangible outcomes that accelerate radical evolution through interoperability that adds intangible values to the business epitome.
OUR CORE VALUES	**ETHICAL VALUES**
We put our best effort into innovating an enterprise solution that guarantees the highest growth and agility. Our work culture is highly concentrated on using our global experience and capacities to improve lives in the developing world by deploying- Innovation, Culture, Agility, Growth, Sustainability, Equality	Our dedication and priority towards individual clients' projects lead us to pioneer in the orb of digital technologies and automations. Canarys is now one of the best business transformation firms on the planet thanks to our phenomenal workforce, stringent principles, and uncompromising ethical values that make Canarys a constructive and valuable platform to trust for a hassle-free digital journey.

MESSAGE FROM THE CEO

Dear Valued Shareholders,

It is with immense pride and gratitude that I present to you the 33rd Annual Report for FY 2023-24 of Canarys Automations Limited. This past year has been nothing short of transformative, marking a pivotal chapter in our ongoing journey to evolve, innovate, and set new benchmarks within our industry.

Embarking on a New Journey

This year holds particular significance as it marks our first AGM since going IPO—a milestone that underscores the confidence our shareholders, investors, customers and employees have placed in us. The year 2023-24 will be remembered for the significant strides we made. Our public offering was met with resounding support, reflecting the trust in our vision and potential. We expanded our solutions portfolio, increasing our offerings to over 25 solutions, and successfully ventured into three new high-growth sectors: Petrochemical, Mining, and Aviation.

Fostering a Culture of Aggression and Growth

This year, we embraced a bold and aggressive growth mindset, driving us to push boundaries and expand our reach. Our transformation from a **service-based model to a solutions-driven** approach has been a catalyst for this new culture, fuelling our ambitions to penetrate new markets and secure key clients in diverse sectors. This aggressive stance has not only accelerated our expansion but has also instilled a sense of urgency and purpose across the organization, propelling us toward sustained growth and long-term success.

Creating Positive Impact

Our unwavering commitment to water resource management has yielded significant results, positively transforming the lives of countless individuals across various communities. By harnessing cutting-edge technology, we have developed sustainable water solutions that not only address immediate needs but also contribute to long-term well-being. This dedication to social responsibility is at the core of our organization, driving us to create meaningful change and a better world through our solutions-driven approach.

Nurturing Talent and Innovation

Our employees are the heartbeat of Canarys Automations Limited, and we take immense pride in maintaining a low attrition rate. We've cultivated a solutions-driven culture that empowers our teams to tackle client challenges with innovation and creativity. Our new tagline, "**Solution is our Mantra**," perfectly encapsulates this transformation, highlighting our relentless commitment to delivering exceptional value and shaping the future through our solutions.

Propelling Our Future

We stand at an inflection point, poised for continued growth and breakthrough innovation. This momentum is a testament to the unwavering support and trust of our shareholders, the dedication of our Canarians, support from our clients, the strategic direction of our Board of Directors, and the collaboration with our vendors, partners, and all other stakeholders. Your contributions have been instrumental in driving our success.

As we look ahead, our commitment to pushing the boundaries of innovation remains steadfast. We are expanding our solutions portfolio and extending our geographical reach, with a strong focus on North America and the APAC region. While we make significant inroads into new segments such as pharma and healthcare, we are equally focused on deepening our presence in established sectors like BFSI, IT, and ITES. Together, we are not just navigating the future—we are shaping it. Our mantra, "**Solution is our Mantra**," has never resonated more powerfully.

Sheshadri Srinivas
Executive Director and CEO

BOARD OF DIRECTORS

Mr. Metikurke Ramaswamy Raman Subbarao - Chairman & Managing Director

- 38+ years of experience in software development
- Founder and key architect of Canarys in driving technological innovations and development
- Served as an external consultant at HP for 6.5 years and managed organization wide metrics and developed drivers for various popular HP instruments

Mr. Raghu Chandrashekhariah -Whole Time Director & Chief Financial Officer (CFO)

- 30+ years of experience
- At Canarys he is particularly involved in generating revenue, new customer acquisitions and upselling and cross selling with the existing clients
- He has handled variety of departments including business development, talent acquisition, training etc.

Mr. Danavadi Krishnamurthy Arun -Whole Time Director – Operations

- 30+ years of experience in IT industry
- A seasoned professional with valued experience in various domains such as assembly language programming, production & testing management, deployment of IEEE-488 based equipment's for telecom & defense industry
- At Canarys he is responsible for managing and overseeing business operations of the company

Mr. Sheshadri Srinivas Yedavanahalli - Executive Director & Chief Executive Officer (CEO)

Sheshadri is the Chief Executive Officer of Canarys. In his role as CEO, Shesh sets the strategic direction of the company, promotes CANARYS client-first culture and focuses on ensuring sustainable development and delivering long-term value to customer.

Mr. Muralikrishnan Gopalakrishnan -Independent Director

- Over 20+ years of experience in managing businesses and large teams for product development
- He completed his Engineering in Electrical Engineering and Electronics from Indian Institute of Science, Bangalore
- Previously he was VP and head of communications business at Tata Elxi and was founder and CEO at sounding board business solutions
- Currently he is a COE at Ramaiah Evolute, a 60-year-old family-owned education group

Ms. Asha Sivashankar -Independent Director

- 30+ years of experience in diverse industries
- A postgraduate in physics from Delhi university and has completed MA in applied and professional ethics from University of Leeds, UK
- Has worked at senior positions at NIIT Ltd., HP, Vaatsalya Healthcare, Scheinder Electric and Teamlease services
- In her capacity as an independent consultant she helps to scale the HR processes of the organizations by developing competency frameworks and conducting comprehensive talent assessment

Mr. Ramesh Phatak Bhaskar-Independent Director

- 35+ years of experience in IT and tech industry and is an elected member of NASSCOM ER&D council
- He completed his M.S. in System Science from renowned State University of Louisiana, USA
- Has worked at senior positions in various companies such as Intel, Motorola and at Schneider-Electric India he served as a vice president of R&D department
- Since 2017 he has been an angel investor and start-up mentor for various start-ups

Mr. Pushparaj Shetty -Executive Director

	Pushparaj, a firm believer in “our work speaks”, reflecting the value of leadership and professionalism to accelerate organizational growth to a new height. Under his leadership and direction, Canarys has successfully deployed IoT driven water management facilities nationwide.

SENIOR MANAGEMENT PERSONS (SMPs)

Mr. Raghu Pavan -Chief Information Officer (CIO)

- Raghu Pavan as CIO of the company, Strategizes the Technology roadmap, solutions offerings for the company and is also responsible for the overall growth. He is popularly known as Go-Getter Industry leader with a repute of delivering to the commitment.
- Raghu has joined Canarys with a vision to grow the company as a niche world class Digital solutions company in the field of Digital Automation, Enterprise solutions and Digital Apps, after 20+ years of IT experiences with large enterprises, product companies and deep tech organizations across the globe.
- Raghu is a Industry thought leader and is known for his ability to identify trends and technologies that can help drive Canarys business growth across verticals Industry 4.0, BFSI’s, Life Sciences. Academically, Raghu is Bachelor of Engineering in IEM from RVCE and a Masters in HRM from Christ College.

Dr. Mahesha Pandit -Chief Technology Officer (CTO)

Mahesha will be spearheading our technological journey, playing a pivotal role in shaping CANARYS future. He will be at the forefront of driving our technological evolution and innovation. His responsibilities will include shaping our technology roadmap, conceptualizing and executing solutions, assembling a world-class technology team, and aligning our people, processes, and technology with Canarys ambitious vision for 10X growth.

Mr. Nagaraj Bhairaji -Vice President Digital DevOps

- Nagaraj is a Senior Leader with over 15 years of experience in Project Management, Software Engineering processes, DevOps, and SDLC. Throughout his career, he has been at the forefront of technological adoptions to the latest and innovative technologies. In his 13+ years at Canarys, Nagaraj has handled multiple roles, from managing software projects to developing DevOps solutions and building large teams to implement End-to-End DevOps for enterprise accounts. Prior to joining Canarys, Nagaraj worked on various development projects as a developer.
- Nagaraj is a DevOps certified professional and has spoken about ALM, Agile, and DevOps on various forums like Microsoft Tech-Ed, GitHub, and other Microsoft events. He holds a bachelor’s degree in mechanical engineering.

CSR ACTIVITIES

CANARYS AUTOMATIONS CARES

We strongly believe that CSR initiatives of Canarys Automations Limited is aimed at demonstrating care for the community through its focus on education, skill development, health, wellness and environmental sustainability. The CSR initiatives focus on creation and development of environment, social welfare and economic value to the society. The Company reviews these focus areas from time to time and make additions or deletions, based on the priorities. The objectives of **CANARYS AUTOMATIONS LIMITED** has contributed back to the society in the following ways:

- **Promotion of Education:** As means to promote education, to socializes children into society by instilling cultural values and norms, equipping them with the skills necessary to become productive members of society the company has contributed to M/s. Kalawati Devi Memorial Charitable Society, Mumbai and M/s. Navachethana Trust, Bengaluru.

- **Animal Welfare:** The Company has contributed to trust named M/s. Sri RaghavendraGou Ashrama Trust, for the purpose of wellbeing of Animals and the positive relationship people have with innocent animals.

- **Social Welfare and Women Empowerment:** With intension to empowers women to make choices that can improve their living, the company decided to contribute in an institution that works for welfare of women M/s. Jana Jagrati Seva Santha.

- Annual Report on CSR Activities is provided as **Annexure V** to Directors Report for the Financial Year 2023-24.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Raman Subbarao Metikurke
Chairman & Managing Director

Mr. Raghu Chandrashekhariah
Whole Time Director & CFO

Mr. Arun Danavadi K
Whole Time Director

Mr. Sheshadri Srinivas
Executive Director & CEO

Mr. Pushparaj Shetty
Executive Director

Mr. Muralikrishnan G
Independent Director

Ms. Asha Sivashankar
Independent Director

Mr. Ramesh Phatak
Independent Director

COMPANY SECRETARY

CS Ambikeshwari M A (w.e.f. September 03, 2024)
CS Nagashree Hegde (w.e.f. August 02, 2024)

STATUTORY AUDITORS

M/s. Suresh & Co.,
Chartered Accountants,
Address: 43/61, Srinidhi, 1st Floor, Surveyor's Street Basavanagudi, Bengaluru-560004, Karnataka, India

SECRETARIAL AUDITORS

M/s. Ganapathi & Mohan,
Company Secretaries,
Address: No.2243, Vishishta Arcade, 2nd Floor, 23rd Cross, Banashankari II Stage, off. K R Road, Bengaluru – 560070, Karnataka, India

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
Address: C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai, Maharashtra 400083

BANKERS

State Bank of India
Address: SME Jayanagar Branch, No. 311 (New) 19, 1st Floor, 1st Main Road, 40th Floor, Jayanagar 8th Block, Bangalore South, Bengaluru-560070

REGISTERED OFFICE

Unit I:
566 & 567, 2nd Floor, 30th Main, Attimabbe Road, Banagirinagara, Banashankari 3rd Stage,
Bengaluru – 560085, Karnataka India
CIN: L31101KA1991PLC012096
Phone: +91 80 2679 9915
Email:fin@ecanarys.com
investorrelations@ecanarys.com;
Website: www.ecanarys.com

Unit II:
571, K K Arcade, 1st Floor, 30th Main, Attimabbe Road, Banagirinagara, Banashankari 3rd Stage, Bengaluru – 560085, Karnataka India

BOARD'S REPORT

To,
The Members of
CANARYS AUTOMATIONS LIMITED
(Formerly known as Canarys Automations Private Limited)
No. 566 & 567, 2nd Floor, 30th Main,
Attimabbe Road, Banagirinagara,
Banashankari 3rd Stage,
Bengaluru – 560085 Karnataka India

Your Directors have pleasure in presenting the 33rd Annual Report on the highlight of the business & operations of the Company together with Audited Financial Statements of the Company for the financial year ended on 31st March, 2024.

FINANCIAL HIGHLIGHTS/STATE OF COMPANY'S AFFAIRS:

(Rs. in Lakhs)

Particulars	**Standalone**		**Consolidated**	
	Financial Year ended 31.03.2024	**Financial Year ended 31.03.2023**	**Financial Year Ended 31.03.2024**	**Financial Year Ended 31.03.2023**
Revenue from Operations	7,449.26	7372.56	7,501.52	7451.94
Other Income	121.49	83.14	128.80	105.84
Total Income	**7,570.76**	**7,455.70**	**7,630.32**	**7,557.78**
Total Expenditures	6,420.13	6186.67	6,566.44	6,366.24
Profit/ (Loss) Before Tax	**1,150.63**	**1269.03**	**1,063.89**	**1,191.55**
Tax Expenses				
a) Current tax	313.58	326.46	315.97	326.46
b) Deferred tax	-39.78	4.49	-51.51	1.81
Net Profit/(Loss) After tax	**876.83**	**938.09**	**799.43**	**863.29**

PERFORMANCE REVIEW:

Highlights of the Company's financial performance for the year ended March 31, 2024

During the financial year 2023-2024, the revenue from operations on standalone basis is Rs. 7,449.26 Lakhs as compared to previous year where it stood at Rs. 7372.56 Lakhs by registering nominal growth of 1.04%.The profit after tax for the financial year 2023-2024 on standalone basis is Rs. 876.83 Lakhs as compared to previous year i.e., 2022-2023 where it stood at Rs 938.09 Lakhs.

The revenue from operations on consolidated basis for the financial year 2023-2024 is Rs. 7,501.52 Lakhs as compared to previous year where it stood at Rs. 7,451.94 Lakhs. The profit after tax on consolidated basis for the financial year 2023-2024 is Rs. 799.43 as compared to previous year i.e., 2022-2023 where it stood at Rs 863.29 Lakhs

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

The Company continues to strengthen its commitment to the highest levels of quality, superior customer experience, best-in-class service management, robust information security and privacy practices and mature business continuity management.

Our repeat business (revenue from existing customers) has steadily grown and contributed a significant portion of our revenue from contracts with customers over the years indicating a high degree of customer stickiness.

We believe our agility and resilience has stood out in recent years. Over the years we have successfully implemented our business continuity plans to ensure connectivity across the enterprise.

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

RECOGNITIONS AND AWARDS:

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

The Company is leading DevOps solutions provider and has won three DevOps awards;

- "Leader in DevOps Solutions"
- "Best DevOps Solution Provider"; and
- "Most Innovative DevOps Company"

These awards recognize Canarys exceptional innovation, excellence, and contributions to the DevOps field. With turnkey solutions like DevOpSmartBoard, Canarys Copy-Project, GitHubSmartBoard, Canarys RollUp, Canarys Clone-Project and other Migration solutions, our company serves industries such as BFSI, manufacturing, and automotive and committed to advancing DevOps practices and supporting the community.

DIVIDEND:

Equity Shareholders

In order to conserve the resources for future growth and considering the business expansion plan, the Board of Directors do not propose any dividend to equity shareholders for the financial year end 31st March 2024.

Preference Shareholders

- As per the terms of issue of Cumulative Redeemable Preference shares, the Board of directors at their meeting held on 9th February, 2024 declared an interim dividend for the period of ten months (i.e from 1st April, 2023 to 31st January, 2024) aggregating to Rs. 39,00,000/- to the

Preference Shareholders whose names appears in the register of preference shareholders on 31st January, 2024.

Your Company did not have any amounts due or outstanding as of the Balance Sheet date to be credited to the Investor Education and Protection Fund.

TRANSFER TO RESERVES:

During the financial year, the Company has transferred Rs.104,00,000/- to Capital Redemption Reserve Account for the purpose of redemption of Preference Shares.

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

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

CONVERSION OF COMPANY INTO PUBLIC LIMITED COMPANY

Considering the expansion of business activities and future plan of actions, the members at their Extra-Ordinary General Meeting held on 19th May 2023 have approved the conversion of the Company from Private Limited to Public Limited. The Registrar of Companies, Karnataka has accorded its consent vide fresh Certification of Incorporation dated 27th June, 2023.

SHARE CAPITAL:

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

Sl. No.	Particulars	Disclosure
1.	Issue of Equity shares with differential rights	Nil
2.	Issue of Sweat Equity shares	Nil
3.	Issue of employee stock option	19,17,000
4.	Provision of money by company for purchase of its own shares by trustees for the benefit of employees	Nil

b. The Capital structure of the Company as on 31st March 2024 is as follows:

The Authorized Share Capital of the Company is Rs. 17,60,00,000/- (Rupees Seventeen Crores Sixty Lakhs Only) consisting of 6,20,00,000 (Six Crores Twenty Lakhs) Equity Shares of Rs. 2/- (Rupees Two Only) each and 52,00,000 (Fifty-Two Lakhs) Preference Shares of Rs. 10/- (Rupees Ten Only) each.

The Paid-up Share Capital of the Company is Rs. 14,35,67,840/- (Rupees Fourteen Crores Thirty-Five Lakhs Sixty Seven Thousand Eight Hundred and Forty Only) consisting of 5,61,83,920 (Five Crores Sixty One Lakhs Eighty Three Thousand Nine Hundred and Twenty) Equity Shares of Rs.

2/- (Rupees Two Only) each and 31,20,000 (Thirty-One Lakhs Twenty Thousand) unlisted Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) ("**Preference Shares**").

c. **Change in the Capital Structure:** During the year under the review, following changes were made in Capital Structure of the Company:

i. **Re-classification & increase in authorised share capital:**

The members at their Extra-Ordinary General Meeting held on 19th May 2023 have approved for reclassification of un-issued 8,00,000 Preference shares of Rs. 10/- each into 40,00,000 equity shares of Rs. 2/- each.

Further, members at the EGM held on 19th May, 2023 have approved to increase the authorised share capital from Rs. 11,00,00,000/- consisting of 2,90,00,000 equity shares of Rs. 2/- each and 52,00,000 preference shares of Rs. 10/- each to Rs. 17,60,00,000/- consisting of 6,20,00,000 equity shares of Rs. 2/- each and 52,00,000 Preference shares of Rs. 10/- each.

ii. **Issue of Bonus shares:**

In order to reward to the existing equity shareholders of the Company, the Board of Directors at their meeting held on 16th June, 2023 have issued 2,04,01,960 fully paid up Bonus shares of Rs. 2/- each by capitalizing sum of Rs. 4,08,03,920/- standing to the credit of Free Reserves of the Company in proportion of 1(One) new equity bonus share of Rs. 2/- each for every 1(One) fully paid-up equity shares of Rs. 2/- each held in the Company by the existing equity shareholders (1:1) whose name appears in the register of members of the company as on 19th May, 2023.

iii. **Conversion of Optionally Convertible Preference shares into equity shares:**

As per terms of issue of the Preference shares, with the consent of all the Preference shareholders, the Board of Directors at their meeting held on 18th July, 2023 have issued and allotted 2,08,000 equity shares of Rs.2/- each against the conversion of 5,20,000 Cumulative Preference shares of Rs.10 each/- (i.e., 10% of preference shares) at fair market value at a conversion ratio of 1:2.5 (One Equity share having nominal value of Rs. 2/- each for every 2.5 preference shares having nominal value of Rs. 10/- each) held by the Preference shareholders, whose name appears in the register of preference shareholders of the Company on 20th June, 2023 ("Record Date").

iv. **Initial public offer:**

The Board of Directors at their meeting held on 11th August 2023have made the initial public offer of 151,72,000 equity shares having nominal value of Rs. 2/- each at a premium of Rs. 29 per share.

v. **Redemption of Preference shares:**

As per the terms of issue of Preference shares, the Board of Directors at their meeting held on 9th February, 2024 have redeemed the 15,60,000 Preference shares (i.e., 30% of Preference Shares) having face value of Rs. 10/- each at par aggregating to Rs. 1,56,00,000/- (Rupees One Crore Fifty Six Lakhs only) out of profits of the Company.

vi. **Granted ESOP to the Employees of The Company**

The Members at their 32nd Annual General Meeting held on 14th August 2023 approved Employees Stock Option Scheme (ESOS). According, the company introduced Canarys

Employees Stock Option Scheme, wherein options exercisable not exceeding 43,50,000 (Forty Three Lakhs Fifty Thousand) equity shares of the Company under the CANARYS ESOS, in one or more tranches to the present and future employees of the Company on such terms and conditions as may be fixed or determined by the Board in accordance with companies Act 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 read with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Further the members of the Nomination and Remuneration Committee (NRC) in the meeting held on 16.08.2023, accorded their consent to grant 19,17,000 equity shares of Rs. 2/- each under Canarys Employee Stock Option Scheme ("Canarys ESOS") to the eligible employees of the Company pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder and pursuant to the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The Board on its website has disclosed details of Employees Stock Option Scheme (ESOS) https://ecanarys.com/ESOS.pdf

INITIAL PUBLIC OFFER (IPO) AND UTILIZATION OF IPO PROCEEDS

Your Company successfully completed the Initial Public Offer (IPO) of 1,51,72,000 Equity Shares during the year under review:

The issue period was opened on 26th September 2023 and closed on 03rd October 2023. After closure of the offer, the Company has allotted the Equity Shares and the same was listed on the SME Platform of NSE, NSE EMERGE with effect from 11th October 2023. The scrip symbol of the Equity Shares of the company is "**CANARYS**".

The Board is pleased and humbled by the faith shown in the Company by all the members. Total proceeds from the IPO were Rs. 47,03,32,000/- (Rupees Forty Seven Crores Three Lakhs Thirty-Two Thousand Only)

The proceeds realised by the Company from the IPO will be utilised as per objects of the offer disclosed in the Prospectus of the Company. The details of the IPO proceeds allocated and utilized during the financial year 2023-24 by the Company are as follows:

Amount (Rs. In Lakhs)

Sl. No	Particulars	Original allocation of fund	Amount utilised till 31.03.2024
1	Funding of expenditure relating to solutions development for digital transformation and water resources management solutions	1100.00	228.92
2	Creation of new delivery centre including infrastructure thereof and upgrading existing facilities	894.00	Nil
3	Funding working capital requirements of our Company	1,500.00	1,500
4	General corporate purposes	609.32	118.57

5	Issue Expenses	600.00	555.83
	Total	**4703.32**	**2403.32**

Note:

- The Statement of Deviation or Variation has been reviewed and approved by the Audit Committee and noted by the Board of Directors of the Company at their meetings held on 28th May 2024.
- Further, pursuant to Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approved Statement of Deviation or Variation for the half year ended 31st March 2024, has been filed with National Stock Exchange of India Limited ("NSE").

EMPLOYEE STOCK OPTION SCHEME (ESOS):

To motivate and reward both current and future employees, foster a sense of ownership and satisfaction, and drive higher revenue for the Company, and pursuant to pursuant to the resolutions passed by our Board on 11th August, 2023 and shareholders on 14th August, 2023, our Company has adopted the Canarys Employees Stock Scheme. This scheme is managed by the Nomination and Remuneration Committee, aims to align employees' interests with the Company's success.

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

As on 31st March 2024 the Company has 2 Wholly Owned Subsidiaries i.e., Canarys Corp., USA and Canarys APAC Pte Ltd, Singapore and one Joint Venture Company i.e., Canarys- Hanuka Apo Technologies Private Limited. During the year, the Board of Directors have reviewed the performance of subsidiaries at regular intervals.

Further no companies have become or ceased to be Subsidiaries, joint ventures or associate companies during the financial year FY 2023-24.

As required under the Companies Act, 2013 the Company has prepared the consolidated financial statement.

As per provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statement of the subsidiaries and Joint Venture Company as on 31st March 2024 is disclosed in **Form AOC-1** is attached as **'Annexure-I'.**

CREDIT RATING:

During the financial year 2023-24, the Company was not required to obtain credit rating for its securities.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):

COMPOSITION OF BOARD OF DIRECTORS

The Board consists of Executive and Non-Executive Directors, including Independent Directors who are having wide and varied experience in different disciplines of corporate functioning. As on 31st March 2024, the Board consisting of the following Directors:

Sl. No.	Name of the Director	DIN	Designation
1.	Mr. Raman Subbarao M R	00176920	Chairman & Managing Director
2.	Mr. Danavadi Krishnamurthy Arun	01064990	Whole time Director
3.	Mr. Raghu Chandrashekhariah	01065269	Whole Time Director & Chief Financial Officer
4.	Mr. Sheshadri Srinivas Yedavanahalli	03367545	Executive Director & Chief Executive Officer
5.	Mr. Pushparaj Shetty	03333417	Executive Director
6.	Mr. Muralikrishnan Gopalakrishnan	07059037	Independent Director
7.	Mrs. Asha Sivashankar	10184245	Independent Director
8.	Mr. Ramesh Phatak Bhaskar	07981182	Independent Director

Changes in the constitution of the Board

The following changes occurred in the Directorship of the Company during the financial year 2023-24.

i. Mr. Pushparaj Shetty (DIN: 03333417) was appointed as an Executive Director of the Company at the Extra-Ordinary General Meeting held on 19th May 2023.

ii. Mrs. Asha Sivashankar (DIN 10184245), Mr. Ramesh Phatak Bhaskar (DIN 07981182) and Mr. Muralikrishnan Gopalakrishnan (DIN 07059037) was appointed as Independent Directors of the Company by the shareholders at the Extra-Ordinary Meeting held on 14th July 2023.

In the opinion of the Board, the independent directors appointed during the year possess integrity, expertise and relevant experience including proficiency, which will bring tremendous value to the Board and to the Company. Further, the independent directors have fulfilled the conditions for independence as specified under the Act.

KEY MANAGEMENT PERSONNEL:

The following changes occurred in the Key Management Personnels of the Company during the financial year 2023-24:

i. Mr. Raman Subbarao M R, (DIN: 00176920) Managing Director of the Company was appointed as Chairman of the Company with effect from 3rd July 2023.

ii. Mr. Raghu Chandrashekaraiah (DIN: 01065269), Whole-time Director was appointed as Chief Financial Officer (CFO) of the Company with effect from 3rdJuly 2023.

iii. CS Nagashree Hegde (ICSI Membership No: A66166) was appointed as Company Secretary and Compliance Officer of the Company with effect from 3rd July 2023.

DIRECTOR LIABLE TO RETIRE BY ROTATION AND BEING ELIGIBLE OFFER HIMSELF FOR RE-APPOINTMENT:

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Mr. Raghu Chandrashekhariah (DIN: 01065269), Whole Time Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer himself for re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received the necessary declarations from the Independent Directors as required under Section 149(7) of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), confirming that they meet the criteria of independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR Regulations. Further, Independent Directors are also in compliance with the Code of Conduct prescribed under Schedule IV of the Companies Act, 2013.

There has been no change in the circumstances affecting their status as Independent Directors of the Company. In the opinion of the Board, the Independent Directors possess the requisite integrity, experience, expertise, and proficiency required under all applicable laws and the policies of the Company. Further, all the Company's Independent Directors have registered themselves with the Independent Director's Databank maintained by the of the Indian Institute of Corporate Affairs (IICA).

EVALUATION OF THE BOARD'S PERFORMANCE:

During the year under review, the Board, Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any amendment thereunder from time to time) the Boar on recommendation of the Nomination and Remuneration Committee has carried out an annual performance evaluation of its own performance, Committees of the Board and individual Directors.

The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of Individual Directors including the Board, as a whole and the Chairman, who were evaluated on parameters such as their participation, contribution at the meetings and otherwise, independent judgements, safeguarding of minority shareholders interest, etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors, Committees of the Board and Board as a whole were carried out by the Independent Directors in their separate meeting. The Independent Directors reviewed key transactions, quality & timeliness of flow of information.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Code of Conduct of Board of Directors & Senior Management

The Board of Directors has laid down a Code of Conduct, for better transparency and Accountability for all the Board Members and Employees of the Company. All the Board members and senior

management personnel have confirmed with the code as provided under Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of the Board of Director and Senior Management have affirmed compliance with code of conduct of Board of Directors and the senior management during the financial year 2023-24 and the Declaration in this regard is attached as "**Annexure-II"**.

BOARD MEETINGS

There were Eleven (11) Board Meetings duly convened during the financial year 2023-24 on following dates:

Sl. No	Date of Board Meeting	No. of Directors Entitled to attend the meeting	No of Directors Present
1.	24th April, 2023	4	4
2.	17th May, 2023	4	4
3.	16th June, 2023	5	5
4.	24th June, 2023	5	4
5.	28th June, 2023	5	4
6.	03rd July, 2023	5	5
7.	18th July, 2023	8	7
8.	11th August, 2023	8	8
9.	21st August, 2023	8	7
10.	13th November, 2023	8	8
11.	09th February, 2024	8	8

The necessary quorum was maintained in all the said meetings and proceedings during the meetings have been duly recorded in minute's book maintained for the purpose.

The attendance of the Members of the Board is as under:

Sl. No	Name of the Director	Number of board meetings entitled to attend	Number of board meetings attended
1.	Mr. Raman Subbarao M. R	11	11
2.	Mr. Arun Danavadi Krishnamurthy	11	11

3.	Mr. Raghu Chandrashekhariah	11	11
4.	Mr. Sheshadri Srinivas Yedavanahalli	11	9
5.	Mr. Pushparaj Shetty	9	8
6.	Mrs. Asha Sivashankar	5	5
7.	Mr. Ramesh Phatak Bhaskar	5	5
8.	Mr. Muralikrishnan Gopalakrishnan	5	4

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Meetings of the Board of Directors and General Meetings.

The Board has 5 (Five) Committees as of 31st March 2024:

Name of the Committee	**Date of Constitution**
Audit Committee	18th July 2023
Nomination and Remuneration Committee	18th July 2023
Stakeholders' Relationship Committee	18th July 2023
Initial Public offer (IPO) Committee*	18th July 2023
Internal Complaints Committee	18th July 2023

****The Board of Directors of the Company in their Board Meeting dated February 09, 2024 dissolved the IPO Committee.***

The committees consist of requisite majority of Directors comprising Independent and non-independent directors.

Details of all the Statutory Committees along with their composition and meetings held during financial year 2023-24 are provided in **Annexure-III** to this report.

REMUNERATION OF DIRECTORS AND EMPLOYEES OF COMPANY

The statement of disclosure of Remuneration under Section 197(12) of the Act read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules") is provided in **Annexure-IV** to this report.

COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

Your Company endeavours that its Nomination & Remuneration Policy should represent the mode in which the Company carries out its business practices i.e. fair, transparent, inclusive and flexible.

As part of the policy, the Company strives to ensure that:

a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
b. Relationship between remuneration and performance is clear and meets appropriate performance benchmarks.
c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The salient features of the policy are as follows:

a. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee i.e., Size and composition of the Board, criteria to recommend Directors to the Board, Succession Plans, Evaluation of Performance, Remuneration Framework.
b. Policy for appointment and removal of Directors, KMP and Senior Management – Ascertain appointment criteria and qualifications, term and tenure of Directors, process/framework for their removal and retirement.
c. Policy relating to the remuneration for Directors, KMP and Senior Management and other employees
d. Policy Review.

The Nomination and Remuneration Policy of the Company has been updated on 11th August 2023 keep in line in accordance with the SEBI Listing Regulations and is available on the website of the Company and can be viewed on the website on the link: https://ecanarys.com/Investors-Nomination-and-Remuneration-Policy.pdf

DIRECTORS' RESPONSIBILITY STATEMENT:

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

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) the directors had prepared the annual accounts on a going concern basis; and

e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

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

CORPORATE SOCIAL RESPONSIBILITY:

In pursuance of provision of Section 135 of Companies Act, 2013 read with Schedule VII, the Company has spent an amount of Rs.14,25,000/- towards CSR expenditure for the financial year 2023-24 to the identified CSR activities. The Company is not required to constitute the CSR Committee. The detailed report on CSR is enclosed as **Annexure-V.**

AUDITORS & Auditors' Report:

Statutory Auditors:

As per the recommendation made by the Audit Committee, M/s. Suresh & Co., (FRN: 004255S), Chartered Accountants, have re-appointed as Statutory auditors of the Company for the period of five years at the 32nd Annual General Meeting held on 14th August, 2023 till the conclusion of 37th Annual General Meeting.

The Auditors' Report for the financial year 2023-24 does not contain any qualifications, reservations, adverse remarks or disclaimers. Further, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act.

Cost Auditors:

The provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Amendment Rules, 2014 is not applicable to the Company.

Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, M/s. Sachin Hareesh and Associates, Chartered Accountants, Bengaluru (FRN: 017017S), appointed as an internal auditor of the Company to conduct internal audit for the Financial Year 2023-24.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ganapathi & Mohan, Company Secretaries, Bengaluru (CP No: 4520) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report received from the Secretarial Auditor of the Company for the Financial Year 2023-24 is annexed herewith as "**Annexure-VI".** The Secretarial Audit Report does not contain any qualifications, reservations, or adverse remarks.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of investments made, and loans given by the Company as covered under the provisions of Section 186 of the Companies Act, 2013 are prescribed in the Financial Statements (Ref. Notes 12, 13 and 19).

Your Company has not extended corporate guarantee on behalf of any other Company during the financial year 2023-24.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

The particulars of the Contracts or Arrangements with related parties referred to in Section 188(1) in the format specified as Form AOC-2 forms part of this Report as **Annexure-VII**. Further details of related party transactions are provided in Notes to Financial Statements (both Standalone and Consolidated).

All the Related Party Transactions entered by your Company with the Related Parties are in the ordinary course of business and are carried out at arm's length pricing.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use, or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company has followed all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal & financial controls with reference to financial statements.

During the financial year 2023-24, such controls were tested and no reportable material weakness in the design or operations were observed.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate management discussion and analysis report which forms an integral part of this Report is given as "**Annexure-VIII"** to this report.

RISK MANAGEMENT:

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

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

The Audit Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed

through mitigating actions on a continuing basis. The Risk Management Policy can be accessed at the https://ecanarys.com/Investors-Risk-Management-Policy.pdf

DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, during the financial year 2023-24.

MAINTENANCE OF COST RECORDS:

Maintenance of cost records as mentioned under provisions of section 148(1) of the Companies Act, 2013, is not applicable to the Company for the financial year 2023 -24.

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

The Company has committed to provide a professional work environment free of harassment, disrespectful or other unprofessional conduct. In order to create such a safe and conducive work environment, a policy has been framed, in line with the provisions of Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. This policy prohibits conduct that is disrespectful, unprofessional as well as harassment based on factors such as gender, marital status, age, race, religion, colour, appearance, region, national origin or ancestry, physical or mental disability, medical condition, genetic information, sexual orientation, etc.

This policy applies to all employees of the Company, people engaged in the operation of the Company including supervisors and managers, suppliers, customers, independent contractors and any other people involved in the running of the business across all locations. Further, the policy assures complete anonymity and confidentiality of information to the reporting individual.

An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. During the financial year 2023-24, no complaints were received by the Company related to sexual harassment.

Particulars	**Status**
Number of cases pending as on the beginning of the year	Nil
Number of complaints filed during the year	Nil
Number of cases pending as on the end of the year	Nil

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

Sl. No.	**PARTICULARS**	**DISCLOSURE**

(A)	**Conservation of Energy:** (i) The steps taken or impact on conservation of energy (ii) The steps taken by the Company for utilizing alternate sources of energy (iii) The capital investment on energy conservation equipment.	**Overview** In our ongoing commitment to sustainability and cost-effectiveness, your company has taken significant steps toward energy conservation within our operations. Recognizing the impact of energy consumption on both the environment and our operational costs, we have implemented various initiatives to reduce our energy footprint. This section outlines our efforts and progress in conserving energy throughout the past year. **Energy Conservation Initiatives** 1. Optimized Use of Office Space: O We have reconfigured our office layout wherever possible to maximize natural light, reducing the need for artificial lighting during working hours. O By consolidating workspaces and promoting remote work where feasible, we've managed to decrease the energy load from heating, cooling, and lighting. 2. Transition to Energy-Efficient Equipment: o Upgraded office equipment, including computers, servers, and lighting fixtures, to energy-efficient models. o Replaced traditional lighting with LED fixtures, which consume significantly less power and have a longer lifespan. 3. Server and IT Optimization: o Migrated to cloud-based solutions to minimize the energy consumption of on-premises servers. o Implemented server virtualization and optimized resource allocation to reduce power usage. 4. Employee Awareness and Engagement:

		o Conducted awareness campaigns to encourage employees to participate in energy-saving practices, such as shutting down computers at the end of the day and minimizing unnecessary device use. o Introduced an internal energy conservation challenge with rewards for teams that make the most significant reductions in their energy use. 5. Energy Monitoring and Management: o Regularly reviewed energy consumption reports to ensure that our energy-saving measures are effective and adjust strategies as needed. **Achievements** • Reduction in Energy Costs: Over the past year, we have tried to reducedour energy expenses by a more efficient energy use. • Employee Participation: Majority of our employees have actively engaged in our energy conservation initiatives, demonstrating a company-wide commitment to sustainability. **Future Plans** Looking ahead, we plan to further enhance our energy conservation efforts by exploring renewable energy options, such as installing solar panels on our office building. Additionally, we will continue to invest in employee education on energy efficiency and explore advanced technologies to reduce energy usage across all areas of our operation. **Conclusion** The conservation of energy is not just a corporate responsibility but also a strategic initiative that supports our company's growth and sustainability. By reducing our energy consumption, we not only lower operational costs but also

		contribute positively to the environment. We are proud of the progress made this year and are committed to achieving even greater results in the future.
		Water Conservation: Water Conservation continues to receive priority attention at all levels and Company has installed sensor-based taps in all washrooms.
(B)	**Technology Absorption:** (i) The efforts made towards technology absorption. (ii) The benefits derived like product improvement, cost reduction, product development or import substitution. (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year). (iv) The expenditure incurred on Research and Development.	Updating of Technology is a Continuous process; efforts are continuously made to develop new products required in the Company's activities. Nil Nil Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Amount in Lakhs)

Particulars	**As on 31.03.2024**	**As on 31.03.2023**
Foreign Exchange Earnings	2,332.48	1,796.28
Foreign Exchange Outgo	(474.72)	(247.52)
Total	**1,857.77**	**1,548.76**

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There are no applications made during the financial year 2023-24 by or against the company and there are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

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

During the financial year 2023-24, there are no such orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

ANNUAL RETURN:

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

VIGIL MECHANISM (WHISTLE BLOWER POLICY):

Your Company has established a Whistle Blower Policy in order to assure that the business is conducted with integrity and that the Company's financial information is accurate and enables all the stakeholder to report their genuine concerns. The Company has not received any compliant under Whistle Blower Policy during the Financial Year 2023-24.

Further details of establishment of the Vigil Mechanism can be viewed on the Company's website at https://ecanarys.com/Investors-Whistle-Blower-Policy.pdf

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

The Company didn't enter any transaction for obtaining valuation report for the FY 2023-24 for one time settlement or obtaining loan from the banks and financial institutions.

POLICIES ADOPTED BY THE COMPANY

The details of the policies approved and adopted by the Board of Directors as required under the Companies Act 2013 and SEBI Regulations are available for the access at the website of the Company at www.ecanarys.com

Determination of Materiality of Information & Events

The Board of Directors has laid down a Policy for Determination & Disclosure of Materiality of Events and Information, the management of the company determines the material events of the company in accordance with this policy and discloses them for the investors. The policy is available for access at the website of the Company at https://ecanarys.com/Investors-Disclosure-of-Materiality-Policy.pdf

Insider Trading Disclosure

The Board of Directors of the Company has duly adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Prohibition of Insider Trading, pursuant to the provisions of Regulation 8 (Code of Fair Disclosure) and Regulation 9 (Code of Conduct), respectively, of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

COMPLIANCE WITH SECRETARIAL STANDARDS:

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

REMUNERATION POLICY:

As on 31st March 2024 the Company is not covered under the provisions of Section 178(1) of the Companies Act, 2013. However, remuneration policy as adopted by the Company envisages payment of remuneration according to qualification, experience and performance at different levels of the organisation. Employees those engaged in administrative and professional services are suitably remunerated according to the industry norms

TRANSFER OF AMOUNT TO IEPF:

During the financial year 2023-24, the Company is not required to transfer any amount to Investor Education Protection Fund (IEPF).

HUMAN RESOURCES:

Our employees are our most important assets. We are committed to hiring and retaining the best talent and being among the industry's leading employers. For this, we focus on promoting a collaborative, transparent and participative organization culture, and rewarding merit and sustained high performance. Our human resources management focuses on allowing our employees to develop their skills, grow in their career and navigate their next.

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

CORPORATE GOVERNANCE

Your Company places utmost importance on its fiduciary role as a guardian of stakeholders' interest and strives to achieve a mutually aligned objective of value and wealth creation for all interested parties. The Board and the Management humbly acknowledge this role and continues to propagate this belief through all layers of the organization to create an environment of accountability and trust.

These responsibilities continue to be the focus of its attention through the tumultuous ride along the path of expansion, ensuring the highest standards of ethics and integrity in all its business dealings while avoiding potential conflicts of interest. The result of this is a corporate structure which serves its ever-expanding business needs while maintaining transparency and adherence to the above stated beliefs.

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED
(formerly Canarys Automations Private Limited)

Sd/-
Raman Subbarao M R
Managing Director
DIN: 00176920

Sd/-
Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Sd/-
Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 03.09.2024
Place: Bengaluru

ANNEXURE-I

FORM AOC-1

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

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

PART- A- SUBSIDIARIES

Sl. No	PARTICULARS	1	2
1.	Name of the Subsidiary	**Canarys Corp, USA**	**Canarys APAC PTE LTD**
2.	The date since when subsidiary was acquired	24.06.2002	14.11.2019
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	1st April 2023 to 31st March, 2024	1st April 2023 to 31st March, 2024
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD and 82.25 INR	SGD and 61.20 INR
5.	Share capital: Authorized Share Capital	10,00,000	10,00,000
	Paid up Share Capital	25,82,840.00 (At Cost)	5,69,600. 00 (At Cost)
6.	Reserves and surplus	51,12,587.62 (Including Exchange gain)	(2,18,151.66) (Including Exchange gain)
7.	Total assets	79,34,281.62	5,35,048.34
8.	Total Liabilities	79,34,281.62	5,35,048.34
9.	Investments	NIL	NIL
10.	Turnover	52,25,839.05	NIL
11.	Profit/(Loss) before taxation	18,21,594.75	(54,213.30)
12.	Provision for taxation. Income tax expenses	2,38,418.40	NIL
13.	Profit/(Loss) after taxation	15,83,175.35	(54,213.30)
14.	Proposed Dividend	NIL	NIL
15.	Extent of shareholding (in percentage)	100% shares	100% shares

NOTES:

1. Names of subsidiaries which are yet to commence Operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil

PART "B": ASSOCIATES AND JOINT VENTURES

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

Name of Associates/Joint Ventures	**Canarys-Hanuka APO Technologies Private Limited**
Latest audited Balance Sheet Date	**31/03/2024**
Date on which the ~~Associate or~~ Joint Venture was associated or acquired	19/07/2021
Shares of Associate/Joint Ventures held by the company on the year end	
No. of shares	49,000
Amount of Investment in Associates/Joint Venture	4,90,000
Extend of Holding %	49%
Description of how there is significant Influence	Joint Venture Company
Reason why the associate/joint venture is not consolidated	Not applicable
Net worth attributable to Shareholding as per latest audited Balance Sheet	49%
Profit / Loss for the year	(19,965,050.87)
Considered in Consolidation	(9,782,874.93)
Not Considered in Consolidation	(10,182,175.94)

NOTES:

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

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED
(formerly Canarys Automations Private Limited)

Sd/-
Raman Subbarao M R
Managing Director
DIN: 00176920

Sd/-
Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Sd/-
Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 03.09.2024
Place: Bengaluru

Annexure-II

DECLARATION REGARDING CODE OF CONDUCT

I, Sheshadri Srinivas Yedavanahalli, Executive Directors and Chief Executive Officer (CEO) of M/S. CANARYS AUTOMATIONS LIMITED (formerly Canarys Automations Private Limited), hereby declare that the members of the Board of Director and Senior Management have affirmed compliance with code of conduct for Board and Senior Management for the year ended 31st March 2024.

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED
(formerly Canarys Automations Private Limited)

Sd/-
Sheshadri Srinivas Yedavanahalli
Executive Directors and Chief Executive Officer (CEO)
DIN: 03367545

ANNEXURE-III

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Composition of Audit Committee (AC) meets with the requirement of Section 177 of the Companies Act, 2013. The Members of the Audit Committee possesses financial / accounting expertise / exposure. The Audit Committee is comprised of 3 (Three) members as on 31st March 2024. The power, role and terms of reference of the Audit Committee includes the matters as specified under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, besides other terms as referred by the Board. The Board Constituted Audit Committee in its Board meeting held on 18th July 2023.

The Composition of the Audit Committee as on 31st March 2024 is as follows:

Sl. No	Name of the Members	Designation
1	Muralikrishnan Gopalakrishnan	Chairman
2	Ramesh Phatak Bhaskar	Member
3	Raghu Chandrashekhariah	Member

There were Two (02) Audit Committee Meetings duly convened during the financial year 2023-24 on following dates:

Sl. No	Date of Audit Committee Meeting	No. of Members Entitled to attend the meeting	No of Members Present
1	11.08.2023	3	3
2	13.11.2023	3	3

The attendance of the Members of the Audit Committee during the financial year 2023-24:

Sl. No	Name of the Members	No. of meetings entitled to attend	Number of meetings attended
1	Muralikrishnan Gopalakrishnan	2	2
2	Ramesh Phatak Bhaskar	2	2
3	Raghu Chandrashekhariah	2	2

NOMINATION AND REMUNERATION COMMITTEE

The composition of Nomination and Remuneration Committee (NRC) meets with the requirement of Section 178 of the Companies Act, 2013. The Members of the Nomination and Remuneration Committee possesses sound knowledge / expertise / exposure. The Committee comprised of 3 (Three) members as on 31st March 2024. The powers, role and terms of reference of the Nomination and Remuneration Committee includes the matters as specified under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, besides other terms as referred by the Board. The Board Constituted Nomination and Remuneration Committee in its Board meeting held on 18th July 2023.

The Composition of the NRC as on 31st March 2024 is as follows:

Sl. No	Name of the Members	Designation
1	Asha Sivashankar	Chairperson
2	Ramesh Phatak Bhaskar	Member
3	Muralikrishnan Gopalakrishnan	Member

There were Two (02) NRC Meetings duly convened during the financial year 2023-24 on following dates:

Sl. No	Date of NRC Meeting	No. of Members Entitled to attend the meeting	No of Members Present
1	11.08.2023	3	3
2	16.08.2023	3	3

The attendance of the Members of the NRC during the financial year 2023-24:

Sl. No	Name of the Members	No. of meetings entitled to attend	Number of meetings attended
1.	Asha Sivashankar	2	2
2.	Ramesh Phatak Bhaskar	2	2
3.	Muralikrishnan Gopalakrishnan	2	2

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (SRC) meets with the requirement of the Section 178 of the Companies Act 2013. The SRC is mainly responsible to review all grievances connected with the Company's transfer of securities and redressal of shareholders'/ investors' / security holders' complaints. The Committee comprised of 3 (three) members as 31st March, 2024. The powers, role and terms of reference of the Stakeholders Relationship Committee includes the matters as specified under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, besides other terms

as referred by the Board. The Board Constituted Stakeholders Relationship Committee in their meeting held on 18th July 2023.

The Composition of the SRC as on 31st March 2024 is as follows:

Sl. No	Name of the Members	Designation
1	Ramesh Phatak Bhaskar	Chairman
2	Asha Sivashankar	Member
3	Metikurke Ramaswamy Raman Subbarao	Member

INITIAL PUBLIC OFFERING (IPO) COMMITTEE

As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Initial Public Offer (IPO) Committee was constituted by the Board in its meeting held on 18th July 2023 as an internal committee to undertake the various activities in process of Initial Public Offer (IPO) made by the Company. The IPO Committee was dissolved on dissolved on February 09, 2024 as all the functions and duties assigned to the committee was successfully discharged by the committee.

The Composition of the IPO Committee was as follows:

Sl. No	Name of the Members	Designation
1	Raghu Chandrashekhariah	Chairman
2	Raman Subbarao M R	Member
3	Arun Krishnamurthy Danavadi	Member

There were Three (03) IPO Committee Meetings duly convened during the financial year 2023-24 on following dates:

Sl. No	Date of IPO Meeting	No. of Members Entitled to attend the meeting	No of Members Present
1	21.09.2023	3	3
2	06.10.2023	3	3
3	06.10.2023	3	3

The attendance of the Members of the IPO Committee during the financial year 2023-24:

Sl. No	Name of the Members	No. of meetings entitled to attend	Number of meetings attended
1.	Raghu Chandrashekhariah	3	3
2.	Raman Subbarao M R	3	3
3.	Arun Krishnamurthy Danavadi	3	3

INTERNAL COMPLIANT COMMITTEE

As per POSH or the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the Act) , the Internal Compliant Committee was constituted by Board in its meeting held on 18th July 2023. There is no specific section for frequency of meeting. The Committee has not conducted the meeting, as the committee has not received any complaints from the date of listing till 31st March 2024.

The Composition of the Internal Compliant Committee as on 31st March 2024 is as follows:

Sl. No	Name of the Members	Designation	Status in Committee
1	Anita Balagopal	Team Project Co-Ordinator	Active (having NGO background & Preceeding officer)
2	Kavitha Subramani	Assistant Manager-BD	Active (Member)
3	Nagalakshmi S	Senior HR Executive	Active (Member)
4	Vidya Yedavalli	Consultant	Active (Member + having experience in social work)

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED
(formerly Canarys Automations Private Limited)

Sd/-
Raman Subbarao M R
Managing Director
DIN: 00176920

Sd/-
Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Sd/-
Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 03.09.2024
Place: Bengaluru

Annexure-IV

1. **DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

   i. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24:**

Name of the Directors	Designation	% increase/(decrease) in remuneration compared to last FY	Ratio of remuneration to the median remuneration of the employees"
Mr. Raman Subbarao M. R	Managing Director	(28.27%)	6.17
Mr. Arun Danavadi Krishnamurthy	Whole-time Director	(28.27%)	6.38
Mr. Raghu Chandrashekariah	Whole-time Director & CFO	(27.55%)	6.69
Mr. Sheshadri Y S	Executive Director & CEO	18.59%	92.76
Mr. Pushparaj Shetty	Director	Nil	6.17
Ms. Asha Sivashankar	Independent Director	Nil	Nil
Mr. Ramesh Phatak Bhaskar	Independent Director	Nil	Nil
Mr. Muralikrishnan Gopalakrishnan	Independent Director	Nil	Nil

For the purpose of calculation of median remuneration, salary with conversion rate as of March 31, 2024 has been considered:

The median salary at India level of employment is INR. 70,234/-"

   ii. **The percentage increase in remuneration of each Director, CFO, CEO, Company Secretary for the financial year 2023-24 as compared to 2022-2023:**

Name of the Directors	Designation	Remuneration FY 2022-23 (In Rs.)	Remuneration FY 2023-24 (In Rs.)	% increase/ (Decrease)
Mr. Raman Subbarao M. R	Managing Director	68,48,008	49,12,000	(28.27%)
Mr. Arun Danavadi Krishnamurthy	Whole-time Director	68,48,008	49,27,000	(28.27%)
Mr. Raghu Chandrashekariah	Whole-time Director & CFO	70,28,008	50,92,000	(27.55%)
Mr. Sheshadri Y S	Executive Director & CEO	1,00,28,000	1,18,92,000	**18.59%**
Mr. Pushparaj Shetty (Refer Note 1)	Director	NA	49,12,000	**100%**
Ms. Asha Sivashankar (Refer Note 2)	Independent Director	NA	NA	NA
Mr. Ramesh Phatak Bhaskar (Refer Note 2)	Independent Director	NA	NA	NA
Mr. Muralikrishnan Gopalakrishnan (Refer Note 2)	Independent Director	NA	NA	NA
Mrs. Nagashree Hegde (Refer Note 3)	Company Secretary	NA	7,86,000	**100%**

NOTES:

1. Mr. Pushparaj Shetty was appointed as Director of the Company at the Extra-Ordinary General Meeting held on 19th May 2023. Therefore, percentage increase in remuneration is not reported.
2. Ms. Asha Sivashankar, Mr. Ramesh Phatak Bhaskar and Mr. Muralikrishnan Gopalakrishnan were appointed as an Independent Directors by the shareholders at the Extra-Ordinary Meeting held on 14th July 2023, since the appointment was for part of the year. Therefore, percentage increase in remuneration is not reported.
3. Ms. Nagashree Hegde was appointed as Company Secretary at Board Meeting held on 03rd July 2023, since the appointment was for part of the year. Therefore, percentage increase in remuneration is not reported.
4. The figures have been annualized for calculating % increase in remuneration.

iii. **The percentage increase in the median remuneration of the employees in the Financial Year:** There was 14.02% increase in the median remuneration of employee's during the financial year 2023-24.

iv. **The numbers of permanent employees on rolls of the Company:** There were 263permanent employees on the rolls of Company as on 31st March 2024, except executive Directors.

v. **Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

- The average percentage increase in salary of the Company's employees was 18.36% (Except Managerial Remuneration).
- The increase managerial remuneration is because of their Performance.

vi. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:** It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

2. **INFORMATION AS PER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH THE RULE 5 (2) & (3) OF THE (APPOINTMENT AND REMUNERATION) RULES, 2014 AS AMENDED AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2024 :** The name of top 10 employees in terms of remuneration drawn

Sl. No	Name	(i) Designation	(ii) Gross Remuneration Drawn for FY 2023-24 (in Rs.)	(iii) natu employn whether contract or other	(iv) qualifica s and Experier of the employe	(v) date commen ent employn	(vi) the ag such employee	(vii) the employ t held such employ before joining compa	(viii) percentage equity shares held by the employee in the company w the meanin of clause (iii) of sub-rule (2) above; and	(ix) wheth any empl is relativ any direct or mana of comp and i name such direct or mana

1	Raghu Pavan	Chief Informatio Officer	7,040,000	Full-time	BE				NA	Full-tir
2	Dr. Mahesl Bangal Ramali Pandit	Chief Technolog Officer	6,176,172						NA	
3	Nagara Bhairaj	Sr. VP – DevOps Consulting Business	5,067,645	22.7 yrs	01-Feb-2	44 Years	Incture Technolog Pvt Ltd		NA	22.7 y
4	Raghu	Tech Lead	4,165,450	Full-time	Ph. D				NA	Full-tir
5	Badrina anan D Vijayar van	Vice President-Delivery	3,898,251						NA	
6	Ashuto Kapoo	VP – Global Sal	3,805,109	24 yrs	14-JUL-2	51 Years	Rhytify Technolog Pvt Ltd		NA	24 yrs
7	Srinivа Rao Dhulipa	Technical Manager	3,741,066	Full-time	BE				NA	Full-tir
8	Syed Nadeer	Senior Technical Manager	3,363,007						NA	
9	Mohan Desai	VP - DES	3,281,016	15.2 yrs	06-JUL-2	40.1 Yea	-		NA	15.2 y
10	Ashish Shrivas	Technical Manager	3,165,375	Full-time	BE				NA	Full-tir

The details of qualifications, experience, age, date of commencement of employment, Nature of Employment and last employment of the aforesaid employees are maintained at the Registered Office of the Company and are open for inspection. Any member interested in obtaining a copy of the same, may write to the Company Secretary at Ambikeshwari.m@ecanarys.com

i. **Employed throughout the financial year ended 31st March 2024 and was in receipt of remuneration for that financial year, in the aggregate, was not less than One Crore Two Lakh Rupees:** Not Applicable, as none of the employee employed throughout the year has received remuneration, in aggregate, of Rupees One Crore Two Lakh or more.

ii. **Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month; Not Applicable**

iii. **Employed throughout the financial year or part of the financial year ended on 31st March 2024 and was in receipt of remuneration in aggregate, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company: Not Applicable**

NOTES:

1. The nature of employment in all above cases is contractual as per the rules and conditions of the Company.

2. Remuneration includes basic salary, allowances, perquisites, contribution to provident fund and other funds as per Company Policy.

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED
(formerly Canarys Automations Private Limited)

Sd/-
Raman Subbarao M R
Managing Director
DIN: 00176920

Sd/-
Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Sd/-
Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 03.09.2024
Place: Bengaluru

ANNEXURE-V

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   Canary's CSR Policy is aimed at demonstrating care for the community through its focus on education, skill development, health, wellness and environmental sustainability. The CSR initiatives focus on creation and development of environment, social welfare and economic value to the society. Accordingly, in order to achieve the CSR policy, the Company has contributed the earmarked CSR amount to registered NGO's during the financial year.

   The projects undertaken during the year are within the broad framework of Schedule VII of the Companies Act, 2013. The details of the CSR policy available at https://ecanarys.com/Investors-CSR-Policy.pdf

2. **The Composition of the CSR Committee.**

   As per Section 135(9) of the Companies Act, 2013 the obligation of CSR spending is less than Rs. 50 Lakhs during the financial year 2023-24. Hence, constitution of CSR committees is not required. The Board will carry-out the functions, Roles and responsibilities of CSR Committee.

Sl. No	Name of the Committee Members	Number of Meetings of CSR Committee entitled to attend during FY 2023-24	Number of CSR Committee Meetings attended during FY 2023-24
Not Applicable			

3. **The web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

   The Company has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and the same is placed on the website of the Company and the web link for the same is **https://ecanarys.com/Investors-CSR-Policy.pdf**

4. **The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.**

5. **Average Net Profit of the Company as per section 135(5)-**
   a.

Net Profit Before Tax (PBT) as per Sec 198 of Companies Act 2013			Total	Average Net Profit
FY 2020-21	FY 2021-22	FY 2022-23		

Rs. 12,79,51,759.41	Rs. 5,70,45,433.95	Rs. 2,84,33,069.21	Rs.21,34,30,000	Rs. 7,11,43,420.86

b. a. Two percent of average net profit of the company as per section 135(5): Rs. 14,22,868.4/-
c. b. Surplus arising out of the CSR projects or programmes or activities of the previous financial: Nil
d. c. Amount required to be set off for the financial year, if any years: Nil
e. d. Total CSR obligation for the financial year (b+c-d): Rs. 14,22,868.4/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) for the Financial Year 2023-24: Rs. 14,25,000

(b) Amount spent in Administrative Overheads- NIL

(c) Amount spent on Impact Assessment, if applicable- Not Applicable

(d) Total amount spent for the Financial Year 2023-24 (8b+8c+8d+8e): Rs. 14,25,000/-

(e) CSR amount spent or unspent for the Financial Year 2023-24:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 14,25,000/-	NIL	N. A	NIL	NIL	NIL
	Total: Nil				

(f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs)
(i)	Two percent on average net profit of the company as per section135(5)	14,22,868.4
(ii)	Total amount spent for the Financial Year	14,25,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2131.6
(iv)	Surplus arising out of the CSR projects or programmes or activities of the financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: NIL**

Sl No	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the reporting Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to 135(5)			Amount remaining to be spent in succeeding Financial Years (in Rs)
				Name of the Fund	Amount	Date of Transfer	
	2020-21	NIL	NIL	NA	NIL	NA	NIL
	2021-22	NIL	NIL	NA	NIL	NA	NIL
	2022-23	NIL	NIL	NA	NIL	NA	NIL

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable**

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not applicable.**

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED
(formerly Canarys Automations Private Limited)

Sd/-
Raman Subbarao M R
Managing Director
DIN: 00176920

Sd/-
Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Sd/-
Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 03.09.2024
Place: Bengaluru

Annexure-VI
Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2024

[*Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
CANARYS AUTOMATIONS LIMITED
(formerly known as Canarys Automations Private Limited)
CIN: L31101KA1991PLC012096
No. 566 & 567, 2nd Floor,
30th Main, Attimabbe Road, Banagirinagara.
Banashankari 3rd Stage, Bengaluru-560085

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Canarys Automations Limited** (formerly known as Canarys Automations Private Limited) (CIN: L31101KA1991PLC012096), having its registered office at No. 566 & 567, 2nd Floor, 30th Main, Attimabbe Road Banagirinagara, Banashankari 3rd Stage, Bengaluru-560085 (herein after referred to as **"Company"**). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, declaration of compliance provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

1. The Companies Act, 2013, (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   iv. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
   v. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021(Not Applicable to the Company during the Audit Period);
   vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
   vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- (Not Applicable to the Company during the Audit Period);
   viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- (Not Applicable to the Company during the Audit Period).
   ix. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
6. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
7. Laws specifically applicable to the Company;
   i. Environment (Protection) Act, 1986 and other applicable environmental laws.
   ii. Indian Contract Act, 1872;
   iii. The Arbitration and Conciliation Act, 1996;

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on random test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We have relied on the representation made by the Company and its Officers for the systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, Rules and Regulations to the Company.

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India notified as applicable to Companies pursuant to Section 118(10) of the Companies Act 2013;

ii. Listing Agreements entered into by the Company with National Stock Exchange of India Limited;

iii. Tripartite Agreements signed with National Securities Depositories Limited and Central Securities Depositories (India) Limited;

During the period under review, based on the representation made by the Company, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

WE FURTHER REPORT THAT:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in-compliance with the provisions of the Act.

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or with short notice after obtaining consent, if any, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

We further report that, based on the review of the compliance mechanism adopted by the Company regarding compliance with the applicable laws and its adherence, there are adequate

systems and processes in the Company commensurate with the size and nature of operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following events / actions were having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc;

1. The members of the Company at their Extra-Ordinary General Meeting ("EGM") held on 19th May, 2023 have approved for;
   i. the conversion of the Company from Private Limited to Public Limited Company. Accordingly, the Registrar of Companies, Karnataka has approved the same and issued the fresh Certification of Incorporation dated 27th June, 2023.

   ii. Borrow money in excess of paid-up share capital & free reserves u/s.180(1)(c) of the Companies Act, 2013 to the extent of INR. 50 Crores.

   iii. Create charge on property of the Company u/s. 180(1)(a) of the Companies Act, 2013;

   iv. Re-classification of un-issued 8,00,000 authorised preference shares of INR. 10/- each into 40,00,000 equity shares of INR. 2/- each.

   v. Increase the authorised share capital from INR. 11,00,00,000/- consisting of 2,90,00,000 equity shares of INR. 2/- each and 52,00,000 preference shares of INR. 10/- each to INR. 17,60,00,000/- consisting of 6,20,00,000 equity shares of INR. 2/- each and 52,00,000 Preference shares of INR. 10/- each.

   vi. Approve issue of 2,04,01,960 fully paid Bonus shares of INR. 2/- each by capitalising sum of INR.4,08,03,920/- standing to the credit of free Reserves of the Company in proportion of 1(One) new equity bonus share of INR. 2/- each (Indian Rupees Two Only) for every 1(One) fully paid-up equity shares of INR. 2/- (Indian Rupees Two Only) each held in the Company by the existing shareholders (1:1), whose name appears in the Register of Members as on 19th May, 2023.

   vii. To adopt the Restated Articles of Association of the Company.

   viii. Appointment of Statutory auditors of the Company.

   ix. Appointment of Mr. Pushparaj Shetty (DIN: 03333417) as Director of the Company.

2. The members of the Company at their Extra-Ordinary General Meeting ("EGM") held on 14th July, 2023 have approved for;

   i. Appointment of Mrs. Asha Sivashankar (DIN: 10184245), as Independent Director of the Company.

   ii. Appointment of Mr. Ramesh Phatak Bhaskar (DIN: 07981182) as Independent Director of the Company.

   iii. Appointment of Mr. Muralikrishnan Gopalakrishnan (DIN: 07059037) as Independent Director of the Company.

   iv. Approval for Canarys Employees Stock Option Scheme.

   v. Approval for revision in payment of remuneration to Mr. Raman Subbarao M R (DIN: 00176920), Managing Director, Mr. Arun D K (DIN: 01064990), Whole-time Director, Mr. Raghu C (DIN: 01065269), CFO & Whole-time Director, Mr. Sheshadri Y S (DIN: 03367545), CEO & Director and Mr. Pushparaj Shetty (DIN: 03333417), Executive Director of the Company.

vi. Approval for related party transactions with Canarys-Hanuka APO Technologies Private Limited.

3. The members of the Company at their Annual General Meeting ("EGM") held on 14th August, 2023 have approved for;

   i. increase in threshold of loans/ guarantees, providing of securities and making of investments in securities under section 186 of the Companies Act, 2013 to the extent of INR. 40 Crores.

   ii. Approval for issue, offer and allot 1,52,00,000 equity shares of INR. 2/- each by way of Initial Public Offer.

   iii. Approval to increase the limit of investments by non-resident Indian or overseas citizen of India in the share capital of the Company

   iv. Approval for amendment to the Canarys Employees Stock Option Scheme.

   v. Approval to grant ESOP to employees of group companies including subsidiary and associate companies

vi. Approval to grant ESOP of more than 1% of issued capital to the identified employees.

4. The Board of Directors at their meeting held on 16th June, 2023 have issued and allotted 2,04,01,960 fully paid-up Bonus equity shares of INR. 2/- each by capitalizing sum of INR. 4,08,03,920/- (Indian Rupees Four Crore Eight Lakhs Three Thousand Nine Hundred Twenty Only) standing to the credit of Free Reserves of the Company in proportion of 1(One) new equity bonus share of INR. 2/- each for every 1(One) fully paid-up equity shares of INR. 2/- each held in the Company by the existing equity shareholders (1:1) whose name appears in the register of members of the Company as on 19th May, 2023.

5. As per terms of issue of the Preference shares, with the consent of all the Preference shareholders, the Board of Directors at their meeting held on 18th July, 2023 have issued and allotted 2,08,000 equity shares of INR.2/- each against the conversion of 5,20,000 Cumulative Preference shares of INR.10 each/- (i.e., 10% of preference shares) at fair market value at a conversion ratio of 1:2.5 (One Equity share having nominal value of Rs. 2/- each for every 2.5 preference shares having nominal value of INR. 10/- each) held by the Preference shareholders, whose name appears in the register of preference shareholders of the Company on 20th June, 2023.

6. The Company has made an Initial Public Offer (IPO) during the audit period. Through IPO, the Company has issued 1,51,72,000 equity shares having face value of INR. 2/- each at an issue price of INR. 31/- per equity share (including premium of INR. 29/- each) allotted to the respective applicants in various categories, comprising 50,48,000 equity shares to Retail Individual Investors, 21,64,000 equity shares to Non-Institutional Investors, 72,00,000 equity shares to Qualified Institutional Buyers and 7,60,000 equity shares to Market Makers. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE SME Emerge) on 11th October, 2023.

7. As per the terms of issue of Preference shares, the Board of Directors at their meeting held on 9th February, 2024 have redeemed the 15,60,000 Preference shares (i.e., 30% of Preference Shares) having face value of INR. 10/- each at par aggregating to INR. 1,56,00,000/- out of profits of the Company.

This report shall be read with our letter of even date which is annexed as Annexure-I and forms an integral part of this report.

For **Ganapathi & Mohan**
Company Secretaries

Place: Bengaluru

Date: 03rd September 2024

Sd/-

CS. Radhesh R Bhat
Partner
ACS. 53606; C.P: 21562
Peer Review No: 1571/2021
(FRN: P2002KR057100)
ICSI UDIN: A053606F001111520

Annexure-I

To,
The Members,
CANARYS AUTOMATIONS LIMITED
(formerly known as Canarys Automations Private Limited)
CIN: L31101KA1991PLC012096
No. 566 & 567, 2nd Floor,
30th Main, Attimabbe Road, Banagirinagara.
Banashankari 3rd Stage, Bengaluru-560085

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the Auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

7. The audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by or obtained from the Company electronically.

8. We further report that the compliance by the Company of applicable financial laws like Direct & Indirect tax laws, the correctness and appropriateness of financial records, cost records and books of accounts of the Company has not been reviewed in this audit, since the same has been subject to review by the statutory financial auditor and other designated professionals.

For **Ganapathi & Mohan**
Company Secretaries

Place: Bengaluru
Date: 03rd September 2024

Sd/-

CS. Radhesh R Bhat
Partner
ACS. 53606; C.P: 21562
Peer Review No: 1571/2021
(FRN: P2002KR057100)
ICSI UDIN: A053606F001111520

ANNEXURE-VII

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

RELARED PARTY TRANSACTION

1. **Details of contracts or arrangements or transactions not at arm's length basis: NIL**

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts	Date(s) of approval by the Board, if any	Amount paid as advances
iBOTOmate Private Limited, Mr. Sheshadri Y S, Director is interested	Sale of Services	On need basis	These transactions have been undertaking by the Company on regular basis depending on the needs of business	24.04.2023	Nil
Canarys Hanuka Apo Technologies Private Limited, Joint Venture Company	Purchase of Goods	On need basis	These transactions have been undertaking by the Company on regular basis depending on the needs of business	03.07.2023	Nil
Mr. Kanaada Metikurke, son of Mr. M R Raman Subbarao, Managing Director	Consultancy Charges	On need basis	These transactions have been undertaking by the Company on regular basis depending on the needs of business	24.04.2023	Nil

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED
(formerly Canarys Automations Private Limited)

Sd/-
Raman Subbarao M R
Managing Director
DIN: 00176920

Sd/-
Sheshadri Y S
Executive & CEO
DIN: 03367545

Sd/-
Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 03.09.2024
Place: Bengaluru

ANNEXURE VIII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CANARYS, a leading water resources management solution provider in India, offers a comprehensive Decision Support System (DSS) framework. This framework is used to provide turnkey solution that integrates IoT-enabled hydrology and meteorology instruments, telemetry services, command centers, software applications, and ongoing maintenance, empowering water resource organizations to adopt digital transformation strategies and effective non-structural interventions in water resources sector.

Water Resources Management (WRM) Sector and developments in 2023/2024.

- *Water resource is a state subject and very wide.*
- *Government interventions are of two types Structural and Non-structural.*
- *Non-structural Water resource management focus areas for Canarys includes Hydrological and meteorological monitoring, River and dam inflow, outflow and level monitoring, Automation of irrigation reservoirs, canal releases control and monitoring across the distribution network, and Urban Flood Early Warning System.*
- *There are Government policies, programs structured for planning and execution in improvements of infrastructure, non-structural works, digital transformation, integration of information, towards which there are specific annual budget allocated.*
- *These programs are funded by Government of India, State Governments and many are supported through external borrowings such as World Bank, Asian Development Banks, Japan International Cooperation Agency and such agencies.*
- *There has been concentrated effort to establish a large network of Hydrological and meteorological over the past 4 years and will continue to the next 5 years.*
- *Irrigation network automation and Reservoir operations are increasingly taken up to follow standard operating procedures, as well, build resilient organisations in the changing climatic conditions. This requires digital intervention and Canarys is well placed to take up these works due to its extensive efforts since 2010 in WRM.*
- *Floods and droughts are on the rise in India. But they need not become disasters. It depends on how society manages them; they need tools and facilities to see the relevant information.*
- *While governments tend to deal with them in a siloed manner so far, increasingly there is a paradigm shift in the way these events are managed altogether. It is a complex problem that requires a multi-sectorial approach to reduce the risks and impacts.*
- *India's drought-prone area has increased by 57 percent since 1997, while instances of heavy rainfall have risen by almost 85 percent since 2012. This can have far-reaching impacts, affecting several generations.*
- *Floods are a recurrent natural phenomenon in India, including perennial occurrences in some parts of the country. Progressively, floods are transformed into flood hazards*

because of the anthropogenic activities in the flood plains and adjoining catchments, causing injuries, loss of lives, and property damage. Flood hazards, when considered in relation to vulnerability and exposure limits, describe the associated flood risk.

- *To mitigate the impacts of floods and droughts, India has launched many policies and programs to improve water security and build resilience.*
- *A flood occurs when an excess volume of water enters an area where it cannot be drained effectively. Based on their causes, floods are categorized as fluvial, flash, urban drainage, dam break, snow melt, coastal, and erosion. Fluvial floods mainly occur in river flood plains as the flow exceeds the channel capacity and spills over the banks while adjoining catchments get inundated occasionally. Urban flooding occurs when intense rainfall in urban settlements generates rapid runoff and exceeds the capacity of storm drainage systems. A flash flood is associated with ferocious convection storms of a short duration falling over a small area.*
- *This includes advances in technologies such as flood forecasting models, Hydromet services and early warning systems, greater dam safety, and a national plan for disaster management.*
- *To mitigate flood impacts, the government has launched policies and programs to improve water security and build climate resilience, including advances in flood forecasting models, Hydromet services, and early warning systems*

Irrigation water Management DSS

Dam / reservoir monitoring and control - DSS

Urban Flood Early Warning DSS

Integrated Command and Control Center

Indicative Initiatives in WRM Sector

To fulfil the GoI vision of disaster resilient India, several initiatives have been taken under the guidance of Home Ministry to ensure effective management of disasters in the country. The ministry approves six projects of Rs. 2514.36 crore for Urban Flood Management in Mumbai, Kolkata, Bengaluru, Hyderabad, Ahmedabad and Pune. The Central government had approved the Project proposal for integrated solutions for flood management for the state of Tamil Nadu in Chennai city at a cost of Rs. 561.29 crore. The Central Government has released Rs. 6348 crores to 14 states under State Disaster Response Fund (SDRF) and Rs. 672 crores to 6 states under State Disaster Mitigation Fund (SDMF) during current financial year – Source Ministry of Home Affairs press release - 25 JUL 2024 by PIB Delhi

Decision Support System developed by Canarys Automations Limited for Water Resources Management.

A Decision Support System (DSS) for flood warning is a software platform that provides timely, Contextual information and pinpointing areas of vulnerability, the impact along with improvements required. Helps in tracking the progress of mitigation work and its impact during events. This information will support decision-making during flood events. Its primary goal is to reduce the impact of flooding on communities, infrastructure, and the environment. It serves as a critical tool for disaster management agencies, local governments, and communities to minimize the impact of floods on human lives, infrastructure, and the environment.

Primary Goals:

- To reduce the impact of flooding on communities, infrastructure, and the environment by providing actionable insights and coordinating effective response efforts.
- To enhance preparedness and resilience by anticipating flood events and implementing proactive mitigation strategies.
- To ensure timely and effective communication among all stakeholders, facilitating a coordinated response to minimize the loss of life and property.

1) Key Components:
   a) Data Acquisition: Real-time weather and static data collection from various sources, such as:
      i) Rainfall gauges
      ii) Water level sensors
      iii) Weather forecasts
      iv) Satellite imagery

   b) Data Processing: Integration and analysis of collected data for visualising the impact area, improvement options and progress over time:
      i) Hydrological models
      ii) Hydraulic models
      iii) Geospatial analysis
      iv) Multi Criteria Decision Analysis model - evaluate and prioritize different flood mitigation options based on various criteria (e.g., cost, effectiveness, environmental impact).

v) Time Series Analysis - temporal data (e.g., rainfall, river levels) to detect trends, seasonal variations, and anomalies.
vi) Small Scale meteorological models

c) Flood Forecasting: Predicting flood events, including:
   i) Flood extent
   ii) Flood depth
   iii) Flood duration
   iv) Peak flood discharge
   v) Flood Timing - onset time of the flood at various locations.
   vi) Flood Wave Propagation - speed and direction of the flood wave as it moves downstream
   vii) Urban flood prediction - predicting floods in urban areas, considering factors like drainage capacity, surface runoff, and impermeable surfaces.

d) Warning Dissemination: Timely dissemination of flood warnings to:
   i) Emergency responders
   ii) Local authorities
   iii) General public (through mobile alerts, sirens, etc.)
   iv) Feedback and confirmation mechanisms - channels for receiving confirmation of receipt of warnings from various stakeholders; public to report back on their status and safety, helping to gauge the effectiveness of the dissemination efforts

e) Decision Support Tools: Providing decision-makers with:
   i) Flood inundation maps
   ii) Evacuation routes
   iii) Emergency response plans
   iv) Evacuation of flood water and routing plans
   v) Damage assessment tools
   vi) Resource Allocation and Management

2) Benefits:
   i) Enhanced situational awareness
   ii) Improved response time
   iii) Reduced flood damage
   iv) Increased public safety
   v) Informed decision-making

3) Technologies Used:
   i) Geographic Information Systems (GIS)
   ii) Remote Sensing (RS)
   iii) Artificial Intelligence (AI)
   iv) Machine Learning (ML)
   v) Cloud Computing
   vi) Internet of Things (IoT)
   vii) Mobile and Web Applications

4) Challenges and Future Directions:
    i) Data quality and availability
    ii) Model uncertainty
    iii) Integration with existing systems
    iv) Public awareness and education
    v) Continuous system improvement

A Variant of DSS for Reservoir and Dam operations

1) A Decision Support System (DSS) for gate operation of reservoirs for flood management is a computer-based tool that helps reservoir operators and flood managers make informed decisions about gate operations to mitigate flood risks. The DSS integrates various data sources, models, and algorithms to provide real-time guidance on inflows, existing balance capacity of reservoirs, how much volume can be held back and how much can be evacuated to accommodate the incoming volumes. Confidence of the incoming volume, such that the held water can be released.

1. Key Components:
    a. Data Acquisition:
        i. Inflow and outflow data
        ii. Water level sensors
        iii. Rainfall and weather forecasts to ascertain events and confidence.
        iv. Downstream water level and flow data to track the releases

    b. Hydrological and Hydraulic Models:
        i. Reservoir routing models
        ii. Flood routing models
        iii. Hydrodynamic models

    c. Optimization Algorithms:
        i. Linear and nonlinear programming
        ii. Dynamic programming
        iii. Genetic algorithms

    d. Decision Support Tools:
        i. Gate operation optimization
        ii. What volume to be held back and how much should be released.
        iii. Flood inundation mapping
        iv. Damage assessment
        v. Evacuation planning

    e. User Interface:
        i. Visualization tools (river route, infrastructures, operations, trendlines, graphs, maps, etc.)
        ii. Alert systems and warnings
        iii. Reporting and logging

2. Functionality:
    a) Real-time monitoring of reservoir, upstream conditions and downstream conditions
    b) Forecasting of inflows, water levels, and flood potential assessment
    c) Optimization of gate operations to minimize flood risk
    d) Simulation of different scenarios (e.g., various rainfall intensities and the outcome)
    e) Provision of decision-making guidelines and recommendations

3. Benefits:
    a) Improved flood mitigation
    b) Reduced damage to infrastructure and property
    c) Enhanced public safety
    d) Optimized reservoir operations
    e) Increased situational awareness

4. Technologies Used:
    a) GIS and remote sensing
    b) Artificial intelligence and machine learning
    c) Cloud computing and big data analytics
    d) IoT and sensor networks
    e) Web and mobile applications

Hydromet

Provides information for water resources (level, flow, rainfall and weather parameters). Leads water yield and flood forecasting with record keeping. Supports irrigation water demand vs supply tracking with automated reporting.

WRM

Overseeing the planning and operations of water resources infrastructure (reservoirs, gate operations, supply position), regulate water allocations, routing and optimise utilisation based on availability.

Opportunities

Identify – On knowing and studying the overall objective and targeted infrastructure development in water sector and Disaster management departments, we look at the allocated budget to the implementing agencies.

Sales Cycle - This is followed up with meetings, presentations and briefings will help identifying the opportunities, timelines and scope of work. These meetings give us insights into what are the exact goals, the intent to achieve within boundaries and timelines within which we need to achieve the goals. This stage gives us confidence on the available project cycle, matching our DSS based solution to meet the overall objectives and fitting into their processes. Proposals are given, and it goes through the governmental scrutiny, evaluation, alternatives, changes and estimation process leading to DPRs by the implementing agency and allocation of funds for the work execution.

Bid Preparation – Bids are prepared based on the qualification criteria and the technical approach chosen by the departmental implementing agency. Necessary capacity, capability and

technical approach to solving the problems and achieving the goals are demonstrated in the documents put forth for evaluation.

Evaluation and Selection – For a tender called, there can be bids from competition. In WRM segment that we focus, we normally see 3 to 4 established competitive bidding. While it has been the Lowest quote (L1) based selection for packaged products so far, specific performance oriented projects go for Quality-cum-Cost Based Selection(QCBS) criteria for qualifying and selection amongst the bidders. In year 2023 and 2024, Canarys has shown interest to go with QCBS based tenders rather than the L1 based. This gives freedom to provide turnkey, comprehensive solution rather than items and pieces of the packages that does not fulfil the overall objectives of the department.

Representative Target Customer Type:

- Central Water Commission – Narmadha Basin, Cauvery Basin, Krishna Godavari basin
- Urban Municipal Administration – Gorakpur city, Chennai City, Ahmedabad city, Guwahati City, etc.
- Irrigation Network Management – Water use efficiency – KNNL, CNNL, VJNL, KBJNL, WRD Tamilnadu.
- State WRD – Orissa, West Bengal, Karnataka, Madhya Pradesh states
- Central Institutions - IMD, BBMB

Risk management

Risk 1 – Sale Cycle time pursuing the government departments takes considerable time, affecting the overall opportunity pipeline, as well as converting them into order within a specific time limit. This affects the overall revenue and operational load within the company.

Estimating the exact timeline for department's go or no-go decisions is affected by their confidence on the solution approach to meet their objectives, confidence on the companies that are available to carry out such work and the ability to meet their overall objective and goals. Departmental People, their depth of engagement, ease at which the solution is matched with achieving the objectives, short and long term must be enumerated. The solution approach must be well understood by all stakeholders and accordingly configured to ensure interest and high confidence level leading to decision making.

Meanwhile discontinuity of officers involved, governmental financial cycle, constitutional events further affect the timeline and keeping interest to pursue within specific period.

Factors that play role in managing the risk:

Lead Qualifying Procedure – identify funding sources like state funded, central funded, development banks funded projects and financial cycle.

Lead customer Champions – enthusiastic and knowledgeable officers whose intent to make the project successful.

Identifying the Real need and goal timelines will help come with a roadmap and identify the critical milestones to be showcased and achieved as part of the plan.

Risk 2 – Project execution Delays due to nature of packaged solution offering which involves multiple industries – electronics, software, communication, civil and fabrication.

Each industry has its portion of internal supply related delays and non-availability of components. There are delays in execution due to non-availability for installation sites, site handover and site preparation from customer end.

Execution of work is linked with project timeline, weightage to milestones or critical deliverables and provisions for getting site authorisation and, site handover.

Material supply is now managed with multiple vendors, alternative channels of supply with vendors now requiring to present their detailed project plan with clearly defined timelines, milestones, and responsibilities. Managing spares and inventory is also considered going further.

Risk 3 – Delays in payments after supply of materials and provision of services.

Mitigation - Will have to account for the possible events such as elections, departmental financial cycle, delays in delivery, potential technical risks and rework and accordingly engage or impress customers during their DPR preparation about these possibilities and the importance of managing the project funding, cash rotation on milestone basis. Educating them on the billing implication, GST implication creating awareness is important. This will lead to changes in achievable packages of work, project cycle time, milestone schedule alteration such that the companies can manage within these restrictive events and processes.

Canarys has actively sought to select works, contracts and opportunities that have better payment terms, compared to the previous government contracts. Through analysis of project execution risks linked to payments are assessed, identification of critical deliverables and payments are showcased and impressed during the Sales cycle itself and it reflects in the DPRs.

Risk 4 – Reputation Risk leads to inviting or ignoring the company to participate in EOI -Negative remarks and feeds from competition, failure of such project by any other company leading to generalisation of failure of technology.

Mitigation - Actively manage the company's brand, solution provided and its impact, through consistent messaging, quality of work documentation, achievement certificates and positive customer interaction when they meet their counterparts or at apex meetings.

Business overview

- Water Resources Management sector is very broad: Canarys focus is clearly on Water Resources Department at Central and State Governments, Institutes such as NDMA, CWC, IMD and specific boards.
- Offerings are to meet the non-structural needs of the department which essentially involves digital transformation and best practices.
- The offerings are primarily in providing Urban Flood Early Warning System, Dam and Reservoir Automation packages, Irrigation Water Management System and the essential Hydro-Met instrumentation networking.
- Canarys since mid 2020 has significantly shifted from being a Hydro-Met instrumentation and water resource monitoring systems, which was primarily hardware SITC intensive, towards a solutions approach- where Canarys looked at opportunities to identify customer problems and offered customised packages through the Decisions Support System (DSS) based solutions. We can say we evolved our offerings from Digitisation to Digital Transformation. This helped Canarys in improving the contract size, Contract terms, payment terms and recognition for our unique offerings based on DSS.

- Canarys has successfully introduced, run pilots for both Urban/Riverine Flood Early warning and Reservoir Automation packages, based on Canarys Decisions Support System (DSS).
- The contracts are usually in two parts involving; sequentially; Design, Supply, installation, Testing and Commissioning (SITC) as one part, and followed by Operations and Maintenance (O &M) for up to 5 years.
- We must note that Canarys worked towards changing the type of contract from the previous payment conditions at 40% towards SITC and 60% towards O & M during this period(2022-2023-2024). The previous contracts have all moved beyond the SITC phase and now are in the O & M phase. The newer contracts that Canarys is working will positively impact the cash flow, where the SITC phase has a clear contract value with its own payment cycle. And the O & M phase has its contract value which gets paid annually for the contract period.

- Work Execution

  Vendors and procurement - We procure materials based on the project requirements, design outputs, drawings, technical specifications and customer approvals–

  Typically, we procure **equipment's** like:

  - Control & Instrumentation – Automatic Water Level Recorders (AWLR's), Data Loggers, RTU's, SCADA panel.
  - IT hardware – Server, Workstations, Computer nodes, Printers, etc.
  - Power sources – UPS, Solar Panels, batteries etc.
  - Erection and Installation materials – Metallic Steel / Stainless Steel / Cast Iron, Wiring cables, Cement, Gravel etc.
  - Office Furniture – Chairs, Workstations, videowall panels, conference tables, sofa's etc.
  - Communication – Internet Service Providers, IP PBX, GSM/ GPRS etc.
  - Software – DSS, Modelling applications, GIS application, MS office, Windows OS etc.

  We select the vendor based on vendor's prior experience, knowledge of similar type of works, Sample work/ pilot work / site studies of the requirement, proposal, technical alternatives, changes and thorough evaluation with multiple discussions.

  Quality – As per the requirement standards and Industry standards adherence.

  Payment terms with vendors – Compulsorily we negotiate for credit terms along with delivery schedules, warranties. Once these are agreed upon, the process of receiving Quotation, releasing PO will be followed. All delivery terms and payments are mutually agreed terms prior to finalise the PO.

Technical partners and their role.

Technical partners will give us insights on the required depth of technical knowledge w.r.t to the customer defined scope of work and the requirements. They

are usually having specialised and tenured experience people from their respective field/ nature of works.

Association with them will provide us advantage in terms of the quick learning cycle by exposures to similar situations or type of works and shadowing them helps carry ahead the engagement seamlessly.

This will be an additional support that we provide to the customer in meeting their timeline, quality goals and satisfaction.

Role of Canarys expertise in execution.

The in-house expertise is the core team and that will manage the project work and deliverables. They will be front ending the customer in gathering the detailed requirements, planning, roadmap, development of the solutions, execution and customer and stakeholders relationship, management and timely delivery with quality.

The team consists of various resources right from senior leaders, managers, technical specialists etc. with their prior knowledge and experience, skills in the domain help to manage the deliverables effectively as per client requirements.

Client base, Presence and Order status:

Canarys WRM business considered expanding its presence, reach and engagement across India to create brand recall, recognition of the solution and capability with the specific client base. In government customer circle, recommendations and recognition for having executed projects and quality of service plays a major role in securing further contracts. Our client-centric solution approach continues to bring us high levels of client satisfaction and referrals.

Since the expansion effort, Canarys WRM has added 20 contracts since mid-2020. All these contracts have completed the first part of SITC with revenue in 2020-2021 at Rs. 1,097.95 Lakhs and 2021-2022 at Rs. 2,386.53 Lakhs and 2022-2023 at Rs. 2,752.57 Lakhs and 2023-2024 Rs. 2,720.69 Lakhs and all projects have moved to the second part of O & M which will generate annuity-based revenue. After completion of SITC we have so far commissioned 1300+ Canarys Water resources stations, each station covering a specific geographic area and providing specific Hydro-Met information to wide base of users in the target segment, in doing so we now have positive recognition, brand recall and seen as committed practitioners of comprehensive water resources solution. Our project execution and delivery capabilities have improved and helped the government organizations and associated institutions.

These projects are recommend as completed and are earmarked for the balance of payments and this helps reduce the receivable from where they stand today.

Considering the shift in the contract type and the contract models, we have chosen to use the existing client base to further improve the quality of contracts, the contract conditions and engagement type which in-turn improves revenue, profitability and cash flow situations.

Overall, we can say the decision to expand across India with our footprint in the water resources segment has yielded results. The shift has paved way for improved contract size contract conditions, quality of participation and bid submissions.

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED
(formerly Canarys Automations Private Limited)

Sd/-
Raman Subbarao M R
Managing Director
DIN: 00176920

Sd/-
Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Sd/-
Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 03.09.2024
Place: Bengaluru

Canarys
Solution is our Mantra

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: L31101KA1991PLC012096

Standalone Financial Statements
2023-24

SURESH & CO.
Chartered Accountants

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

Tele: 080-26623610/11
email: info@sureshandco.com
website: www.sureshandco.com

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, 2024, 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, 2024, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Sl. No.	Key Audit Matter	Auditor's Response
1.	**Revenue recognition - Fixed price contracts using the percentage of completion method** Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. We identified the estimate of total efforts or costs to complete fixed price contracts measured using the percentage of completion method as a key audit matter as the estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. This required a high degree of auditor judgment in evaluating the audit evidence and a higher extent of audit effort to evaluate the reasonableness of the total estimated amount of revenue recognized on fixed-price contracts.	Principal Audit Procedures Performed included the following: Our audit procedures related to the determination of whether revenue is recognized on a straight-line basis or using the percentage of completion method included the following, among others: • We tested the effectiveness of controls relating to the determination of whether revenue for certain contracts is recognized on a straight-line basis or using the percentage of completion method. • We selected a sample of fixed price contracts with customers measured the using percentage-of-completion method and performed the following: - Obtained and read contract documents for each selection, including service agreements and other documents that were part of the agreement. - Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign-off from customers to identify possible delays in achieving milestones.
2	**Trade Receivables and Provision for doubtful receivables** A significant amount of revenue generated by the company is through telemetry services where a substantial portion of receivables is attributable to government entities, average ageing of which is between 1 and 2 years. The company is unable to obtain balance confirmations regarding the outstanding amount to be received from these entities as on 31 March 2024. There has been no provision for doubtful debts created against such receivables, as the Company believes, on the basis of past realization trends, indicate a high probability of receiving these outstanding amounts. We identified this to be key audit matter as it involves high degree of auditor judgment in evaluating the audit evidence.	Principal Audit Procedures Performed included the following: Our audit procedures related to the determination of whether the realizable value of trade receivables is accurate included the following: • We selected a sample of fixed price contracts with customers for which revenue is outstanding for a period between one to two years. - Observation of the trend of receipts happening during the year in order to check against which invoices the receipts have happened during the year. - On observation of the same, we concur with the management's view that the ageing of receivables received in the current year is around one-two years and the same trend is expected to continue in the future and accordingly provision for doubtful debts need not be provided for.

Sl. No.	Key Audit Matter	Auditor's Response
3	**Intangible Assets under development** Company has estimated the projected revenue based on its evaluation of targeted market share and determination of total costs associated with human resource required for solution developments. We identified the expenditure related to human resource involved in solution development have been capitalized in the FY 2023-24. This required a high degree of auditor judgment in evaluating the audit evidence since this estimate has a high inherent uncertainty of realization of projected revenues.	Principal Audit Procedures Performed included the following: Our audit procedures related to the assessing the reliability of realization of project revenues shared by the management included the following, among others: • We tested the effectiveness of controls relating to the capitalization of intangible assets under development. • We selected a sample of employees and evaluated their timesheets with the cost capitalized. • We obtained the market study and other research conducted by the management and evaluated their source of such research.
4	**Provision for compensated absences** The company has recorded a provision for compensated absences related to privilege leaves that employees carry forward to subsequent financial year. The provision is based on the assumption that 50% of these carried-forward leaves will be taken by employees, based on an analysis of past trends. This estimation involves significant judgment and assumptions regarding future leave utilization patterns of employees, which could materially affect the Standalone Financial Statements.	**Principal audit procedures performed included the following:** • We gained an understanding of the company's process for calculating the provision for compensated absences. • We tested the accuracy and completeness of the data used in the provision calculation. • We reviewed the disclosures in the Standalone Financial Statements related to the provision for compensated absences to ensure they were adequate and in accordance with relevant accounting standards.

Information Other than the Standalone 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 Standalone Financial Statements and our auditor's report thereon.

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. The Director's report is not made available to us as at the date of this Auditor's report. We have nothing to report in this regard. The secretarial audit report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

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 Statementsas 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:

- 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 Standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(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 29

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, as disclosed in note 36 to the Standalone Financial Statements, 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, as disclosed in note 36 to the Standalone Financial Statements, 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 interim dividend for preference share capital is declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

i. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to payroll process, property, plant, and equipment.

ii. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to inventory.

Further, for the periods where the audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

for SURESH & CO.
Chartered Accountants
Firm Registration No.: 004255S

Udupi Vikram
Partner
Membership No.: 227984
Bengaluru
28 May 2024
UDIN: 24227984BJZWZA8302

"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, 2024

i. According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 (Computer Software).

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this programme, certain property, plant and equipment were verified during the year. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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.

Description of the Property	**Gross Carrying Value as at 31st March 2024 (₹ in lakhs)**	**Carrying Value in the Standalone Financial Statementsas at 31st March 2024 (₹ in lakhs)**	**Held in the name of**	**Whether promoter, directors or their relative or employee**	**Period held - indicate range, where appropriate**	**Reason for not being held in the name of Company, also indicate if in dispute**
Factory Building KSSIDC Complex, Electronic City, Bengaluru	9.81	9.81	Canarys Automations Limited ***(formerly known as Canarys Automations Private limited)***	No	30 years	Not applicable

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant & Equipment and intangible assets or both during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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.

ii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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. According to the information and explanations given to us and on the basis of our examination of the records of the Company,

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

iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not granted any loans & advances to any other party including its subsidiaries and associate company, or stood guaranteed. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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, reporting under paragraph 3(v) of the Order is not applicable to the Company.

vi. According to the information and explanations given to us, 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, reporting under paragraph 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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, 2024 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. According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no defaults during the year. However, the company has paid the opening balance of interest. However, the Company do not have any loans or borrowings as at 31 March 2024.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, on an overall examination of the Standalone 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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.

x. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, moneys raised by way of initial public offer during the year, have been, prima facie, applied by the Company for the purposes for which they were raised. However some portion of the amount raised, which remain unutilised during the year, have been invested in bank deposits as on March 31, 2024

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not made any preferential allotment or private placement of shares or 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. According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

xii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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. According to the information and explanations given to us and on the basis of our examination of the records of the Company, based on our examination of the records of the Company, In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statementsas required by the applicable accounting standards.

xiv. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we have considered, the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is a 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not incurred cash losses during the current financial year and in the immediately preceding financial year.

xviii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there has been no resignation of the statutory auditors during the year.

xix. According to the information and explanations given to us and on the basis of our examination of the records of the Company, on the basis of the financial ratios (note 41) to the Standalone Financial Statements), ageing and expected dates of realization 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. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no 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. According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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
28 May 2024
UDIN: 24227984BJZWZA8302

"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, 2024, in conjunction with our audit of the Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements.

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

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, 2024, 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

Udupi Vikram
Partner
Membership Number: 227984
Bengaluru
28 May 2024
UDIN: 24227984BJZWZA8302

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: L31101KA1991PLC012096

Standalone Balance Sheet as at March 31, 2024 (Amount in Rs. Lakhs)

Particulars	Note no.	As on 31st March 2024	As on 31st March 2023
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
a) Share capital	2	1,435.68	928.04
b) Reserves and surplus	3	5,993.86	1,550.98
2) Non - current liabilities			
a) Deferred tax liabilities (Net)	4	-	11.24
b) Other long -term liabilities	5	3.30	3.30
c) Long term provisions	6	27.48	24.55
3) Current liabilities			
a) Short term borrowings	7	377.36	400.89
b) Trade payables	8		
- Dues to micro enterprises and small enterprises		29.35	1,413.20
- Due to creditors other than micro and small enterprises		1,381.93	368.97
c) Other current liabilities	9	856.67	554.42
d) Short-term provisions	10	119.10	36.81
TOTAL		**10,224.73**	**5,292.40**
II. ASSETS			
1) Non-current assets			
a) Property, Plant and Equipment and Intangible assets			
i) Property, Plant and Equipment	11	67.42	84.04
ii) Intangible assets	11	3.60	3.27
iii) Intangible asset under development	11	228.92	-
b) Non-current investments	12	158.75	158.77
c) Long-term loans and advances	13	12.18	12.61
d) Other non current assets	14	187.40	139.95
e) Deferred Tax Assets	15	28.54	-
2) Current Assets			
a) Inventories	16	98.61	272.07
b) Trade receivables	17	6,432.32	4,209.66
c) Cash and bank balances	18	2,309.77	102.15
d) Short-term loans and advances	19	355.16	194.53
e) Other current assets	20	342.06	115.35
TOTAL		**10,224.73**	**5,292.40**
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

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

Udupi Vikram
Partner
Membership Number: 227984
Bengaluru
28 May 2024

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

Raman SubbaRao M R
Managing Director
DIN:00176920
Bengaluru
28 May 2024

Sheshadri Y S
Director & CEO
DIN: 03367545
Bengaluru
28 May 2024

Raghu C
Whole-time Director & CFO
DIN: 01065269
Bengaluru
28 May 2024

Nagashree Hegde
Company Secretary
M. No.: A66166
Bengaluru
28 May 2024

CANARYS AUTOMATIONS LTD. BENGALURU

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: L31101KA1991PLC012096

(Amount in Rs. Lakhs)

Standalone Statement of Profit and Loss for the half year ended March. 31, 2024

Particulares	Note No	Year Ended 31st March 2024	Year Ended 31st March 2023
I. Income			
a) Revenue from operations	21	7,449.26	7,372.56
b) Other income	22	121.49	83.14
Total Income		**7,570.76**	**7,455.70**
II. Expenses			
a) Purchases	23	1,740.45	1,987.69
b) (Increase)/decrease in inventory	24	173.45	186.81
c) Employee benefits expenses	25	3,185.90	2,824.96
d) Finance costs	26	48.13	31.87
e) Depreciation and amortization expenses	11	32.66	38.31
f) Other expenses	27	1,239.53	1,117.03
Total Expenses		**6,420.13**	**6,186.67**
III. Profit/(loss) before exceptional items and tax (I- II)		**1,150.63**	**1,269.03**
IV. Exceptional items		-	-
V. Profit/(loss) before tax		**1,150.63**	**1,269.03**
VI. Tax expenses			
a) Current tax		313.58	326.46
b) Deferred tax		-39.78	4.49
c) Income Tax - Previous year			
VII. Profit/(loss) for the year		**876.83**	**938.09**
VIII.Restated Earnings per share : (Face value of Rs.2/- each)			
Basic		1.90	4.34
Diluted		1.90	4.34
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: 004252S

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

Udupi Vikram
Partner
Membership Number: 224984
Bengaluru
28 May 2024

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

Raman SubbaRao M R
Managing Director
DIN:00176920
Bengaluru
28 May 2024

Sheshadri Y S
Director & CEO
DIN: 03367545
Bengaluru
28 May 2024

Raghu C
Whole-time Director & CFO
DIN: 01065269
Bengaluru
28 May 2024

Nagashree Hegde
Company Secretary
M. No.: A66166
Bengaluru
28 May 2024

CANARYS AUTOMATIONS LTD. BENGALURU

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: L31101KA1991PLC012096

Standalone Statement of Cash flow for the year ended March 31, 2024 **(Amount in Rs. Lakhs)**

Particulars	Year ended March 31, 2024 Audited	Year ended March 31, 2023 Audited
(A) Cash Flows from Operating Activities		
Net Profit/(loss) before tax and extraordinary items	1,150.63	1,269.03
Adjustments for :		
Depreciation	32.66	38.31
Gain/Loss on sale of Assets	(0.66)	(0.37)
Provision for deferred tax	(39.78)	13.34
Assets discarded/Loss on sale of asset	-	(13.33)
Adjustment in respect of Non Current Investments	0.02	-
Adjustment in share based payment reserve	126.40	-
Dividend / Interest income	(84.75)	(15.03)
Adjustment on FCTR	-	-
Operating Profit before Working Capital change	1,184.52	1,291.96
(Increase) / Decrease in Trade receivables	(2,222.66)	(1,576.32)
(Increase) / Decrease in Inventory	173.45	186.81
(Increase) / Decrease in Loans and advances	(160.63)	(163.63)
(Increase) / Decrease in Other Current Assets	(226.72)	(1.53)
Increase / (Decrease) in Trade Payables	(370.88)	(147.27)
Increase / (Decrease) in Provisions	82.29	149.31
Increase / (Decrease) in Other Current Liabilities	305.18	63.20
Cash Generated from/ (used in) Operating Activities	(1,235.44)	(197.47)
Less: Income taxes paid	(273.80)	(330.95)
Net cash from / (used in) Operating Activities	**(1,509.25)**	**(528.42)**
(B) Cash Flows from Investing Activities		
Purchase of fixed assets	(245.29)	(26.49)
Changes in Non-current Investments	85.84	(104.55)
Net cash from / (used in) Investing Activities	**(159.45)**	**(131.04)**
		-
(C) Cash Flows from Financing Activities		
Issue of Share Capital/Share application money received	147.44	-
Premium received during the year	3,844.05	-
Net Proceeds from borrowings	(23.53)	303.28
Less: Dividend paid	(44.20)	(76.48)
Net cash from / (used in) Financing Activities	**3,923.76**	**226.80**
(D) Total Increase/(Decrease) in Cash and bank balances	2,255.07	(432.66)
(E) Cash and bank balances at the beginning of the year	242.10	674.77
(F) Closing Cash and bank balances	**2,497.17**	**242.10**

Notes to Cash Flow Statement

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

Cash and bank balances		
a) Cash on hand	0.05	0.04
b) Balance with banks	-	-
-In current accounts	6.46	36.42
-In Fixed deposits	2,490.65	205.64
	2,497.17	**242.10**

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

Udupi Vikram
Partner
Membership Number: 217163
Bengaluru
28 May 2024

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

Raman SubbaRao M R	**Sheshadri Y S**
Managing Director	Director & CEO
DIN:00176920	DIN: 03367545
Bengaluru	Bengaluru
28 May 2024	28 May 2024
Raghu C	**Nagashree Hegde**
Whole-time Director & CFO	Company Secretary
DIN: 01065269	M. No.: A66166
Bengaluru	Bengaluru
28 May 2024	28 May 2024

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: L31101KA1991PLC012096

Notes forming part of Standalone financial statements for the year ended March 31, 2024

Company Overview

Canarys Automations Limited (Formerly 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 Group 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 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

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 it 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.

Notes forming part of Standalone financial statements for the year ended March 31, 2024

1.05 Revenue from operations:

(a) Income and Expenditure are accounted ongoing concern basis.

(b) The company's income consists of income from development of software and distribution of software, 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 mile stone basis based on the exchange rate prevailing on that respective day as per the CBIC Rate.

(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.

(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)
Buliding	60
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.

Intangible asset under development - The company is developing software and the same have been amortised as per AS26 and shown under PPE. The details of the same have been given in Note no 38 attached financial Statement.

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 exits, 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.

Notes forming part of Standalone financial statements for the year ended March 31, 2024

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. In the financial statement, work in progress at the end of the year includes the direct expenses for the future water resource management services.

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

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 in case of holding company. In case of Subsidiary no such amounts were provided in the books of accounts.

(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. The Company has identified "Technology Solutions" and "Water resourse Managment solutions" as the primary reportable segment. The detailed report on the segments were disclosed seperatly in Note No 42 attached Financial statement

1.14 Foreign Currency transactions

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

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.

Notes forming part of Standalone financial statements for the year ended March 31, 2024

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 compromises 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 certainity 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.

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.

Notes forming part of Standalone Financial Statements **(Amount in Rs. Lakhs)**

2 **Share capital**

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
6,20,00,000 Equity Shares of Rs. 2 each share fully paid		
(2023 - 6,20,00,000 Equity shares of Rs 2 each shares fully paid)		
(2022 - 2,25,00,000 Equity Shares of Rs. 2 each share fully paid)	1,240.00	500.00
52,00,000 Preference Shares of Rs. 10 each		
(2023 - 52,00,000 Equity shares of Rs 10 each shares fully paid)		
(2022 - 60,00,000 Equity Shares of Rs. 10 each share fully paid)	520.00	600.00
Total	**1,760.00**	**1,100.00**
Issued, subscribed and fully paid-up		
4,10,11,920 Equity Shares of Rs. 2 each share fully paid		
(2024 - 5,61,83,920 Equity Shares of Rs. 2 each share fully paid)		
(2023 - 2,04,01,960 Equity Shares of Rs. 2 each share fully paid)	1,123.68	408.04
31,20,000 Preference Shares of Rs. 10 each		
(2024 - 31,20,000 Equity shares of Rs 10 each shares fully paid)		
(2023 - 52,00,000 Equity Shares of Rs. 10 each share fully paid)	312.00	520.00
Total	**1,435.68**	**928.04**

(i) **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, 2024		As at March 31, 2023	
	Nos.	Amount	Nos.	Amount
Equity shares				
No. of shares at the beginning of the year	20,401,960	408.04	20,401,960	408.04
Add: Bonus Shares issued during the year	20,401,960	408.04		
Add: Further issue of shares through conversion of Preferance shares	208,000	4.16		
Add: Further issue of shares through IPO	15,172,000	303.44	-	-
Issued, subscribed and fully paid up equity shares having face value of Rs. 2 each at the end of the year	56,183,920	1,123.68	20,401,960	408.04
Number of shares outstanding at the end of the year	**56,183,920**	**1,123.68**	**20,401,960**	**408.04**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount	Nos.	Amount
Preference shares				
No. of shares at the beginning of the year	5,200,000	520.00	5,200,000	520.00
Conversion of Preferance shares into Equity Shares	(520,000)	(52.00)		
Redemption during the year	(1,560,000)	(156.00)	-	-
Number of shares outstanding at the end of the year.	**3,120,000**	**312.00**	**5,200,000**	**520.00**

(ii) **Particulars of shareholders holding more than 5% Equity shares in the Company**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	% Holding	Nos.	% Holding
Equity shares of Rs.2/- each fully paid				
Raman Subba Rao	10,085,980	17.95%	5,042,990	24.72%
Raghu C	7,480,640	13.31%	3,740,320	18.33%
Arun D K	7,186,560	12.79%	3,593,280	17.61%
Jagadeesha CS	-	0.00%	1,352,000	6.63%
Parvathamma Jagadeesh	2,800,000	4.98%	-	0.00%
Anuradha Hegde	2,600,000	4.63%	1,280,000	6.27%
Pushparaj Shetty	2,610,480	4.65%	1,305,240	6.40%
Sheshadri Y S	2,350,700	4.18%	1,175,350	5.76%
Total	**35,114,360**		**17,489,180**	

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	% Holding	Nos.	% Holding
Preference shares of Rs.10/- each fully paid				
Anuradha Hegde	600,000	19.23%	1,000,000	19.23%
Shweta S Murthy	165,000	5.29%	275,000	5.29%
Total	**765,000**		**1,275,000**	

Notes forming part of Standalone Financial Statements **(Amount in Rs. Lakhs)**

(iv) **Shareholding of Promoters as on 31st March 2024**

Name of Promoters	No. of Shares	% of Total Shares	% Change during the year
Raman Subba Rao.M.R.	10,085,980	17.95%	-6.77%
Arun.D.K	7,186,560	12.79%	-4.82%
Raghu.C	7,480,640	13.31%	-5.02%
Nagaraju Vineeth	610,000	1.09%	-0.41%
Pushparaj Shetty	2,610,480	4.65%	-1.75%
Sheshadri Y.S.	2,350,700	4.18%	-1.58%
Total	**30,324,360**		

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.	5,042,990	24.72%	0%
Arun.D.K	3,593,280	17.61%	0%
Raghu.C	3,740,320	18.33%	0%
Nagaraju Vineeth	305,000	1.49%	0%
Pushparaj Shetty	1,305,240	6.40%	0.00%
Sheshadri Y.S.	1,175,350	5.76%	1.41%
Total	**15,162,180**		

Terms/ rights attached to 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.

In the Financial year 2023-24 the company has issued bonus share of 1 equity share to every 1 equity shares held by the equity shareholders to face value into Rs. 2 per equity share.

In the Financial year FY 2023-24, the company had converted 10%of preferrace shares into equity shares and shareholders subscribed 2,08,000 equity shares of Rs. 2 each at a premium of Rs. 23 each per equity share.

In the Financial year FY 2023-24, the company shares got listed in NSE SME and shareholders subscibed 1,561,72,000 equity shares of Rs 2 each at a premium of Rs 29 each per Equity shares

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

i. With the consent of preferenee shareholders, the Company may convert 10% of preference share capital into equity shares of only time after expiry of one year from the date of issue, of fair market value determined of the time of conversion.

During the Financial year FY 2023-24 the company has converted 10% of preference shares(5.2 Lakhs) into equity shares(2.08 Lakhs) at a market valuation of Rs 25 per Equity shares.

During the Financial year FY 2023-24 the company has redeemed 30% of preferenee shares(15.60Lakhs) at a Face Value of Rs 10 per Preference shares

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

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

Notes forming part of Standalone Financial Statements **(Amount in Rs. Lakhs)**

Employee stock option scheme - During year the company has been reserved 43,50,000 shares reseved towards employee stock option scheme Canarys ESOS.Upon exercise and payment of the exercise price, the option holder will be entitled to be allotted 43,50,000 Equity Share per employee stock option. Accordingly, the number of Equity Shares that may be issued under the Canarys ESOS shall not exceed 43,50,000 equity shares of face value ₹ 2/- each. The Canarys ESOS is effective from August 14, 2023. The details of the Canarys ESOS are as follows:

Particulars	Details
Date of shareholders' approval	13th Aug 2023
Total number of options approved under ESOS	43,50,000
Options granted	1,917,000
Exercise price on options (in ₹)	₹ 2/- per
Vesting period	Minimum
Maximum term of options granted	5 Years
Options vested and not exercised	Nil
Source of shares (primary, secondary or combination)	Primary
Variation in terms of options	No variations
Method used to account for ESOS	Fair Value
Options exercised	Nil
Options forfeited/lapsed	Nil
Variation of terms of options	Nil
Money realized by exercise of options	Nil
Total number of options in force as of March 31, 2024	1,917,000

Employee-wise detail of options granted to:

i. Key Managerial Personnel — Nil

ii. Senior Managerial Personnel

Name of the S	No. of options
Dr. Mahesha Bangalore Ramalinga Pandit	200,000
Mr. Nagaraj B Bhairaji	250,000
Mr. Raghu Pavan T S	800,000
Total	**1,250,000**

iii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year.

Name of the employee	No. of options	%
Dr. Mahesha Bangalore Ramalinga Pandit	200,000	10.43
Mr. Nagaraj B Bhairaji	250,000	13.04
Mr. Raghu Pavan T S	800,000	41.73
Total	**1,250,000**	**65.20**

iv. Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant

Name of the employee	No. of options	%
Mr. Raghu Pavan T S	800,000	1.95
Total	**800,000**	**1.95**

v. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Particulars	2023-24
Weighted average risk-free interest rate	7.17%
Weighted average expected Options life	3 Years
Weighted average expected volatility	16.92%
Weighted average expected dividends per share of face value of Re. 1	0%
Weighted average share price	INR 25
Weighted average exercise price	INR 2

vi. Method used and the assumptions made to incorporate the effects of expected early exercise: Black-Scholes Options Pricing Model - The assumptions are stated in the above table.

vii. The expected volatility has been calculated entirely based on historic Company's share price.

Notes forming part of Standalone Financial Statements (Amount in Rs. Lakhs)

3 Reserves and surplus

Particulars	As at March 31, 2024	As at March 31, 2023
a) Securities premium		
Opening balance	86.35	86.35
Premium received during the year	4,447.72	
Less - Amount Utilised for Share issue Expenses	-555.83	
Closing balance (a)	**3,978.24**	**86.35**
b) General reserve		
Opening balance	12.27	12.27
Add: Transfer from profit & loss account		
Closing balance (b)	**12.27**	**12.27**
c) Capital Redemption Reserve (CRR)		
Opening balance	225.33	121.33
Created towards redemption of Preference Shares	104.00	104.00
Closing balance (c)	**329.33**	**225.33**

The company has transferred a sum of Rs.1.04 Lakhs to CRR in financial year 2023-24 and accumulated CRR created is amounting to Rs. 329.33 Lakhs

d) Surplus/(deficit) in the statement of profit and loss		
Opening balance	1,227.02	469.42
Add: Profit/(Loss) for the year	876.83	938.09
	2,103.85	**1,407.50**
Less: Appropriations		
Dividend paid		
On Equity Share capital		24.48
On Preference Share capital	44.20	52.00
Adjustment in respect of Intangible assets		-
Transferred to Capital Redemption Reserves	104.00	104.00
Transferred to Issue of Bonus shares		-
On Equity Share capital	408.04	-
Closing balance (d)	**1,547.61**	**1,227.02**
e) Share Based Payment Reserve A/c		
Opening balance	-	-
Add: Transferred during the Year	126.40	-
Closing balance (e)	**126.40**	-
f) FCTR		
Opening balance	-	-
Add: Profit/(Loss) for the year	-	-
Closing balance (f)	-	-
Total reserves and surplus	**5,993.86**	**1,550.98**

4 Deferred tax Liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liability	-	11.24
Deferred tax asset	-	-
Deferred tax Liabilities (Net)	-	**11.24**

Notes forming part of Standalone Financial Statements **(Amount in Rs. Lakhs)**

5 Other long term liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
a) Rental deposit/Security deposits*	3.30	3.30
Total	**3.30**	**3.30**

*Rent deposit/Security deposit is rental advance of 10 months given by the lessee.

6 Long term provisions

Particulars	As at March 31, 2024	As at March 31, 2023
a) Provision for employee benefits	-	-
b) Rent equalization reserve	27.48	24.55
c) Provision for leave encashment	-	-
Total	**27.48**	**24.55**

7 Short term borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
a) Cash credit account overdrawn*	377.36	392.27
b) Loans and advances from related parties	-	-
c) Inter Corporate Deposits	-	8.62
Total	**377.36**	**400.89**

*The company has availed the Cash Credit Limit of Rs. 500 Lakhs & non fund based limit of Rs. 800 lakhs towards issue of bank guranatee from State Bank of India.
The primary security towards cash credit of Rs. 500 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 gurantees offered by the Directors of the Company.
The working capital is repayble 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. 800 lakhs towards issue of bank gurantee 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, 2024	As at March 31, 2023
a) Due to micro, small and enterprises *	29.35	1,413.20
b) Due to creditors other than micro and small enterprises**	1,381.93	368.97
Total	**1,411.28**	**1,782.16**

Notes forming part of Standalone Financial Statements **(Amount in Rs. Lakhs)**

*Amount included in "Due to MSME" in Previous year 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)

In view of the above circumstances, it is our firm opinion that not making any such provision as per the requirements of Section 15 and 16 of the MSMED Act, 2016, is not overriding such requirements and the need to make a provision does not arise.
**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.

Ageing for trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
(i) MSME		
a) Less than 1 year	29.35	1,413.20
b) 1 - 2 years	-	
c) 2 - 3 years		
d) More than 3 years		
Total (i)	**29.35**	**1,413.20**
(ii) Others		
a) Less than 1 year	754.71	368.97
b) 1 - 2 years	627.22	
c) 2 - 3 years		
d) More than 3 years		
Total (ii)	**1,381.93**	**368.97**
Total (i+ii)	**1,411.28**	**1,782.16**

The Company does not have any disputed outstanding balances.

9 Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
a) Advances from customers	232.37	68.02
b) Dividend payable	-	-
c) Statutory dues	356.75	341.33
d) Salary payable	254.27	135.97
e) Due to employees	7.14	6.10
f) Other payables	6.14	3.00
Total	**856.67**	**554.42**

10 Short term provisions

Particulars	As at March 31, 2024	As at March 31, 2023
a) Provision for taxation	60.16	27.87
b) Provision for Dividend	5.20	-
c) Provision for Compensated Absences	38.27	-
b) Provision for Gratuity	15.47	8.94
Total	**119.10**	**36.81**

Notes forming part of Standalone Financial Statements **(Amount in Rs. Lakhs)**

12 Non-current investments

Particulars	As at March 31, 2024	As at March 31, 2023
a) Investments in Equity Instruments	0.05	0.05
b) Investments in Mutual Funds	112.46	112.48
c) Investment in Subsidiaries	31.52	31.52
d) Investment in Joint Venture	4.90	4.90
e) Investment property	9.81	9.81
Total	**158.75**	**158.77**

Market value of the above mutual fund is Rs 124.66 Lakhs

13 Long term loans and advances

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
a) Security deposit	0.78	0.61
b) Rent deposit**	11.40	12.00
c) Loans and advance to related parties	-	
Total	**12.18**	**12.61**

**This deposit is rental advance paid to the lessor for office space.

14 Other non current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed deposit with maturity more than 12 months	187.40	139.95
Total	**187.40**	**139.95**

15 Deferred tax Liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liability	-	-
Deferred tax asset	28.54	-
Deferred tax Liabilities (Net)	**28.54**	-

16 Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Raw material and Components	-	96.75
Work-in-progress	98.61	175.31
Total	**98.61**	**272.07**

Notes forming part of Standalone Financial Statements (Amount in Rs. Lakhs)

17 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
a) Over six months from the date they were due for payment	2,882.00	1,686.51
b) Others	3,550.32	2,523.14
Total	**6,432.32**	**4,209.66**

Ageing for trade reveivables

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Undisputed Trade Receivables		
- Considered Good		
a) Less than 6 months	3,550.32	2,523.14
b) 6 months - 1 year	453.34	805.41
c) 1 - 2 years	1,880.81	864.61
d) 2 - 3 years	547.85	16.15
e) More than 3 years	-	0.35
Total	**6,432.32**	**4,209.66**

The Company does not have any Disputed Trade Receivables and Doubtful Receivables

18 Cash and bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and bank balances		
a) Cash on hand	0.05	0.04
b) Balance with banks	-	-
-In current accounts	6.46	36.42
-In Fixed deposits	2,303.25	65.69
Total	**2,309.77**	**102.15**

19 Short-term loans and advances

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
a) Balances with statutory authorities	103.77	138.35
b) Trade advance	224.20	35.25
c) Staff Advance	14.00	16.85
d) Due from Employees	11.19	4.07
e) Other Advances	2.00	
Total	**355.16**	**194.53**

20 Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
a) Earnest Money Deposit	47.39	35.93
b) Prepaid expense	12.96	1.65
c) Interest receviable	8.01	0.30
d) Unbilled revenue	226.17	77.47
d) IPO Expenses	-	-
d) Security Deposits	47.54	
Total	**342.07**	**115.35**

* Security Deposits includes the amount o Rs 47.32 Lakhs towards the Deposit paid to NSE

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: L31101KA1991PLC012096

Notes forming part of Standalone Financial Statements **(Amount in Rs. Lakhs)**

12 Non-Current Investments

Particulars	As at 31st March 2024	As at 31st March 2023
In Equity Shares of Subsidiary Companies -Unquoted,		
10,000 (2022-10,000) shares of SGD 1 per share, fully paid In Canarys APAC PTE. LTD.	5.70	5.70
57,000 (2022-57,000) shares of USD 1 per share, fully paid In Canarys Corp USA	25.83	25.83
In Equity Shares of Joint Venture -Unquoted, fully paid up		
4,900 (2022-4,900) shares of INR 100 per share, fully paid In Canarys Hanuka Apo Technologies Pvt Lt	4.90	4.90
In Equity Shares of other companies -Unquoted, fully		
500 (2022-0) shares of INR 10 per share, fully paid up In iBOTomate Private Limited	0.05	0.05
In Mutual Funds * Market value of the above mutual fund is Rs 124.66 Lakhs	112.46	112.48
In Property	9.81	9.81
Total	**158.75**	**158.77**

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: L31101KA1991PLC012096

Notes forming part of Standalone Financial Statements **(Amount in Lakhs)**

Note 11: PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION SCHEDULE

Particulars	Gross block				Accumulated depreciation / amortisation				Net block	
	As at 1.04.2023	Additions during the year	Deletions during the year	As at 31.03.2024	As at 1.04.2023	Depreciation for the year	Deletions during the year	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Property, Plant and Equipment										
Vehicles	49.86	-	19.92	29.93	36.26	3.78	18.93	21.11	8.82	13.60
Office Equipment	39.75	6.67	-	46.42	27.51	6.25		33.77	12.66	12.24
Electrical Fittings	13.50	-	-	13.50	6.94	1.70		8.63	4.86	6.56
Furniture	48.95	3.62	-	52.57	27.90	6.21		34.11	18.46	21.05
Computers	139.37	5.54	-	144.92	108.78	13.52		122.30	22.62	30.59
Intangible assets	-	-	-			-				
Software *	3.63	1.53	-	5.16	0.37	1.20		1.56	3.60	3.27
Intangible asset under development	-	228.92	-	228.92	-	-		-	228.92	-
					-	-				
Total	**295.06**	**246.28**	**19.92**	**521.42**	**207.75**	**32.66**	**18.93**	**221.49**	**299.93**	**87.30**
Previous year	**461.25**	**55.25**	**223.61**	**292.90**	**367.32**	**38.31**	**208.18**	**205.59**	**87.30**	**93.93**

*Note - with respect to software, stating that there was clerical error in the previous year disclosure , however there is no impact on amortization and net block.

Notes forming part of Standalone Financial Statements **(Amount in Rs. Lakhs)**

21 Revenue from operations

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Revenue from Water Resource Management Solution	2,720.69	2,752.57
Revenue from Technology Solutions	4,728.57	4,619.99
Total	**7,449.26**	**7,372.56**

22 Other income

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Interest income	84.75	15.03
Profit on sale of Fixed Assets	0.66	0.37
Rental Income	3.96	3.96
Interest on IT Refund	4.46	-
Exchange gain	25.61	53.29
Prior period item	-	10.49
Miscellaneous income(Other non operating income)	2.05	-
Total	**121.49**	**83.14**

23 Purchases

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Purchases	1,565.03	1,735.06
Direct expenses	175.42	252.62
Total	**1,740.45**	**1,987.69**

24 (Increase)/decrease in inventory

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Opening Inventory	272.07	458.88
Less : Closing Inventory	-98.61	-272.07
Work in Progress		
(Increase)/decrease in Inventory	**173.45**	**186.81**

Notes forming part of Standalone Financial Statements **(Amount in Rs. Lakhs)**

25 Employee benefit expenses

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Salaries and wages	2,897.80	2,664.61
Contributions to Provident and other funds	98.91	95.03
Staff welfare expenses	41.12	49.30
Gratuity expenses (Net)	21.67	16.02
Share based payment expenses	126.40	-
Total	**3,185.90**	**2,824.96**

26 Finance cost

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Interest expense	26.25	12.19
Bank Charges	21.89	19.68
Total	**48.13**	**31.87**

27 Other expenses

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Rates and taxes	11.20	8.54
Rent expenses	54.97	53.77
Repairs and maintenance	30.92	32.77
Laptop rental charges	32.86	37.88
Office maintenance	21.54	40.32
Insurance	27.08	33.78
Professional charges	816.51	770.43
Communication & internet charges	32.30	17.06
Payment to auditors	-	-
Audit fees	5.25	3.00
ii) Others	7.33	-
Travelling and conveyance	113.85	48.36
Marketing expense	26.23	14.91
Security Charges	3.31	3.10
Printing and stationery	4.83	6.16
Electricity charges	14.14	10.20
Exchange loss	-	-
Bad debts	0.00	2.48
Subscription Charges	22.79	12.45
Assets discarded/Loss on sale of asset	-	13.33
CSR Expense	14.25	6.80
Miscellaneous expenses	0.15	1.69
Total	**1,239.53**	**1,117.03**

Notes forming part of Standalone Financial Statements

28 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:

I. Components of employer expenses	**As at March 31, 2024**	**As at March 31, 2023**
Current Service cost	16.83	14.59
Interest cost	5.31	3.09
Expected return on plan assets	5.14	3.91
Past Service Cost(Non Vested)	(4.67)	(2.25)
Net gratuity cost	**21.67**	**16.02**

II. Net asset/liability recognised during the year	**As at March 31, 2024**	**As at March 31, 2023**
Present value of defined benefit obligation	101.27	75.32
Present Value of DBO	101.27	75.32
Fair Value of Plan Assets at the end of year	85.80	66.38
Funded status (deficit)	(15.47)	(8.94)
Unrecognized Past Service Cost	-	-
Net asset/(liability) recognised in the balance sheet	**(15.47)**	**(8.94)**

III. Change in defined benefit obligation	**As at March 31, 2024**	**As at March 31, 2023**
Obligations at beginning of the year	75.32	57.33
Service cost	16.83	14.59
Interest cost	5.31	3.09
Past service cost - vested benefits	-	-
Benefit payments	(1.15)	(2.22)
Actuarial loss/(gains) due to change in assumptions	-	-
Actuarial Loss/(gain) due to plan experience	4.97	2.53
Obligations at end of the year	**101.27**	**75.32**

IV. Reconciliation of net asset/(liability)	**As at March 31, 2024**	**As at March 31, 2023**
Net asset/(liability) at beginning of the year	(8.94)	(6.04)
Employer expense	21.67	16.02
Benefits payments made directly by sponsor	(15.14)	(13.12)
Net asset/(liability) at end of the year	**(15.47)**	**(8.94)**

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

Assumptions	**As at March 31, 2024**	**As at March 31, 2023**
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.

Value of the defined benifit obligation is more than the fund value, however, considering the renewal period of the fund, the same shall be deposited by 30th of September 2024

Notes forming part of Standalone Financial Statements **(Amount in Rs. Lakhs)**

29 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, 2024	As at March 31, 2023
The Income Tax Act, 1961	Sec. 195 - TDS on non-resident payment	2018-19	CIT Appeals	72.77	72.77
The Income Tax Act, 1961	Sec.1431a - Excess TDS Claimed	2023-24	CPC	0.88	-

Contingent liability towards the Corporate Gurantee given

Name of the Bank	Person to whom the corporate gurantee is given	Relation with the person	As at March 31, 2024	As at March 31, 2023
Canara bank	Canarys Hanuka Apo Technologies Pvt Ltd	Joint Venture (49%)	-	1,200.00

30 Earnings and expenditure in foreign currency

Particulars	As at March 31, 2024	As at March 31, 2023
Earnings in foreign currency:		
Export of Services	2,332.48	1,796.28
Expenditure in foreign currency:		
-Import of Raw Materials & services	(454.64)	(217.81)
-Travelling and conveyance	(20.08)	(29.70)
Total	**1,857.77**	**1,548.76**

31 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 except mentioned below amount to whom the company owes dues, which are outstanding more than 45 days as on 31st March, 2024. Further, no interest during the year has been paid or payable under the terms of the MSMED Act , 2006.

Particulars	As at March 31, 2024	As at March 31, 2023
Amount due to vendor	29.35	1,413.20
Principal amount paid beyond the appointed date		-
Interest under normal credit terms-		-
Accrued during the year	0.14	-
Unpaid		-
Total interest payable-		-
Accrued during the year	0.14	-
Unpaid		-
Total	29.49	1,413.20

B) Aging for trade payables from the due date of Payment for Each of the Category as at 31st March 2024

Pariculars	Less than 1 Year	1-2 Years	2-3-Years	More Than 3 Years	Total
i) MSME	29.35				29.35
ii) Others	754.71	627.22			1,381.93
iii) Dispute Dues MSME					-
iii) Dispute Dues Others					-
Total	784.06	627.22	-	-	1,411.28

B) Aging for trade payables from the due date of Payment for Each of the Category as at 31st March 2023

Pariculars	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) Dispute Dues MSME					-
iii) Dispute Dues Others					-
Total	1,782.17	-	-	-	1,782.17

32 Payment to auditor

Particulars	As at March 31, 2024	As at March 31, 2023
For services as auditors	5.25	3.00
For tax audit and other services	0.50	-
For other charges	7.33	-
Total	**13.08**	**3.00**

* The amount disclosed above does not include GST component.

Notes forming part of Standalone Financial Statements

33 **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 & CFO
	3. D.K. Arun	Whole Time Director
	4. Sheshadri Y S	Director & CEO
	5. Sanjeev Kumar (Resigned on 09-06-2022)	Director
	6. Pushparaj Shetty	Director
	7. Nagashree Hegde	Company Secretary
	8. Bhavya	Relative of Key Managerial Personnel
	9. Kalpana K N	
	10. Kamala M R	
	11. Kanaada M R	
	12. Rajeswari C	
	13. Saraswathi Raghu	
	14. Shylaja Arun	
Entities under common control	Canarys Corp - USA	Wholly owned Subsidiary
	Canarys APAC Pte Ltd - Singapore	Wholly owned Subsidiary
	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

Sl. No.	Transactions	As at March 31, 2024	As at March 31, 2023
I	**Revenue Transactions**		
	Remuneration:		
i)	Raman Subba Rao MR	49.12	68.48
ii)	C. Raghu	50.92	70.28
iii)	D.K. Arun	49.27	68.48
iv)	Sheshadri Y S	118.92	100.28
v)	Sanjeev Kumar		7.26
vi)	Pushparaj Shetty	49.12	68.48
vii)	Nagashree Hegde	7.86	-
	Reimbursement of Travel & Other Expenses:		
i)	Raman Subba Rao MR	1.73	1.71
ii)	C. Raghu	19.06	12.64
iii)	D.K. Arun	24.75	12.39
iv)	Sheshadri Y S	8.42	8.85
v)	Sanjeev Kumar		0.29
vi)	Pushparaj Shetty	1.84	3.58
	Dividend Paid:		
	Equity Dividend		
i)	Raman Subba Rao MR	-	6.05
ii)	C. Raghu	-	4.49
iii)	D.K. Arun	-	4.31
iv)	Sheshadri Y S	-	1.41
v)	Sanjeev Kumar	-	-
vi)	Pushparaj Shetty	-	1.57
	Preference Dividend		
i)	Bhavya	0.75	1.00
ii)	Kalpana K N	0.41	0.55
iii)	Kamala M R	0.38	0.50
iv)	Kanaada M R	0.38	0.50
v)	Rajeswari C	0.38	0.50
vi)	Saraswathi Raghu	0.79	1.05
vii)	Shylaja Arun	0.79	1.05

Notes forming part of Standalone Financial Statements

Redemption of Preferance Shares		
i) Bhavya	3.00	-
ii) Kalpana K N	1.65	-
iii) Kamala M R	1.50	-
iv) Kanaada M R	1.50	-
v) Rajeswari C	1.50	-
vi) Saraswathi Raghu	3.15	-
vii) Shylaja Arun	3.15	-
Sale of Services :		
i) iBOTOmate Private Limited	265.00	40.00
Purchase of Goods :		
i) Canarys Hanuka APO Technologies Pvt Ltd	364.85	1,274.25
Consultancy Charges Paid		
i) Kanaada M R	12.33	9.21
Subscription of Shares:		
i) iBOTOmate Private Limited	-	0.05

Sl. No.	**Closing balance** **Balance Receivable/(Payable):**	**As at March 31, 2024**	**As at March 31, 2023**
1	**Raman Subba Rao MR**		
	i) Salary Payable	(2.50)	(15.28)
	ii) Due to employees (Reimbursement)	(0.06)	(0.24)
2	**C. Raghu**		
	i) Salary Payable	(2.81)	(15.11)
	ii) Due to employees (Reimbursement)	(0.28)	(0.48)
3	**D.K. Arun**		
	i) Salary Payable	(2.83)	(14.86)
	ii) Due to employees (Reimbursement)	1.89	(0.74)
4	**Sheshadri Y S**		
	i) Salary Payable	(41.70)	(31.66)
	ii) Due to employees (Reimbursement)	(0.42)	(0.80)
5	**Sanjeev Kumar**		
	i) Salary Payable	-	-
	ii) Due to employees (Reimbursement)	-	-
6	**Pushparaj Shetty**		
	i) Salary Payable	(2.83)	(15.39)
7	**Nagashree Hegde**		
	Salary Payable	(0.74)	
8	**iBOTOmate Private Limited**		
	i) Trade receivable	243.00	43.20
9	**Kanaada M R**		
	Consultancy Charges Payable	(0.86)	(0.98)
10	**Canarys Hanuka APO Technologies Pvt Ltd**		
	i) Trade payable	(1,052.87)	(1,413.20)

Notes forming part of Standalone Financial Statements

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

Particulars	As at March 31, 2024	As at March 31, 2023
Equity Shares		
Profit / (Loss) after tax attributable to equity share holders (Rs.)	832.63	886.09
Total number of equity shares of Rs.2 each	56,183,920	20,401,960
Weighted average number of shares in calculating EPS	43,809,704	20,401,960
	1.90	**4.34**

35 Leases

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
1. Future Minimum Lease Payments		
- Not later than one year	60.59	42.25
- Later than one year and not later than five years	301.33	212.78
- Later than five years	-	238.57
2. Lease payments recognized in the statement of profit and loss	54.97	53.77

36 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

37 Impairment of assets

During the previous financial year 2022-23 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.

Notes forming part of Standalone Financial Statements

38 **Intangible asset under development** - The company is developing software and the same have been amortised as per AS26 and shown under PPE.

Canarys Modernization Framework Solution (CMF)

The company has recognized "software modernization", "Digital DevOps" and "Water Resource Management (WRM)" a as a key challenge to many small, medium and large-scale enterprises. Understanding the presence of several flavors, sizes, and outcomes of software modernization, the company has started creating a modernization framework branded as CMF – Canarys Modernization Framework. The Company is in the process of completion of the development phase. The Product CMF is a platform which is an interconnected IT Eco-system of homegrown and third-party systems that accelerates development of other IT products by reducing their turnaround time and fostering innovation. The Company has done thorough research and analysis on the technical and commercial viability of the said product and concluded that the Product is technically viable and marketable. The Company has also identified the target clientele for the product. The Company plans to launch the product in the Financial Year 2025-26, hence the direct cost relating to the development of the product is computed meticulously and accounted for as Capital Work in Progress as per the provisions of AS-26: Intangible Assets. The company intends to obtain appropriate intellectual property rights for individual components as well as the whole solution suite once it completes the testing phase and is ready for Go-live.

Basis of Value for Capitalization of the Intangible Asset:

Cost incurred by the Company in the Development Phase of the Product directly attributable to the development of the product until the Product completes Final Testing is capitalized, capitalization will seize once final testing is completed. Any further expenses would be capitalized only if it results in altering the products utility beyond its initially expected and intended use or results in any new utility for the Product.

The Company intends to amortize the capitalized value of the Product over a period of 5 years on a straight-line basis from the time the product is ready for commercial exploitation.

Once the product it ready for commercial exploitation, the Company will periodically review the product for Impairment including technological obsolescence and provide for impairment if situation requires.

Intangible assets under development aging schedule

(Amount in Lakhs)

Intangible assets under development	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	228.92				228.92
Projects temporarily suspended					-

Intangible assets under development Completion Schedule

(Amount in Lakhs)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Canarys Modernization Framework Solution (CMF)				228.92

Canarys Automations Limited
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CIN: L31101KA1991PLC012096

Additional regulatory Requirements

41 Ratio analysis
Ratio analysis for the half year ended March 31, 2024

Ratio	Numerator	Denominator	Current Period	Previous period	% of variance	Reason for variance of 25% or more
Current Ratio	Current assets	Current liabilities	3.45	1.69	104%	Majority of the projects in the Water resources division are part of the 1. "National Hydrology Project" (NHP) Govt. of India funded by World Bank and executed through different state governments. As per the stipulated terms, the payments to the company are spread over a period of Five years and do not directly correspond to the invoices/bills raised by the company and this difference has resulted in huge receivables. 2. Payments from government agencies getting delayed in recent times much more than our anticipation resulting huge outstanding. Major part of IPO funds are kept in Bank Fixed deposits with nominal interest earnings for the future planned deployment.
Debt Equity Ratio	Total debt	Shareholder's equity	NA	NA	NA	NA
Debt service coverage ratio	Earnings available for debt service	Debt service	NA	NA	NA	NA
Return on equity Ratio	Net profits after taxes	Average shareholder's equity	0.19	0.69	-73%	Increase in the Equity Capital due to Initial Public Offer of the company during the financial year
Inventory Turnover ratio	COGS	Average inventory	0.94	1.07	-12%	NA
Trade Receivable Turnover Ratio	Revenue	Average trade receivable	1.40	2.15	-35%	Majority of the projects in the Water resources division are part of the 1. "National Hydrology Project" (NHP) Govt. of India funded by World Bank and executed through different state governments. As per the stipulated terms, the payments to the company are spread over a period of Five years and do not directly correspond to the invoices/bills raised by the company and this difference has resulted in huge receivables. 2. Payments from government agencies getting delayed in recent times much more than our anticipation resulting huge outstanding.
Trade Payable Turnover Ratio	Purchases of services and other expenses	Average trade payables	1.09	1.07	2%	NA
Net capital Turnover Ratio	Revenue	Working capital	1.10	4.73	-77%	Majority of the projects in the Water resources division are part of the 1. "National Hydrology Project" (NHP) Govt. of India funded by World Bank and executed through different state governments. As per the stipulated terms, the payments to the company are spread over a period of Five years and do not directly correspond to the invoices/bills raised by the company and this difference has resulted in huge receivables. 2. Payments from government agencies getting delayed in recent times much more than our anticipation resulting huge outstanding. Major part of IPO funds are kept in Bank Fixed deposits with nominal interest earnings for the future planned deployment.
Net Profit Ratio	Net profit	Revenue	0.12	0.13	-7%	NA
Return on capital Employed	Earning before interest and taxes	Capital employed	0.15	0.44	-66%	Increase in the Equity Capital due to Initial Public Offer of the company during the financial year
Return on Investments	Income generated from investments	Time weighted average investments	0.03	0.07	-53%	Increase in the Fixed Deposits from the money received from Initial Public Offer during second half of the financial year.

Notes forming part of Standalone Financial Statements

39 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.

40 Trade Receivable Aging Schedule As at 31st March 2024

Particulars	Outstanding for following periods from due date of Payment					
	Less Than 6 Month	6 Month to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed Trade Receivables						
-Considered Good	3,550.32	453.34	1,880.81	547.85	-	6,432.32
-Considered Doubtfull						-
ii) Disputed Trade Receivables						
-Considered Good						-
-Considered Doubtfull						-
Total	3,550.32	453.34	1,880.81	547.85	-	6,432.32

Trade Receivable Aging Schedule As at 31st March 2023

Particulars	Outstanding for following periods from due date of Payment					
	Less Than 6 Month	6 Month to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed Trade Receivables						
-Considered Good	2,523.14	805.41	864.61	16.15	0.35	4,209.66
-Considered Doubtfull						-
ii) Disputed Trade Receivables						
-Considered Good						-
-Considered Doubtfull						-
Total	2,523.14	805.41	864.61	16.15	0.35	4,209.66

Canarys Automations Limited
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Notes forming part of Standalone Financial Statements **Rs in Lakhs.**

42 Segment wise Details

Segment wise Revenue, Results and Capital Employed as on 31st March 2024

S No.	Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
1	**Segment Revenue**		
	Technology Solutions	4,829.66	4,619.99
	Water Resource Management Solutions	2,720.69	2,752.57
	Total	7,550.35	7,372.56
	Less : Inter Segment Revenue	-101.09	-
	Net Sales / Income from Operations	**7,449.26**	**7,372.56**
2	**Segment Results**		
	Technology Solutions	643.91	768.11
	Water Resourse Management Solutions	638.15	471.61
	Total	1,282.07	1,239.73
	Less : Interest	-48.13	-29.05
	Other Un-allocable Expenditure net off	-204.80	-24.78
	Un-allocable income	121.49	83.14
	Total Profit Before Tax	**1,150.63**	**1,269.03**
3	**Capital Employed**		
	(Segment Assets - Segment Liability)		
	Technology Solutions	1,169.66	695.02
	Water Resourse Management Solutions	4,423.66	2,402.79
	Unallocated Segment	1,836.22	-618.80
	Total	**7,429.53**	**2,479.02**

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Notes forming part of Standalone Financial Statements **(Amount in Rs. Lakhs)**

Additional regulatory Requirements

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

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

45 Corporate Social Responsibility (CSR) expenditure

Particulars	As at March 31, 2024	As at March 31, 2023
Amount required to be spent by the company during the year	14.25	6.80
Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	14.25	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, Education. conservation of natural resources and maintaining quality of soil	

46 Audit trail
As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 Company uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. In respect of certain instances in Payroll Process, PPE & Account relating to inventory the softwares and for databases the audit trail feature was not enabled during the year. The Company has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of March 31, 2024

As per our report of even dated attached
for SURESH & CO
Chartered Accountants
Firm Registration Number: 008655S

Udupi Vikram
Partner
Membership Number: 222984
Bengaluru
May 28, 2024

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

Raman SubbaRao M R
Managing Director
DIN:00176920
Bengaluru
May 28, 2024

Sheshadri Y S
Director & CEO
DIN: 03367545
Bengaluru
May 28, 2024

Raghu C
Whole-time Director & CFO
DIN: 01065269
Bengaluru
May 28, 2024

Nagashree Hegde
Company Secretary
M. No.: A66166
Bengaluru
May 28, 2024

Canarys
Solution is our Mantra

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

CIN: L31101KA1991PLC012096

Consolidated Financial Statements
2023-24

SURESH & CO.
Chartered Accountants

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

Tele: 080-26623610/11
email: info@sureshandco.com
website: www.sureshandco.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Canarys Automations Limited (formerly known as Canarys Automations Private limited)** ("the Parent") and its Subsidiaries and Joint Venture, (the Parent and its Subsidiaries and Joint Venture together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, 2024, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of Consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 Consolidated 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 Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1.	**Revenue recognition - Fixed price contracts using the percentage of completion method** Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. We identified the estimate of total efforts or costs to complete fixed price contracts measured using the percentage of completion method as a key audit matter as the estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. This required a high degree of auditor judgment in evaluating the audit evidence and a higher extent of audit effort to evaluate the reasonableness of the total estimated amount of revenue recognized on fixed-price contracts.	Principal Audit Procedures Performed included the following: Our audit procedures related to the determination of whether revenue is recognized on a straight-line basis or using the percentage of completion method included the following, among others: • We tested the effectiveness of controls relating to the determination of whether revenue for certain contracts is recognized on a straight-line basis or using the percentage of completion method. • We selected a sample of fixed price contracts with customers measured the using percentage-of-completion method and performed the following: - Obtained and read contract documents for each selection, including master service agreements and other documents that were part of the agreement. - Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign-off from customers to identify possible delays in achieving milestones.
2	**Trade Receivables and Provision for doubtful receivables** A significant amount of revenue generated by the Group is through telemetry services where a substantial portion of receivables is attributable to government entities, average ageing of which is between 1 to 2 years. The Group is unable to obtain balance confirmations regarding the outstanding amount to be received from these entities as on 31 March 2024. There has been no provision for doubtful debts created against such receivables, as the Group believes, on the basis of past realization trends, indicate a high probability of receiving these outstanding amounts. We identified this to be key audit matter as it involves high degree of auditor judgment in evaluating the audit evidence.	Principal Audit Procedures Performed included the following: Our audit procedures related to the determination of whether the realizable value of trade receivables is accurate included the following: • We selected a sample of fixed price contracts with customers for which revenue is outstanding for a period between one to two years. - Observation of the trend of receipts happening during the year in order to check against which invoices the receipts have happened during the year. - On observation of the same, we concur with the Group's management view that the ageing of receivables received in the current year is around one-two years and the same trend is expected to continue in the future and accordingly provision for doubtful debts need not be provided for.

Sl. No.	Key Audit Matter	Auditor's Response
3	**Intangible Assets – Product under development** The Group has estimated the projected revenue based on its evaluation of targeted market share and determination of total costs associated with human resource required for solution developments. We identified the expenditure related to human resource involved in solution development have been capitalized in the FY 2023-24. This required a high degree of auditor judgment in evaluating the audit evidence since this estimate has a high inherent uncertainty of realization of projected revenues.	Principal Audit Procedures Performed included the following: Our audit procedures related to the assessing the reliability of realization of project revenues shared by the management included the following, among others: • We tested the effectiveness of controls relating to the capitalization of intangible assets under development. • We selected a sample of employees and evaluated their timesheets with the cost capitalized. • We obtained the market study and other research conducted by the management and evaluated their source of such research.
4	**Provision for compensated absences** The group has recorded a provision for compensated absences related to privilege leaves that employees carry forward to subsequent financial year. The provision is based on the assumption that 50% of these carried-forward leaves will be taken by employees, based on an analysis of past trends. This estimation involves significant judgment and assumptions regarding future leave utilization patterns of employees, which could materially affect the Standalone Financial Statements.	**Principal audit procedures performed included the following:** • We gained an understanding of the group's process for calculating the provision for compensated absences. • We tested the accuracy and completeness of the data used in the provision calculation. We reviewed the disclosures in the Consolidated Financial Statements related to the provision for compensated absences to ensure they were adequate and in accordance with relevant accounting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding 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 Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. The Director's report is not made available to us as at the date of this Auditor's report. We have nothing to report in this regard. The secretarial audit report is not made available to us as at the date of this auditors report. We have nothing to report in this regard.

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

Responsibility of Management's and Board of Directors' for the Consolidated Financial Statements

The Holding 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 Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Companies (Accounting Standards) Rules, 2021 specified under Section 133 of the Act. The respective Management and Board of Directors' of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors' of the entities included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management of the entities either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Management of the entities included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Parent's and its subsidiaries' internal control.

- 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 ability of the Group 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

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Consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Statements.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated 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

We have not audited the financial statements of two subsidiary entities – Canarys Corp, USA having net worth of Rs. 76.95 (in lakhs), and total profit of Rs. 16.67 (in lakhs) for the year ended March 31, 2024, and Canarys APAC Pte Ltd having net worth of Rs. 3.51 (in lakhs), and total loss of Rs. (0.13) (in lakhs) for the year ended March 31, 2024, as considered in the Consolidated Financial Statements, in respect of subsidiaries. These unaudited financial statements have been furnished to us by the Management. We have also not audited the financial statements of a Joint Venture Canarys - Hanuka Apo Technologies Pvt Ltd whose financial statements reflect net worth of Rs. (120.37) (in lakhs) and total loss of Rs. (199.65) (in lakhs) for the year ended March 31, 2024 as considered in the Consolidated Financial Statements. The Financial Statements of this Joint Venture have been audited by other auditors whose report has been furnished to us by the Management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and Joint Venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and Joint Venture are based solely on the information furnished by the management.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on the separate financial statements of the subsidiaries as noted in the 'Other Matters' paragraph above we report, to the extent applicable 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 of the aforesaid Consolidated Financial Statements.

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d. In our opinion, the aforesaid Consolidated 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 Parent 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 A." We further state that reporting on the adequacy of the internal financial controls over financial reporting of other group entities is not applicable.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(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 Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 28.

b. The Group 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 Group.

d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 35 of Consolidated Financial Statements, 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 Parent or any of its subsidiaries 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 Parent ("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, as disclosed in Note 35 of Consolidated Financial Statements, no funds have been received by the Parent or any of its subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of its subsidiaries 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

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

(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 interim dividend for preference share capital proposed by the Holding company for the preference shareholders in the previous year is declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

f. Based on our examination which included test checks, and as communicated by the respective auditor of the Joint Venture, except for the instances mentioned below, the Holding Company and its Joint Venture incorporated in India have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- In case of the Holding Company, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to payroll and property, plant, and equipment.

- The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to inventory.

- In case of the Holding Company, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account relating to consolidation.

2. In our opinion and according to the information and explanations given to us, the Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks. s
According to the information and explanations given to us, CARO is not applicable to the subsidiaries and joint venture included in the Consolidated Financial Statements.

for SURESH & CO.
Chartered Accountants
Firm Registration No.: 004255S

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

Udupi Vikram
Partner
Membership No.: 227984
Bengaluru
28 May 2024
UDIN: 24227984BJZWZC6170

"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 Holding company") as of March 31, 2024, in conjunction with our audit of the Consolidated Financial Statements of the group for the year ended on that date.

Management's responsibility for internal financial controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the group 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 Holding 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. 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 Holding Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A Holding 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 Holding 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, 2024, based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to the holding company. Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls are not applicable to the companies incorporated outside India and hence, it is not applicable for the subsidiaries included in the Consolidated Financial Statements. For the Joint venture, considered for the Consolidated Financial Statements, is incorporate in India and the Internal Financial control are not applicable based on the audit conducted by the other auditor and signed audit report furnished to us by the management dated 27 May 2024, (UDIN: 24215774BKCMMN1634)

for **SURESH & CO.**
Chartered Accountants
Firm Registration Number: 004255S

Udupi Vikram
Partner
Membership Number: 227984
Bengaluru
28 May 2024
UDIN: 24227984BJZWZC6170

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: L31101KA1991PLC012096

Consolidated Balance Sheet as at March 31, 2024 **(Amount in Rs. Lakhs)**

Particulars	Note no.	As at March 31, 2024 Audited	As at March 31, 2023 Audited
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
a) Share capital	2	1,435.68	928.04
b) Reserves and surplus	3	5,975.68	1,609.87
2) Non - current liabilities			
a) Deferred tax liabilities (Net)	4	-	8.38
b) Other long -term liabilities	5	3.30	3.30
c) Long term provisions	6	27.48	26.60
3) Current liabilities			
a) Short term borrowings	7	771.62	1,415.61
b) Trade payables	8		
- Dues to micro enterprises and small enterprises		186.34	720.73
- Due to creditors other than micro and small enterprises		887.38	687.91
c) Other current liabilities	9	1,052.77	643.21
d) Short-term provisions	10	121.49	36.81
TOTAL		**10,461.74**	**6,080.46**
II. ASSETS			
1) Non-current assets			
a) Property, Plant and Equipment and Intangible assets			
i) Property, Plant and Equipment	11	68.60	86.85
ii) Intangible assets	11	3.60	3.27
iii) Intangible asset under development	11	228.92	-
b) Non-current investments	12	122.32	122.34
c) Long-term loans and advances	13	12.18	12.61
d) Other non current assets	14	187.40	139.95
e) Deferred Tax Assets	15	43.13	-
2) Current Assets			
a) Inventories	16	173.74	406.29
b) Trade receivables	17	6,476.21	4,263.74
c) Cash and bank balances	18	2,354.95	560.33
d) Short-term loans and advances	19	448.61	362.59
e) Other current assets	20	342.08	122.49
TOTAL		**10,461.74**	**6,080.46**

Significant accounting policies 1
The accompanying notes form an integral part of the Consolidated Financial Statements

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

Gopi Vikram
Partner
Membership Number: 227984
Bengaluru
May 28, 2024

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

Raman SubbaRao M R
Managing Director
DIN:00176920
Bengaluru
May 28, 2024

Sheshadri Y S
Director & CEO
DIN: 03367545
Bengaluru
May 28, 2024

Raghu C
Whole-time Director & CFO
DIN: 01065269
Bengaluru
May 28, 2024

Nagashree Hegde
Company Secretary
M. No.: A66166
Bengaluru
May 28, 2024

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: L31101KA1991PLC012096

Consolidated Statement of Profit and Loss for the year ended March 31, 2024 (Amount in Rs. Lakhs)

Particulares	Note No	Year Ended 31st March 2024 Audited	Year Ended 31st March 2023 Audited
I. Income			
a) Revenue from operations	21	7,501.52	7,451.94
b) Other income	22	128.80	105.84
Total Income		**7,630.32**	**7,557.78**
II. Expenses			
a) Purchases	23	1,670.75	1,897.09
b) (Increase)/decrease in inventory	24	232.55	98.45
c) Employee benefits expenses	25	3,194.80	2,906.28
d) Finance costs	26	135.02	149.95
e) Depreciation and amortization expenses	11	34.29	39.73
f) Other expenses	27	1,299.02	1,274.73
Total Expenses		**6,566.44**	**6,366.24**
III. Profit/(loss) before exceptional items and tax (I- II)		**1,063.89**	**1,191.55**
IV. Exceptional items		-	-
V. Profit/(loss) before tax		**1,063.89**	**1,191.55**
VI. Tax expenses			
a) Current tax		315.97	326.46
b) Deferred tax		-51.51	1.81
c) Income Tax - Previous year		-	-
VII. Profit/(loss) for the year		**799.43**	**863.29**
VIII.Restated Earnings per share : (Face value of Rs.2/- each)			
Basic		1.72	3.98
Diluted		1.72	3.98

Significant accounting policies 1
The accompanying notes form an integral part of the Consolidated 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
May 28, 2024

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

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Managing Director
DIN:00176920
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May 28, 2024

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Consolidated Statement of Cash flow for the year ended March 31, 2024 (Amount in Rs. Lakhs)

Particulars	Year ended March 31, 2024 Audited	Year ended March 31, 2023 Audited
(A) Cash Flows from Operating Activities		
Net Profit/(loss) before tax and extraordinary items	1,063.89	1,191.54
Adjustments for :		
Depreciation	34.29	39.73
Gain/Loss on sale of Investments	(0.66)	(0.37)
Provision for deferred tax	(51.51)	10.65
Assets discarded/Loss on sale of asset		(13.33)
Adjustment in respect of Non Current Investments	0.02	-
Adjustment in share based payment reserve	126.40	-
Dividend / Interest income	(92.06)	(37.73)
Adjustment on FCTR	0.33	5.36
Operating Profit before Working Capital change	1,080.69	1,195.85
(Increase) / Decrease in Trade receivables	(2,212.47)	(1,661.88)
(Increase) / Decrease in Inventory	232.55	98.45
(Increase) / Decrease in Loans and advances	(86.01)	(206.50)
(Increase) / Decrease in Other Current Assets	(219.59)	(5.94)
Increase / (Decrease) in Trade Payables	(334.92)	38.83
Increase / (Decrease) in Provisions	84.68	143.12
Increase / (Decrease) in Other Current Liabilities	410.45	39.02
Cash Generated from/ (used in) Operating Activities	(1,044.63)	(359.05)
Less: Income taxes paid	(264.46)	(328.26)
Net cash from / (used in) Operating Activities	**(1,309.08)**	**(687.32)**
(B) Cash Flows from Investing Activities		
Purchase of fixed assets	(245.29)	(78.23)
Changes in Non-current Investments	93.15	(81.85)
Net cash from / (used in) Investing Activities	**(152.14)**	**(110.09)**
(C) Cash Flows from Financing Activities		
Issue of Share Capital/Share application money received	147.44	-
Premium received during the year	3,844.05	-
Net Proceeds from borrowings	(644.00)	536.28
Less: Dividend paid	(44.20)	(76.48)
Net cash from / (used in) Financing Activities	**3,303.29**	**459.80**
(D) Total Increase/(Decrease) in Cash and bank balances	1,842.07	(337.60)
(E) Cash and bank balances at the beginning of the year	700.28	1,037.88
(F) Closing Cash and bank balances	**2,542.35**	**700.28**

Notes to Cash Flow Statement

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

Cash and bank balances		
a) Cash on hand	0.07	0.07
b) Balance with banks	-	-
-In current accounts	46.25	49.19
-In Fixed deposits	2,496.03	651.02
	2,542.35	**700.28**

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

Udupi Vikram
Partner
Membership Number: 227984
Bengaluru
May 28, 2024

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

Raman SubbaRao M R
Managing Director
DIN:00176920
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May 28, 2024

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: L31101KA1991PLC012096

Notes forming part of Consolidated Financial Statements

Company Overview

Canarys Automations Limited (Formerly 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 Consolidated Financial Statements of the Group 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).

The consolidated financial Statements related to Canarys Automations Limited ('the Company') and its subsidiary companies and joint ventures. The consolidated financial Statements have been prepared on the following basis:

(a) The financial Statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements"

(b) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 – "Financial Reporting of Interest in Joint Ventures".

(c) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.

Particulars	Nature of Interest	Notes no.	% Of ownership	Considered in consolidation	Country of Incorporation
Canarys Corp, USA	Subsidiary	45	100%	Yes	USA
Canarys APAC Pte Ltd	Subsidiary	45	100%	Yes	Singapore
Canarys-Hanuka Apo Technologies	Joint Venture	45	49%	Yes	India

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

Notes forming part of Consolidated Financial Statements

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 it 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 ongoing 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 mile stone basis based on the exchange rate prevailing on that respective day.

(d) All other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

(e) Interest income is accrued at applicable interest rate. All other income 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.

(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:

Notes forming part of Consolidated Financial Statements

Asset Category	Useful Life (in years)
Buliding	60
Computer equipment's	5
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.

Intangible asset under development - The company is developing software and the same have been amortised as per AS26 and shown under PPE. The details of the same have been given in Note no 37 attached financial Statement.

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 exits, 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. In the financial statement, work in progress at the end of the year includes the direct expenses for the future water resource management services.
Stock as at the end of year has been valued as per FIFO excluding GST and other taxes.

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.
Investment in subsidiary has been consolidated as per AS 21 and investment in joint venture has been consolidated as per 27. These figures were eliminated from investment while preparing consolidated financial statements.

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 in case of holding company. In case of Subsidiary no such amounts were provided in the books of accounts.

(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.

Notes forming part of Consolidated Financial Statements

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.
The Company has identified "Technology Solutions" and "Water resourse Managment solutions" as the primary reportable segment. The detailed report on the segments were disclosed seperatly in Note No 40 attached Financial statement.

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.

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 compromises 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 certainity 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.

Notes forming part of Consolidated Financial Statements

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.

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 & 567, 2nd Floor, 30th Main, Attimabbe Road, Banashankari 3rd Stage, Bengaluru - 560 085
CIN: L31101KA1991PLC012096

Notes forming part of Consolidated Financial Statements (Amount in Rs. Lakhs)

2 **Share capital**

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
6,20,00,000 Equity Shares of Rs. 2 each share fully paid (2024 - 6,20,00,000 Equity shares of Rs 2 each shares fully paid) (2023 - 2,25,00,000 Equity Shares of Rs. 2 each share fully paid)	1,240.00	500.00
52,00,000 Preference Shares of Rs. 10 each (2024 - 52,00,000 Equity shares of Rs 10 each shares fully paid) (2023 - 60,00,000 Equity Shares of Rs. 10 each share fully paid)	520.00	600.00
Total	**1,760.00**	**1,100.00**
Issued, subscribed and fully paid-up		
5,61,83,920Equity Shares of Rs. 2 each share fully paid (2024 - 5,61,83,920 Equity Shares of Rs. 2 each share fully paid) (2023- 2,04,01,960 Equity Shares of Rs. 2 each share fully paid)	1,123.68	408.04
31,20,000 Preference Shares of Rs. 10 each (2024 - 31,20,000 Equity shares of Rs 10 each shares fully paid (2023 - 52,00,000 Equity Shares of Rs. 10 each share fully paid)	312.00	520.00
Total	**1,435.68**	**928.04**

(i) 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, 2024		As at March 31, 2023	
	Nos.	Amount	Nos.	Amount
Equity shares				
No. of shares at the beginning of the year	20,401,960	408.04	20,401,960	408.04
Add: Bonus Issued during the Year	20,401,960	408.04		
Add: Conversion of Preference shares into equity shares	208,000	4.16		
Add: Further issue of shares through IPO	15,172,000	303.44	-	
Issued, subscribed and fully paid up equity shares having face value of Rs. 2 each at the end of the year	56,183,920	1,123.68	20,401,960	408.04
Number of shares outstanding at the end of the year	**56,183,920**	**1,123.68**	**20,401,960**	**408.04**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount	Nos.	Amount
Preference shares				
No. of shares at the beginning of the year	5,200,000	520.00	5,200,000	520.00
Conversion of Preference shares into Equity Shares	(520,000)	(52.00)	-	
Redemption during the year	(1,560,000)	(156.00)	-	
Number of shares outstanding at the end of the year.	**3,120,000**	**312.00**	**5,200,000**	**520.00**

(ii) Particulars of shareholders holding more than 5% Equity shares in the Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	% Holding	Nos.	% Holding
Equity shares of Rs.2/- each fully paid				
Raman Subba Rao	10,085,980	17.95%	5,042,990	24.72%
Raghu C	7,480,640	13.31%	3,740,320	18.33%
Arun D K	7,186,560	12.79%	3,593,280	17.61%
Jagadeesha CS	-	0.00%	1,352,000	6.63%
Parvathamma Jagadeesh	2,800,000	4.98%	-	0.00%
Anuradha Hegde	2,600,000	4.63%	1,280,000	6.27%
Pushparaj Shetty	2,610,480	4.65%	1,305,240	6.40%
Sheshadri Y S	2,350,700	4.18%	1,175,350	5.76%
Total	**35,114,360**		**17,489,180**	

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	% Holding	Nos.	% Holding
Preference shares of Rs.10/- each fully paid				
Anuradha Hegde	600,000	19.23%	1,000,000	19.23%
Shweta S Murthy	165,000	5.29%	275,000	5.29%
Total	**765,000**		**1,275,000**	

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Notes forming part of Consolidated Financial Statements **(Amount in Rs. Lakhs)**

(iv) **Shareholding of Promoters as on 31st March 2024**

Name of Promoters	No. of Shares	% of Total Shares	% Change during the year
Raman Subba Rao.M.R.	10,085,980	17.95%	-6.77%
Arun.D.K	7,186,560	12.79%	-4.82%
Raghu.C	7,480,640	13.31%	-5.02%
Nagaraju Vineeth	610,000	1.09%	-0.41%
Pushparaj Shetty	2,610,480	4.65%	-1.75%
Sheshadri Y.S.	2,350,700	4.18%	-1.58%
Total	**30,324,360**		

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.	5,042,990	24.72%	0%
Arun.D.K	3,593,280	17.61%	0%
Raghu.C	3,740,320	18.33%	0%
Nagaraju Vineeth	305,000	1.49%	0%
Pushparaj Shetty	1,305,240	6.40%	0.00%
Sheshadri Y.S.	1,175,350	5.76%	1.41%
Total	**15,162,180**		

Terms/ rights attached to 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.

In the Financial year 2023-24 the company has issued bonus share of 1 equity share to every 1 equity shares held by the equity shareholders to face value into Rs. 2 per equity share.

In the Financial year FY 2023-24, the company had converted 10%of preferance shares into equity shares and shareholders subscribed 2,08,000 equity shares of Rs. 2 each at a premium of Rs. 23 each per equity share.

In the Financial year FY 2023-24, the company shares got listed in NSE SME and shareholders subscibed 1,561,72,000 equity shares of Rs 2 each at a premium of Rs 29 each per Equity shares

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

i. With the consent of preference shareholders, the Company may convert 10% of preference share capital into equity shares of only time after expiry of one year from the date of issue, of fair market value determined of the time of conversion.

During the Financial year FY 2023-24 the company has converted 10% of preference shares(5.2 Lakhs) into equity shares(2.08 Lakhs) at a market valuation of Rs 25 per Equity shares

During the Financial year FY 2023-24 the company has redeemed 30% of preference shares(15.60Lakhs) at a Face Value of Rs 10 per Preference shares

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

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

Notes forming part of Consolidated Financial Statements **(Amount in Rs. Lakhs)**

Employee stock option scheme - During year the company has been reserved 43,50,000 shares reseved towards employee stock option scheme Canarys ESOS.Upon exercise and payment of the exercise price, the option holder will be entitled to be allotted 43,50,000 Equity Share per employee stock option. Accordingly, the number of Equity Shares that may be issued under the Canarys ESOS shall not exceed 43,50,000 equity shares of face value ₹ 2/- each. The Canarys ESOS is effective from August 14, 2023.

The details of the Canarys ESOS are as follows:

Particulars	Details
Date of shareholders' approval	13th Aug 2023
Total number of options approved under ESOS	43,50,000
Options granted	1,917,000
Exercise price on options (in ₹)	₹ 2/- per employee stock option
Vesting period	Minimum vesting period is 1 year from the date of grant of options
Maximum term of options granted	5 Years
Options vested and not exercised	Nil
Source of shares (primary, secondary or combination)	Primary
Variation in terms of options	No variations have been made in terms of options during FY23 - 24
Method used to account for ESOS	Fair Value
Options exercised	Nil
Options forfeited/lapsed	Nil
Variation of terms of options	Nil
Money realized by exercise of options	Nil
Total number of options in force as of March 31, 2024	1,917,000

Employee-wise detail of options granted to:

i. Key Managerial Personnel — Nil

ii. Senior Managerial Personnel

Name of the SMP	No. of options
Dr. Mahesha Bangalore Ramalinga Pandit	200,000
Mr. Nagaraj B Bhairaji	250,000
Mr. Raghu Pavan T S	800,000
Total	**1,250,000**

iii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year.

Name of the employee	No. of options	%
Dr. Mahesha Bangalore Ramalinga Pandit	200,000	10.43
Mr. Nagaraj B Bhairaji	250,000	13.04
Mr. Raghu Pavan T S	800,000	41.73
Total	**1,250,000**	**65.20**

v. Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant

Name of the employee	No. of options	%
Mr. Raghu Pavan T S	800,000	1.95
Total	**800,000**	**1.95**

v. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Particulars	2023-24
Weighted average risk-free interest rate	7.17%
Weighted average expected Options life	3 Years
Weighted average expected volatility	16.92%
Weighted average expected dividends per share of face value of Re. 1	0%
Weighted average share price	INR 25
Weighted average exercise price	INR 2

vi. Method used and the assumptions made to incorporate the effects of expected early exercise: Black-Scholes Options Pricing Model - The assumptions are stated in the above table.

vii. The expected volatility has been calculated entirely based on historic Company's share price.

Notes forming part of Consolidated Financial Statements **(Amount in Rs. Lakhs)**

3 Reserves and surplus

Particulars	As at March 31, 2024	As at March 31, 2023
a) Securities premium		
Opening balance	86.35	86.35
Premium received during the year	4,447.72	-
Less - Amount Utilised for Share issue Expenses	(555.83)	-
Closing balance (a)	**4,534.07**	**86.35**
b) General reserve		
Opening balance	12.27	12.27
Add: Transfer from profit & loss account		
Closing balance (b)	**12.27**	**12.27**
c) Capital Redemption Reserve (CRR)		
Opening balance	225.33	121.33
Created towards redemption of Preference Shares	104.00	104.00
Closing balance (c)	**329.33**	**225.33**

During year 2023-24 the company has transferred a sum of Rs.104.00 Lakhs to CRR and accumulated CRR created is amounting to Rs. 329.33 Lakhs

d) Surplus/(deficit) in the statement of profit and loss		
Opening balance	1,176.53	579.38
Add: Profit/(Loss) for the year	885.07	863.28
	2,061.60	**1,442.65**
Less: Appropriations		
Dividend paid		
On Equity Share capital	-	24.48
On Preference Share capital	44.20	52.00
Adjustment in respect of Intangible assets	-	
Transferred to Capital Redemption Reserves	104.00	104.00
Transferred to Issue of Bonus shares	-	
On Equity Share capital	408.04	
Closing balance (d)	**1,505.36**	**1,262.17**
e) Share Based Payment Reserve A/c		
Opening balance		
Add: Transferred during the Year	126.40	
Closing balance (e)	**126.40**	**-**
f) FCTR		
Opening balance	23.71	18.38
Add: Profit/(Loss) for the year	0.36	5.36
Closing balance (f)	**24.07**	**23.74**
Total reserves and surplus	**6,531.51**	**1,609.87**

Notes forming part of Consolidated Financial Statements **(Amount in Rs. Lakhs)**

4 Deferred tax Liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liability	-	11.24
Deferred tax asset	-	-2.86
Deferred tax Liabilities (Net)	**-**	**8.38**

5 Other long term liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
a) Rental deposit/Security deposits*	3.30	3.30
Total	**3.30**	**3.30**

*Rent deposit/Security deposit is rental advance of 10 months given by the lessee.

6 Long term provisions

Particulars	As at March 31, 2024	As at March 31, 2023
a) Provision for employee benefits	-	2.05
b) Rent equalization reserve	27.48	24.55
c) Provision for leave encashment	-	-
Total	**27.48**	**26.60**

7 Short term borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
a) Cash credit account overdrawn*	377.36	863.29
b) Loans and advances from related parties	394.26	543.70
c) Inter Corporate Deposits	-	8.62
Total	**771.62**	**1,415.61**

*The company has availed the Cash Credit Limit of Rs. 500 Lakhs & non fund based limit of Rs. 800 lakhs towards issue of bank guranatee from State Bank of India.
The primary security towards cash credit of Rs. 500 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 collataral security of a house property owned by Mr. Raman Subba Rao the Managing Director of the Company and secured by Industrial Flat at Electronic City owned by the Company. This is further secured by personal gurantees offered by the Directors of the Company.
The working capital is repayble 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. 800 lakhs towards issue of bank gurantee is 25%
Statements of Stocks / Receivables hypothecated / pledged to the Bank are to be submitted regularly at monthly intervals by the Company

Notes forming part of Consolidated Financial Statements **(Amount in Rs. Lakhs)**

8 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
a) Due to micro, small and enterprises *	186.34	720.73
b) Due to creditors other than micro and small enterprises**	887.38	687.91
Total	**1,073.72**	**1,408.64**

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)

In view of the above circumstances, it is our firm opinion that not making any such provision as per the requirements of Section 15 and 16 of the MSMED Act, 2016, is not overriding such requirements and the need to make a provision does not arise.

**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.

Ageing for trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
(i) MSME		
a) Less than 1 year	114.45	720.73
b) 1 - 2 years	71.77	
c) 2 - 3 years	0.12	
d) More than 3 years	-	
Total (i)	**186.34**	**720.73**
(ii) Others		
a) Less than 1 year	253.24	667.22
b) 1 - 2 years	633.96	20.69
c) 2 - 3 years	0.19	
d) More than 3 years	-	
Total (ii)	**887.38**	**687.91**
Total (i+ii)	**1,073.72**	**1,408.64**

The Company does not have any disputed outstanding balances.

Notes forming part of Consolidated Financial Statements **(Amount in Rs. Lakhs)**

9 Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
a) Advances from customers	334.88	68.02
b) Dividend payable	-	-
c) Statutory dues	367.80	350.51
d) Salary payable	254.27	135.97
e) Due to employees	7.14	8.55
f) Other payables	88.68	80.16
Total	**1,052.77**	**643.21**

10 Short term provisions

Particulars	As at March 31, 2024	As at March 31, 2023
a) Provision for taxation	62.55	27.87
b) Provision for Dividend	5.20	-
c) Provision for Compensated Absences	38.27	-
b) Provision for Gratuity	15.47	8.94
c) Provision for Dividend	-	
Total	**121.49**	**36.81**

12 Non-current investments

Particulars	As at March 31, 2024	As at March 31, 2023
a) Investments in Equity Instruments	0.05	0.05
b) Investments in Mutual Funds	112.46	112.48
c) Investment in Subsidaries	-	-
d) Investment in Joint Venture	-	-
e) Investment property	9.81	9.81
Total	**122.32**	**122.34**

Market value of the above mutual fund is Rs 124.66 Lakhs

13 Long term loans and advances

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
a) Security deposit	0.78	0.61
b) Rent deposit**	11.40	12.00
c) Loans and advance to related parties	-	-
Total	**12.18**	**12.61**

**This deposit is rental advance paid to the lessor for office space.

Notes forming part of Consolidated Financial Statements **(Amount in Rs. Lakhs)**

14 Other non current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed deposit with maturity more than 12 months	187.40	139.95
Total	**187.40**	**139.95**

15 Deferred tax Liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liability		
Deferred tax asset	43.13	-
Deferred tax Liabilities (Net)	**43.13**	**-**

16 Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Closing stock	75.13	406.29
Work-in-progress	98.61	
Total	**173.74**	**406.29**

17 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
a) Over six months from the date they were due for payment	2,882.00	1,379.82
b) Others	3,594.21	2,883.92
Total	**6,476.21**	**4,263.74**

Ageing for trade reveivables

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Undisputed Trade Receivables		
- Considered Good		
a) Less than 6 months	3,594.21	2,883.92
b) 6 months - 1 year	453.34	498.72
c) 1 - 2 years	1,880.81	864.61
d) 2 - 3 years	547.85	16.15
e) More than 3 years	-	0.35
Total	**6,476.21**	**4,263.74**

The Company does not have any Disputed Trade Receivables and Doubtful Receivables

Notes forming part of Consolidated Financial Statements **(Amount in Rs. Lakhs)**

18 Cash and bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and bank balances		
a) Cash on hand	0.07	0.07
b) Balance with banks	-	-
-In current accounts	46.25	49.19
-In Fixed deposits	2,308.63	511.07
Total	**2,354.95**	**560.33**

19 Short-term loans and advances

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
a) Balances with statutory authorities	120.43	186.09
b) Trade advance	300.99	155.58
c) Staff Advance	14.00	16.85
d) Due from Employees	11.19	4.07
e) Other Advances	2.00	
Total	**448.61**	**362.59**

20 Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
a) Earnest Money Deposit	47.39	35.93
b) Prepaid expense	12.98	2.28
c) Interest receviable	8.01	6.82
d) Unbilled revenue	226.17	77.47
d) Security Deposits	47.54	
Total	**342.09**	**122.50**

* Security Deposits includes the amount o Rs 47.32 Lakhs towards the Deposit paid to NSE

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: L31101KA1991PLC012096

Note 11: PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION SCHEDULE (Amount in Lakhs)

Particulars	Gross block				Accumulated depreciation / amortisation				Net block	
	As at 01.04.2023	Additions during the year	Deletions during the year	As at 31.03.024	As at 01.04.2023	Depreciation for the	Deletions during the year	As at 31.03.024	As at 31.03.024	As at 31.03.2023
Property, Plant and Equipment										
Vehicles	49.86	-	19.92	29.93	36.26	3.78	18.93	21.11	8.82	13.60
	-	-	-	-	-	-	-	-		
Office Equipment	39.75	6.67	-	46.42	27.51	6.25	-	33.77	12.66	12.24
	-	-	-	-	-	-	-	-		
Electrical Fittings	13.50	-	-	13.50	6.94	1.70	-	8.63	4.86	6.56
	-	-	-	-	-	-	-	-		
Furniture	48.95	3.62	-	52.57	27.90	6.21	-	34.11	18.46	21.05
	-	-	-	-	-	-	-	-		
Computers	143.53	5.54	-	149.07	110.13	13.52	-	123.65	25.42	33.40
	-	-	-	-						
Intangible assets										
Software*	3.56	1.53	-	5.09	0.29	2.83	-	3.12	1.97	3.27
Intangible asset under development	-	228.92	-	228.92	-	-	-	-	228.92	-
Total	**299.14**	**246.28**	**19.92**	**525.50**	**209.02**	**34.29**	**18.93**	**224.39**	**301.11**	**90.11**
Previous year	**465.75**	**57.00**	**223.61**	**299.14**	**377.47**	**39.73**	**208.18**	**209.02**	**90.11**	**88.28**

*Note - with respect to software, stating that there was clerical error in the previous year disclosure , however there is no impact on amortization and net block.

Notes forming part of Consolidated Financial Statements **(Amount in Rs. Lakhs)**

21 Revenue from operations

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Revenue from Water Resource Management Solution	2,720.69	2,780.09
Revenue from Technology Solutions	4.780.83	4,671.85
Total	**7,501.52**	**7,451.94**

22 Other income

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Interest income	92.06	37.73
Profit on sale of Fixed Assets	0.66	0.37
Rental Income	3.96	3.96
Interest on IT Refund	4.46	-
Exchange gain	25.61	53.29
Prior period item	-	10.49
Miscellaneous income(Other non operating income)	2.05	-
Total	**128.80**	**105.84**

23 Purchases

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Purchases	1,481.34	1,637.64
Direct expenses	189.41	259.45
Total	**1,670.75**	**1,897.09**

24 (Increase)/decrease in inventory

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Opening Inventory	615.56	504.74
Less : Closing Inventory	-383.01	-406.29
Work in Progress		
(Increase)/decrease in Inventory	**232.55**	**98.45**

Notes forming part of Consolidated Financial Statements **(Amount in Rs. Lakhs)**

25 Employee benefit expenses

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Salaries and wages	2,905.11	2,737.91
Contributions to Provident and other funds	98.13	97.33
Staff welfare expenses	43.49	55.03
Gratuity expenses (Net)	21.67	16.02
Share based payment expenses	126.40	-
Total	**3,194.80**	**2,906.28**

26 Finance cost

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Interest expense	112.55	127.38
Bank Charges	22.47	22.56
Total	**135.02**	**149.95**

27 Other expenses

Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
Rates and taxes	12.25	13.92
Rent expenses	54.97	53.83
Repairs and maintenance	31.06	32.78
Laptop rental charges	32.86	37.88
Office maintenance	23.99	45.92
Insurance	27.64	35.20
Professional charges	855.73	858.36
Communication & internet charges	39.04	22.91
Payment to auditors	-	-
Audit fees	5.25	3.00
ii) Others	7.33	-
Travelling and conveyance	122.24	96.32
Marketing expense	26.23	15.12
Security Charges	3.31	3.10
Printing and stationery	4.91	6.30
Electricity charges	14.14	10.20
Exchange loss	-	-
Bad debts	0.00	5.39
Subscription Charges	22.79	12.45
Assets discarded/Loss on sale of asset	-	13.33
CSR Expense	14.25	6.80
Miscellaneous expenses	1.03	1.93
Total	**1,299.02**	**1,274.73**

Notes forming part of Consolidated Financial Statements **(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

Name of Statute	Nature of the dues	Period to which the amount related (Assessment Year)	Forum where dispute is pending	As at March 31, 2024	As at March 31, 2023
The Income Tax Act, 1961	Sec. 195 - TDS on non-resident payment	2018-19	CIT Appeals	72.77	72.77
The Income Tax Act, 1961	Sec.1431a - Excess TDS Claimed	2023-24	CPC	0.88	-

Contingent liability towards the Corporate Gurantee given

Name of the Bank	Person to whom the corporate gurantee is given	Relation with the person	As at March 31, 2024	As at March 31, 2023
Canara bank	Canarys Hanuka Apo Technologies Pvt Ltd	Joint Venture (49%)	-	1,200.00

29 Earnings and expenditure in foreign currency

Particulars	As at March 31, 2024	As at March 31, 2023
Earnings in foreign currency:		
Export of Services	2,332.48	1,796.28
Expenditure in foreign currency:		
-Import of Raw Materials	(454.64)	(217.81)
-Travelling and conveyance	(20.08)	(29.70)
Total	**1,857.77**	**1,548.76**

30 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 except mentioned below amount to whom the company owes dues, which are outstanding more than 45 days as on 31st March, 2024. Further, no interest during the year has been paid or payable under the terms of the MSMED Act . 2006.

Notes forming part of Consolidated Financial Statements **(Amount in Rs. Lakhs)**

Particulars	As at March 31, 2024	As at March 31, 2023
Amount due to vendor	186.34	720.73
Principal amount paid beyond the appointed date		-
Interest under normal credit terms-		-
Accrued during the year	4.02	-
Unpaid		-
Total interest payable-		-
Accrued during the year	4.02	-
Unpaid		-
Total	190.36	720.73

31 Payment to auditor

Particulars	As at March 31, 2024	As at March 31, 2023
For services as auditors	5.25	3.00
For tax audit and other services	0.50	-
For other charges	7.33	-
Total	**13.08**	**3.00**

* The amount disclosed above does not include GST component.

Notes forming part of Consolidated Financial Statements

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 & CFO	
	3. D.K. Arun	Whole Time Director	
	4. Sheshadri	Director & CEO	
	5. Sanjeev Kumar (Resigned on 09-06-2022)	Director	
	6. Pushparaj Shetty	Director	
	7. Nagashree Hegde	Company Secretary	
	8. Bhavya	Relative of Key Managerial Personnel	
	9. Kalpana K N		
	10. Kamala M R		
	11. Kanaada M R		
	12. Rajeswari C		
	13. Saraswathi Raghu		
	14. Shylaja Arun		
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

Sl. No.	Transactions	As at March 31, 2024	As at March 31, 2023
I	**Revenue Transactions**		
	Remuneration:		
i)	Raman Subba Rao MR	49.12	68.48
ii)	C. Raghu	50.92	70.28
iii)	D.K. Arun	49.27	68.48
iv)	Sheshadri	118.92	100.26
v)	Sanjeev Kumar	-	7.26
vi)	Pushparaj Shetty	49.12	68.48
vii)	Nagashree Hegde	7.86	-
	Reimbursement of Travel & Other Expenses:		
i)	Raman Subba Rao MR	1.73	1.71
ii)	C. Raghu	19.06	12.64
iii)	D.K. Arun	24.75	12.39
iv)	Sheshadri	8.42	8.85
v)	Sanjeev Kumar	-	0.29
vi)	Pushparaj Shetty	1.84	3.58
	Dividend Paid:		
	Equity Dividend		
i)	Raman Subba Rao MR	-	6.05
ii)	C. Raghu	-	4.49
iii)	D.K. Arun	-	4.31
iv)	Sheshadri	-	1.41
v)	Sanjeev Kumar	-	-
vi)	Pushparaj Shetty	-	1.57
	Preference Dividend		
i)	Bhavya	0.75	1.00
ii)	Kalpana K N	0.41	0.55
iii)	Kamala M R	0.38	0.50
iv)	Kanaada M R	0.38	0.50
v)	Rajeswari C	0.38	0.50
vi)	Saraswathi Raghu	0.79	1.05
vii)	Shylaja Arun	0.79	1.05

Notes forming part of Consolidated Financial Statements

Redemption of Preferance Shares		
i) Bhavya	3.00	-
ii) Kalpana K N	1.65	-
iii) Kamala M R	1.50	-
iv) Kanaada M R	1.50	-
v) Rajeswari C	1.50	-
vi) Saraswathi Raghu	3.15	-
vii) Shylaja Arun	3.15	-
Sale of Services :		
i) iBOTOmate Private Limited	265.00	40.00
Consultancy Charges Paid		
i) Kamala M R	12.33	9.21
Subscription of Shares:		
i) iBOTOmate Private Limited	-	0.05

Sl. No.	Closing balance Balance Receivable/(Payable):	As at March 31, 2024	As at March 31, 2023
1	**Raman Subba Rao MR**		
	i) Salary Payable	(2.50)	(15.28)
	ii) Due to employees (Reimbursement)	(0.06)	(0.24)
2	**C. Raghu**		
	i) Salary Payable	(2.81)	(15.11)
	ii) Due to employees (Reimbursement)	(0.28)	(0.48)
3	**D.K. Arun**		
	i) Salary Payable	(2.83)	(14.86)
	ii) Due to employees (Reimbursement)	1.89	(0.74)
4	**Sheshadri**		
	i) Salary Payable	(41.70)	(31.66)
	ii) Due to employees (Reimbursement)	(0.42)	(0.80)
5	**Sanjeev Kumar**	-	-
	i) Salary Payable		
	ii) Due to employees (Reimbursement)	-	-
6	**Pushparaj Shetty**		
	i) Salary Payable	(2.83)	(15.39)
7	**Nagashree Hegde**		
	Salary Payable	(0.74)	
8	**Kanaada M R**		
	Consultancy Charges Payable	(0.86)	(0.98)
9	**iBOTOmate Private Limited**		
	i) Trade receivable	243.00	43.20

Notes forming part of Consolidated Financial Statements

(Amount in Rs. Lakhs)

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

Particulars	As at March 31, 2024	As at March 31, 2023
Equity Shares		
Profit / (Loss) after tax attributable to equity share holders (Rs.)	755.23	811.28
Total number of equity shares of Rs.2 each	56,183,920	20,401,960
Weighted average number of shares in calculating EPS	43,809,704	20,401,960
	1.72	**3.98**

34 Leases

Particulars	As at March 31, 2024	As at March 31, 2023
1. Future Minimum Lease Payments		
- Not later than one year	60.59	42.25
- Later than one year and not later than five years	301.33	212.78
- Later than five years	-	238.57
2. Lease payments recognized in the statement of profit and loss	54.97	53.83

35 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

36 Impairment of assets
During the previous financial year 2022-23 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.

37 Intangible asset under development
The company is developing software and the same have been amortised as per AS26 and shown under PPE.

Canarys Modernization Framework Solution (CMF)
The company has recognized "software modernization", "Digital DevOps" and "Water Resource Management (WRM)" as as a key challenge to many small, medium and large-scale enterprises. Understanding the presence of several flavors, sizes, and outcomes of software modernization, the company has started creating a modernization framework branded as CMF – Canarys Modernization Framework. The Company is in the process of completion of the development phase. The Product CMF is a platform which is an interconnected IT Eco-system of homegrown and third-party systems that accelerates development of other IT products by reducing their turnaround time and fostering innovation. The Company has done thorough research and analysis on the technical and commercial viability of the said product and concluded that the Product is technically viable and marketable. The Company has also identified the target clientele for the product. The Company plans to launch the product in the Financial Year 2025-26, hence the direct cost relating to the development of the product is computed meticulously and accounted for as Capital Work in Progress as per the provisions of AS-26: Intangible Assets. The company intends to obtain appropriate intellectual property rights for individual components as well as the whole solution suite once it completes the testing phase and is ready for Go-live.

Basis of Value for Capitalization of the Intangible Asset:
Cost incurred by the Company in the Development Phase of the Product directly attributable to the development of the product until the Product completes Final Testing is capitalized, capitalization will seize once final testing is completed. Any further expenses would be capitalized only if it results in altering the products utility beyond its initially expected and intended use or results in any new utility for the Product.

The Company intends to amortize the capitalized value of the Product over a period of 5 years on a straight-line basis from the time the product is ready for commercial exploitation.

Once the product it ready for commercial exploitation, the Company will periodically review the product for Impairment including technological obsolescence and provide for impairment if situation

Intangible assets under development aging schedule

(Amount in Lakhs)

Intangible assets under development	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	228.92				228.92
Projects temporarily suspended	-				-

Intangible assets under development Completion Schedule

(Amount in Lakhs)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Canarys Modernization Framework Solution (CMF)				228.92

38 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

Canarys Automations Limited
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Additional regulatory Requirements

39 Ratio analysis
Ratio analysis for the half year ended March 31, 2024

Ratio	Numerator	Demominator	Current Period	Previous period	% of variance	Reason for variance of 25% or more
Current Ratio	Current assets	Current liabilities	3.24	1.63	99%	Majority of the projects in the Water resources division are part of the 1. "National Hydrology Project" (NHP) Govt. of India funded by World Bank and executed through different state governments. As per the stipulated terms, the payments to the company are spread over a period of Five years and do not directly correspond to the invoices/bills raised by the company and this difference has resulted in huge receivables. 2. Payments from government agencies getting delayed in recent times much more than our anticipation resulting huge outstanding. Major part of IPO funds are kept in Bank Fixed deposits with nominal interest earnings for the future planned deployment.
Debt Equity Ratio	Total debt	Shareholder's equity	NA	NA	NA	NA
Debt service coverage ratio	Earnings available for debt service	Debt service	NA	NA	NA	NA
Return on equity Ratio	Net profits after taxes	Average shareholder's equity	0.17	0.60	-71%	Increase in the Equity Capital due to Initial Public Offer of the company during the financial year
Inventory Turnover ratio	COGS	Average inventory	0.98	1.00	-2%	NA
Trade Receivable Turnover Ratio	Revenue	Average trade receivable	1.40	2.17	-36%	Majority of the projects in the Water resources division are part of the 1. "National Hydrology Project" (NHP) Govt. of India funded by World Bank and executed through different state governments. As per the stipulated terms, the payments to the company are spread over a period of Five years and do not directly correspond to the invoices/bills raised by the company and this difference has resulted in huge receivables. 2. Payments from government agencies getting delayed in recent times much more than our anticipation resulting huge outstanding.
Trade Payable Turnover Ratio	Purchases of services and other expenses	Average trade payables	1.35	1.37	-1%	NA
Net capital Turnover Ratio	Revenue	Working capital	1.11	3.37	-67%	Majority of the projects in the Water resources division are part of the 1. "National Hydrology Project" (NHP) Govt. of India funded by World Bank and executed through different state governments. As per the stipulated terms, the payments to the company are spread over a period of Five years and do not directly correspond to the invoices/bills raised by the company and this difference has resulted in huge receivables. 2. Payments from government agencies getting delayed in recent times much more than our anticipation resulting huge outstanding. Major part of IPO funds are kept in Bank Fixed deposits with nominal interest earnings for the future planned deployment.
Net Profit Ratio	Net profit	Revenue	0.11	0.12	-8%	NA
Return on capital Employed	Earning before interest and taxes	Capital employed	0.14	0.33	-57%	Increase in the Equity Capital due to Initial Public Offer of the company during the financial year
Return on Investments	Income generated from investments	Time weighted average investments	0.04	0.06	-36%	Increase in the Fixed Deposits from the money received from Initial Public Offer during second half of the financial year.

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CIN: L31101KA1991PLC012096

40 Segmentwise details

Segment wise Revenue, Results and Capital Employed as on 31st March 2024

Rs in Lakhs.

S No.	Particulars	Year Ended 31st March 2024	Year Ended 31st March 2023
1	**Segment Revenue**		
	Technology Solutions	4,881.92	4,671.85
	Water Resource Management Solutions	2,720.69	2,780.09
	Total	7,602.61	7,451.94
	Less : Inter Segment Revenue	-101.09	-
	Net Sales / Income from Operations	**7,501.52**	**7,451.94**
2	**Segment Results**		
	Technology Solutions	661.59	768.35
	Water Resourse Management Solutions	526.43	371.18
	Total	1,188.02	1,139.53
	Less : Interest	-48.13	-29.05
	Other Un-allocable Expenditure net off	-204.80	-24.78
	Un-allocable income	128.80	105.84
	Total Profit Before Tax	**1,063.89**	**1,191.54**
3	**Capital Employed**		
	(Segment Assets - Segment Liability)		
	Technology Solutions	1,314.83	759.93
	Water Resourse Management Solutions	4,008.30	2,430.35
	Unallocated Segment	2,088.23	-652.36
	Total	**7,411.36**	**2,537.91**

Additional regulatory Requirements

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

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

43 Corporate Social Responsibility (CSR) expenditure

Particulars	As at March 31, 2023	As at March 31, 2023
Amount required to be spent by the company during the year	14.25	6.80
Amount of expenditure incurred on:	-	-
(i) Construction/acquisition of any asset	14.25	6.80
(ii) On purposes other than (i) above	-	-
Shortfall at the end of the year	NA	NA
Total of previous years shortfall		
Reason for shortfall		
Nature of CSR activities	Animal Welfare, Education, Conservation of natural resources and maintaining quality of soil	

44 Audit trail
As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 Company uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year. In respect of certain instances in Payroll Process, PPE & Account relating to inventory the softwares and for databases the audit trail feature was not enabled during the year. The Company has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of March 31, 2024

45 Additional information as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiaries

Name of entity	Net worth (assets minus liabilities)		Share of Profit/(Loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount
Parent Company				
Canarys Automations Limited	99.75%	7,393.11	109.68%	876.83
Wholly Owned Subsidary Company				
Canarys Corp. USA	1.04%	77.01	1.98%	15.83
Canarys APAC Pte Ltd	0.05%	3.51	-0.07%	(0.54)
Joint Venture				
Canarys Hanuka Apo Technologies Pvt Ltd	-0.84%	-62.27	-11.59%	(92.68)
Total	**100.00%**	**7,411.36**	**100%**	**799.43**

46 As per explanation to Para 6 of Accountmg Standard 21, Consolidated Financial Statements, these Consolidated Financial statements to be read along with the audited standalone financial statements of each component of the group. Specific disclosures as required by Schedule III (Amended) to the Companies Act, 2013 are presented in each of the standalone financial statements.As per explanation to Para 6 of Accounting Standard 21, Consolidated Financial Statements, these Consolidated Financial statements to be read along with the audited standalone financial statements of each component of the group. Specific dsiclosures as required by Companies Act, 2013 are presented in each of the standalone financial statements.

47 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

SURESH & CO. Bangalore CHARTERED ACCOUNTANTS

Udupi Vikram
Partner
Membership Number: 227984
Bengaluru
May 28, 2024

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

Raman SubbaRao M R
Managing Director
DIN:00176920
Bengaluru
May 28, 2024

Sheshadri Y S
Director & CEO
DIN: 03367545
Bengaluru
May 28, 2024

Raghu C
Whole-time Director & CFO
DIN: 01065269
Bengaluru
May 28, 2024

Nagashree Hegde
Company Secretary
M. No.: A66166
Bengaluru
May 28, 2024

CANARYS AUTOMATIONS LTD. BENGALURU

NOTICE

NOTICE is hereby given that the 33RD ANNUAL GENERAL MEETING ('AGM') of the Members of CANARYS AUTOMATIONS LIMITED (formerly Canarys Automations Private Limited) (the "Company") will be held on, MONDAY, 30TH SEPTEMBER 2024, AT 04:00 P.M (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") (hereinafter referred to as "Notice") to transact the following business. The venue of the meeting shall be deemed to be the registered office address of the Company situated at #566 & 567, 2nd Floor, 30th Main, Attimabbe Road, Banagirinagara, Banashankari 3rd Stage, Bengaluru-560085, Karnataka India.

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2024, together with the Reports of Auditor's and Board of Director's attached thereon.

2. To appoint a director in place of Mr. Raghu Chandrashekhariah (DIN: 01065269) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To Make Investments, Give Loans, Guarantees and Security In Excess Of Limits Specified Under Section 186 Of The Companies Act, 2013

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier resolution passed by the shareholders at the 32nd Annual General Meeting held on August 14, 2023, and pursuant to the provisions of Section 186 of the Companies Act, 2013 ("Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force) and provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, consents, sanctions and permissions as may be required in this regard, if any, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (including any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this resolution) to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate including subsidiaries and associate companies and invest in the mutual funds and any other securities and instruments as may be required from time to time, in one or more

tranches, as the Board at its absolute discretion deem beneficial and in the interest of the Company, in excess of the limits prescribed under Section 186 of the Companies Act i.e., sixty percent of the paid up share capital, free reserves and securities premium account of the Company or one hundred per cent of free reserves and securities premium account of the Company, whichever is more, provided that the total investments made, loans, guarantees given and securities provided shall not at any time exceed Rs. 75,00,00,000/- (Rupees Seventy-Five Crores only) in excess of the limit prescribed under Section 186(2) of the Act.''

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take from time to time all decisions and steps in respect of the above loans, guarantees, securities and investment including the timing, amount and other terms and conditions of such loans, guarantees, securities and investment and varying the same either in part or in full as it may deem appropriate and to do and perform all such acts, deeds, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to this resolution''

Reg Off: No. 566 & 567, 2nd Floor, 30th Main, Attimabbe Road, Banagirinagara, Banashankari 3rd Stage, Bengaluru-560085, KA
CIN: L31101KA1991PLC012096
Phone: +91-80-2679 9915
e-mail: fin@ecanarys.com
web: www.ecanarys.com

By order of the Board
For CANARYS AUTOMATIONS LIMITED
(formerly Canarys Automations Private Limited)

Place: Bengaluru
Date: 03.09.2024

Metikurke Ramaswamy Raman Subbarao
Managing Director
DIN: 00176920

NOTE:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 09/2023 dated 25th September 2023 read with General Circular Nos. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 22/2020 dated 15th June 2020, 33/2020 dated 28th September 2020, 39/2020 dated 31st December 2020, 10/2021 dated 23rd June 2021, 20/2021 dated 8th December 2021, 3/2022 dated 5th May 2022 and 11/2022 dated 28th December 2022 (collectively referred to as **"MCA Circulars"**) and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October 2023 read with SEBI Circular Nos. SEBI/ HO/ CFD/ CMD1/CIR/P/2020/79 dated 12th May 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, SEBI/HO/CFD/ CMD2/CIR/P/2022/62 dated 13th May 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 6th October 2023 **("SEBI Circulars")** permitted the holding of Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue through VC or OAVM till 30th September ,2024. In compliance with the provisions of the Companies Act, 2013 **("Act")**, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")**, MCA Circulars and SEBI Circulars, the AGM of the Company is proposed to be held through VC/OAVM.

2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

3. The Link Intime India Private Limited ('LIIPL' or 'Link Intime') will be providing facilities in respect of:
    a. voting through remote E-voting;
    b. participation in the AGM through VC/OAVM facility;
    c. E-voting during the AGM.

4. In compliance with the aforesaid MCA Circulars, this Notice is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA/ Depositories as on 30th August, 2024. Members may note that the Notice will also be available on the Company's website www.ecanarys.com, website of the Stock Exchange i.e. National Stock Exchange of India Limited **("NSE")** at www.nseindia.com, and on the website of Company's Registrar and Transfer Agent, Link Intime India Private Limited ('LIIPL') at www.linkintime.co.in.

   It is however clarified that, all Members of the Company as on the Cut-Off Date (including those Members who may not have received this Notice due to non-registration of their email addresses with the Company / RTA / Depositories) shall be entitled to vote in relation to the aforementioned resolution in accordance with the process specified in this Notice.

5. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. In case of joint holders, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

7. Members of the Company under Institutional / Corporate Members are encouraged to attend and vote at the AGM through VC. The Institutional / Corporate participant Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at Ambikeshwari.m@ecanarys.com

8. Members who wish to inspect the documents, as mentioned in the Notice of the AGM or as required under the law, may write to the Company at Ambikeshwari.m@ecanarys.com and the Company shall endeavor to provide inspection of documents by such Member. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, based on the request being sent to Ambikeshwari.m@ecanarys.com

9. In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI

circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by Link Intime.

10. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the "Instructions for e-voting" section which forms part of this Notice.

11. The Company has appointed M/s. Ganapathi & Mohan, Practicing Company Secretaries (Membership No. 5659 & Certificate of Practice No. 4520) as Scrutinizer to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner.

12. Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. 23rd September 2024 may cast their vote by remote e-voting on the resolution specified in the Notice of the AGM. Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM to be held through VC/OAVM, but they shall not be entitled to cast their vote again. Once the vote on a resolution is cast by the Member, they shall not be allowed to change it subsequently.

13. The remote e-voting will commence on 27th September 2024 at 09:00 A.M. and ends on 29th September 2024 at 05:00 P.M (IST). The remote e-voting module shall be disabled by Link Intime for voting thereafter and Members will not be allowed to vote electronically beyond the said date and time. A person who is not a member as on the Cut-Off Date is requested to treat this Notice for information purposes only.

14. The voting rights of the Members (for voting through remote e-voting or e-voting at the AGM) shall be in proportion to their share in the Paid-up Equity Share Capital of the Company as on the Cut-Off Date, i.e., 23rd September 2024 ("Cut-Off Date"). A person whose name is recorded in the Register of Shareholders or in the Register of Beneficial Owners maintained by the Depositories/Registrar and Share Transfer Agent as on the Cut-off Date only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM.

15. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, i.e 23rd September 2024 may obtain the login ID and password by sending a request at instameet@linkintime.co.in. However, if he / she is already registered with NSDL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the Cut-Off Date follow steps mentioned in the Notice under "Instructions for e-voting"

16. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Link Intime Private Limited at instameet@linkintime.co.in

17. The results of the remote e-voting and votes cast at the AGM shall be declared not later than two working days from the conclusion of the AGM. The results declared, along with the Scrutinizer's Report, shall be placed on the Company's website, viz., www.ecanarys.com , immediately after their declaration, and will be communicated to Link, viz., www.linkintime.co.in and National Stock Exchange of India Limited at www.nseindia.com

18. For receiving all communication from the Company electronically:

    a. In case Shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), PAN (self-attested scanned copy of PAN card), and AADHAAR (self-attested scanned copy of Aadhaar Card) by email to nagashree.hegde@ecanarys.com or to rnt.helpdesk@linkintime.co.in.

    b. Members holding Shares in dematerialized mode are requested to register/update their email addresses with the relevant Depository Participant.

19. INSTRUCTIONS FOR E-VOTING:

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

LOGIN METHOD FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE IS GIVEN BELOW:

INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH NSDL:

METHOD 1 - If registered with NSDL IDeAS facility

Users who have registered for NSDL IDeAS facility:

a) Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "Login".
b) Enter user id and password. Post successful authentication, click on "Access to e-voting".
c) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

User not registered for IDeAS facility:

a) To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp "
b) Proceed with updating the required fields.
c) Post registration, the user will be provided with Login ID and password.
d) After successful login, click on "Access to e-voting".
e) Click on "LINKINTIME" or "E-voting link displayed alongside Company's Name" and you will be redirected to Link Intime Insta-Vote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of NSDL:

a) Visit URL: https://www.evoting.nsdl.com/
b) Click on the "Login" tab available under 'Shareholder/Member' section.
c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting".
e) Click on "LINKINTIME" or "e-voting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH CDSL:

METHOD 1 – From Easi/Easiest

Users who have registered/ opted for Easi/Easiest

a) Visit URL: https://web.cdslindia.com/myeasitoken/home/login or www.cdslindia.com.
b) Click on New System Myeasi
c) Login with user id and password
d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users not registered for Easi/Easiest

a) To register, visit URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration
b) Proceed with updating the required fields.
c) Post registration, user will be provided Login ID and password.
d) After successful login, user able to see e-voting menu.
e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of CDSL.

a) Visit URL: https://www.cdslindia.com/
b) Go to e-voting tab.
c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".

d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
e) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: https://instavote.linkintime.co.in

2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

   A. User ID:
   Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
   C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
   D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

   **Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*
   **Shareholders holding shares in NSDL form, shall provide 'D' above*

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
4. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):

STEP 1 **–** REGISTRATION

a) Visit URL: https://instavote.linkintime.co.in
b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
c) Fill up your entity details and submit the form.
d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up at Sl .No. 2 above). The said form is to be signed by the Authorized Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
e) Thereafter, Login credentials (User ID; Organization ID; Password) will be sent to Primary contact person's email ID.
f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 **–**Investor Mapping

a) Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.
b) Click on "Investor Mapping" tab under the Menu Section
c) Map the Investor with the following details:
    a. 'Investor ID' -
        i. *Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678*
        ii. *Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.*
    b. 'Investor's Name - Enter full name of the entity.

c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.

d) Click on Submit button and investor will be mapped now.
e) The same can be viewed under the "Report Section".

STEP 3 **–** Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

a) Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.
b) Click on 'Votes Entry' tab under the Menu section.
c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
d) Enter '16-digit Demat Account No.' for which you want to cast vote.
e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

VOTES UPLOAD:

a) Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.
b) You will be able to see the notification for e-voting in inbox.
c) Select 'View' icon for '**Company's Name / Event number '.** E-voting page will appear.

d) Download sample vote file from 'Download Sample Vote File' option.
e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.
f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholder holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot

Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID
User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.
Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund") has forgotten the password:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on **'Login'** under **'Corporate Body/ Custodian/Mutual Fund'** tab and further Click **'forgot password?'**
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT"

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8

characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

Members are requested to follow the procedure given below:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in & click on **"Login".**

► Select the **"Company"** and **'Event Date'** and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16-digit Demat Account No. or Folio No

• Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
• Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
• Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/
Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

► Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholders may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fl or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Pursuant to Section 102 of the Companies Act, 2013 ("Act") and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI (ICDR) Regulations"), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 3:

ITEM NO. 3:

TO MAKE INVESTMENTS, GIVE LOANS, GUARANTEES AND SECURITY IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

In order to capitulate the various opportunities of the prevailing industry and also to achieve long term strategic & business objectives of the Company, the Board of Directors of the Company propose to make investments in other body corporate(s) or grant loans, give guarantees or provide security to any other person or body corporate, as and when required.

Pursuant to Section 186 of the Companies Act, 2013 read with the Rules made thereunder, the Company is permitted to: (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, in excess of 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members of the company by way of a Special Resolution.

The existing approved limits by the members of the Company is capped at ₹ 40,00,00,000/- (Rupees Forty Crores only) by way of a Special Resolution at the 32nd Annual General Meeting held on August 14, 2023. After thorough analysis and careful consideration, the Board at its meeting held on September 03, 2024, subject to approval of the Members of the Company, unanimously approved the aforesaid proposal for enhancing the limit of loans and investments by way of subscription, purchase or otherwise, the securities of any other body corporate, giving of guarantees and/or providing security in connection with a loan of any person or other body corporate under Section 186 of the Act from the existing limit of ₹ 40,00,00,000/- (Rupees Forty Crores only) to ₹ 75,00,00,000/- (Rupees Seventy Five Crores only) in excess of the limit prescribed under Section

186(2) of the Act. This will empower us to pursue high-potential markets, enhance product and service offerings, strengthen strategic partnerships and optimize operational capabilities.

In view of the above, the Board recommends for approval of the resolution by the members, by way of passing a Special Resolution.

The documents referred to in the Notice, for which this Members's approval is being obtained, will be available electronically for inspection on website at www.ecanarys.com from the date of circulation of this Notice up to the date of AGM i.e. Monday, 30th September, 2024. Members seeking to inspect such documents can send an email to ambikeshwari.m@ecanarys.com

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 3 of the notice except to the extent of their shareholding in the Company.

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e-mail: fin@ecanarys.com
web: www.ecanarys.com

By order of the Board
For CANARYS AUTOMATIONS LIMITED
(formerly Canarys Automations Private Limited)

Place: Bengaluru
Date: 03.09.2024

Metikurke Ramaswamy Raman Subbarao
Managing Director
DIN: 00176920