



CANARYS AUTOMATIONS 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: 08th September 2026

To

National Stock Exchange of India Limited ("NSE").

Exchange Plaza, Plot No. C/1, G- Block,

Bandra -Kurla Complex, Bandra (East),

Mumbai-400051 MH IN

NSE Symbol: CANARYS

ISIN: INE0QG301017

Dear Sir / Madam,

Subject: Notice of 35th Annual General Meeting ("AGM") and Annual Report for the Financial year 2025-26

Pursuant to Regulation 30 read with Schedule III Part A Para A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, attached herewith the Notice of 35th Annual General Meeting ("AGM") of M/s. Canarys Automations Limited (the "Company") scheduled to be held on Wednesday, 30th September 2026 at 04:00 P.M. (IST) through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM').

Further, pursuant to section 108 of the Companies Act 2013 and Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report 2025-26 containing the Notice convening the 35th AGM for the financial year 2025-26 which is being sent through electronic mode to the Members, who have registered their e-mail addresses with the Company/Depositories.

The aforesaid copies are available on the website of the Company i.e., <https://ecanarys.com/investor-relations/annual-reports/2025-2026.pdf>

We request you to kindly take the same on record.

Thanking you

For, CANARYS AUTOMATIONS LIMITED

Ambikeshw
ari M A

Digitally signed by
Ambikeshwari M A
Date: 2026.09.08
15:56:35 +05'30'

Ambikeshwari M A

Company Secretary & Compliance officer

Membership No. A67639

Enclosed as above.

Annual Report 2025-26



**Global Ambition.
AI Driven Transformations.
Resilient Growth.**

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Canarys Automations Limited was recognised by GitHub as the **2025 Growth Services and Channel Partner of the Year**

2025-26 Key Highlights

- Reached nearly ₹200 crore in revenue, supported by the acquisition of Fortira Inc., strong growth in Technology Solutions, and expansion across key industry verticals.
- Revenue mix: IT Solutions contributed 93% of total revenue, while Water Resource Management accounted for 7%.
- Strategic investments in Fortira integration and talent onboarding moderated EBITDA margins, with operational synergies and scale expected to support future margin expansion.
- International business contributed ~48% of revenue, reflecting a diversified global presence across India, the USA, and Singapore, serving customers in 10+ countries.



₹1,997 million
Total Income
(121% - Y-o-Y growth)



₹245 million
EBITDA
(74% - Y-o-Y growth)



₹148 million
Profit After Tax (PAT)
(79% - Y-o-Y growth)

The world has changed profoundly since we began our journey three decades ago. Technology, today, is no longer just an enabler; it is reshaping how we work, connect and govern. Canarys Automations Limited (Canarys) is building for what comes next, expanding globally, advancing into Agentic AI and embedding resilience into transformation. Our journey is anchored in three priorities: Global Ambition, AI-Driven Transformation and Resilient Growth.

Global Ambition

We are taking our capabilities closer to global opportunities. The acquisition of Fortira Inc. has strengthened our access to North American market while complementing our presence in India and Singapore, and expanding our ability to serve global enterprises.

AI-Driven Transformation

The shift from automation to Agentic AI is redefining enterprise technology. Building on three decades of engineering expertise, we help enterprises adopt intelligent, adaptive and outcome-driven solutions. At the core is our Canarys Automation Resilience (CAR) Framework, which turns technology investments into Business Resilience enabling faster adaptation, stronger quality and lasting value.

Resilient Growth

In an AI-first world, resilience is becoming a defining advantage. By combining Agentic AI, cloud and digital engineering with the CAR Framework, we are building solutions that evolve with our customers' needs, deepen relationships and unlock scalable, sustainable growth.

Together, these priorities are shaping Canarys into a Company that is global in ambition, intelligent in execution and resilient by design, ready to turn emerging opportunities into enduring value.

About Canarys Automations Limited

Canarys Automations Limited (Canarys) is a 30+ year engineering-led organisation that has evolved into a boutique Agentic AI engineering firm, combining three decades of delivery depth with AI-native execution.

Through its CAR Framework (Canarys Automation Resilience — spanning Design, Engineering, Testing and Support), Canarys helps enterprises translate automation investments directly into business resilience: faster delivery, self-healing quality, and issues resolved before they reach customers. The Company is backed by tier-one technology partnerships, including GitHub (APAC's top-ranked partner), Microsoft, Atlassian, GitLab and Snyk, and serves 200+ clients worldwide with a team of 450+ technology professionals across its offices in Princeton (USA), Bengaluru (India) and Singapore.

OFFERINGS



Technology Solutions

Six core practices — Digital DevOps, Enterprise Applications (ERP/CRM), Application & Mobile, Cloud & Infrastructure, Digital Assurance (QA), and Intelligence & Analytics — each amplified by a CAR pillar, delivering digital transformation, operational resilience and measurable business value across BFSI, Healthcare, Life Sciences, Manufacturing, Insurance, Retail & eCommerce, and Technology.



Water Resources Management

Canarys delivers Integrated Water Resources Management (IWRM) solutions that help government agencies and water authorities monitor, model and manage water more efficiently and equitably across river basins, canal networks and urban catchments. The offering spans four pillars: Hydrometeorology, Urban Flood Management, SCADA, Decision Support System (DSS).

Key Facts

1st
Solution partner for
GitHub

241
Projects handled

212
Clients served

100%
Client retention

20+
Industries served

10+
Countries served

7
Proprietary products

455
Specialised team

Canarys Automation Resilience (CAR) Framework

The Canarys Automation Resilience (CAR) Framework is a proprietary AI-powered engineering methodology that integrates intelligent automation across the software development lifecycle. By embedding AI into every stage—from design to ongoing support—the framework accelerates delivery, enhances quality, and enables continuous improvement through real-time feedback and learning.

CAR-D (DESIGN)

FOCUS

AI-assisted design and user experience creation

BUSINESS OUTCOME

Faster design cycles and improved user-centric solutions



CAR-E (ENGINEERING)

FOCUS

AI-powered development and deployment

BUSINESS OUTCOME

Higher engineering productivity and accelerated delivery



CAR-T (TESTING)

FOCUS

AI-driven quality assurance and test automation

BUSINESS OUTCOME

Improved software quality, reliability and faster releases



CAR-S (SUPPORT)

FOCUS

AI-powered monitoring and intelligent support

BUSINESS OUTCOME

Faster issue resolution and enhanced customer experience



A closed-loop feedback mechanism continuously captures insights across every stage, enabling AI models to learn, optimise and improve outcomes over time. This creates a self-reinforcing engineering ecosystem that drives continuous intelligence, operational efficiency and innovation across the software lifecycle.

Services and Solutions

Our integrated portfolio spans digital engineering, enterprise transformation, cloud solutions, intelligent analytics, proprietary platforms and smart water management solutions, enabling organisations to build scalable, secure and future-ready ecosystems.

1 AI-Powered Industry Solution

Enabling enterprises to accelerate digital transformation through AI-led innovation, intelligent automation and engineering excellence.



Digital DevOps

- End-to-end DevOps, DevSecOps and CI/CD automation
- Secure software delivery with integrated DevSecOps practices
- AI-powered developer productivity using intelligent automation and GitHub Copilot
- Enterprise migration and modernisation to next-generation platforms

Amplified by CAR-E



Enterprise Applications

- ERP selection, implementation and lifecycle management
- AI-driven technology evaluation and decision support
- CRM transformation, workflow automation and customer experience enhancement
- Legacy modernisation and enterprise integration

Amplified by CAR-D and CAR-S



Application & Mobile

- Scalable web, mobile and cloud-native application development
- Full-stack engineering across modern technology platforms
- AI-powered UI/UX design and validation
- Digital solutions to enhance user experience and business agility

Amplified by CAR-D



Cloud & Infrastructure

- Cloud migration, architecture and managed infrastructure services
- Kubernetes and container orchestration for scalable environments
- Advanced observability and real-time monitoring
- Infrastructure automation through IaC frameworks

Amplified by CAR-T and CAR-S



Digital Assurance

- End-to-end quality engineering and test automation
- Performance, security and reliability testing
- AI-powered self-healing test suites
- Shift-left testing integrated with CI/CD pipelines

Amplified by CAR-T



Intelligence & Analytics

- Agentic AI implementation and workflow automation
- Data engineering, BI and advanced analytics
- RPA, AI agents and intelligent business processes
- IoT, blockchain and emerging technology integration

Amplified by the full CAR framework

2 Proprietary Products & Solutions

AI-powered platforms and intelligent tools enabling digital transformation, operational efficiency and seamless technology adoption.

AI-POWERED PLATFORMS



Auryis Quality Intelligence (AQI)

An AI-powered quality and compliance platform that helps regulated organisations assess readiness, identify gaps, and strengthen adherence to standards such as 21 CFR Part 11. AQI accelerates document review, audit preparation, and compliance decision-making while maintaining human oversight.



Auryis Safety Intelligence (ASI)

An AI-enabled pharmacovigilance platform designed to improve the speed, consistency, and accuracy of drug-safety operations. ASI supports safety-case processing, medical review, signal identification, and regulatory workflows through intelligent automation and human-in-the-loop controls.



Social Media Monitoring (SMM)

An AI-driven solution that continuously monitors social and digital channels for potential adverse drug reactions, product complaints, and safety-related mentions. It helps life-sciences organisations identify relevant cases early, reduce manual screening, and strengthen pharmacovigilance coverage.



ClubAce

A comprehensive digital club-management platform that streamlines membership, billing, events, facilities, communications, and operational workflows. ClubAce provides administrators and members with an integrated web and mobile experience designed to improve service, engagement, and governance.



Scholaris

An end-to-end doctoral lifecycle management platform that digitises and manages the complete research journey, from scholar admission and supervisor allocation to progress reviews, thesis submission, and graduation. Scholaris enables universities to improve academic governance, compliance, visibility, and collaboration across all stakeholders.

2 Proprietary Products & Solutions

DEVOPS & PRODUCTIVITY SOLUTIONS



License Optimiser

Simplifies license management across Azure DevOps, GitHub and Jira.



Canarys RollUp

Provides consolidated project visibility by rolling up tasks into stories, features and epics.



Copy Project

Enables seamless project migration across organisations and cloud environments.



SAP Cloud ALM to Azure DevOps Integrator

Connects SAP Cloud ALM and Azure DevOps for unified workflows.



Canarys Migration Hub

Simplifies DevOps and ticketing tool migrations.



GitHub SmartBoard

Custom dashboards for enhanced GitHub insights.



DevOps SmartBoard

Real-time dashboards for Azure DevOps visibility.



Bugzilla to Azure DevOps Migrator

Migrates work items, history, links and attachments.



Redmine to Azure DevOps Migrator

Enables seamless migration from Redmine to Azure DevOps.

3 Water Resource Management Platform

Technology-driven solutions enabling real-time monitoring, automation and efficient management of water infrastructure.



Telemetry Solutions

IoT-based monitoring of water levels, flow, rainfall and environmental parameters with secure data transmission.



Canal Automation

Automated water distribution and demand-based release management for improved efficiency.



SCADA & Gate Automation

Real-time supervision, remote control and automated operations of water systems.



Flood Early Warning Systems

Flood forecasting, risk assessment and emergency response support.



Decision Support Systems

Data-driven planning, water allocation optimisation and infrastructure performance monitoring.



300+
Open channel
flow meters



800+
Automatic water level
recorders



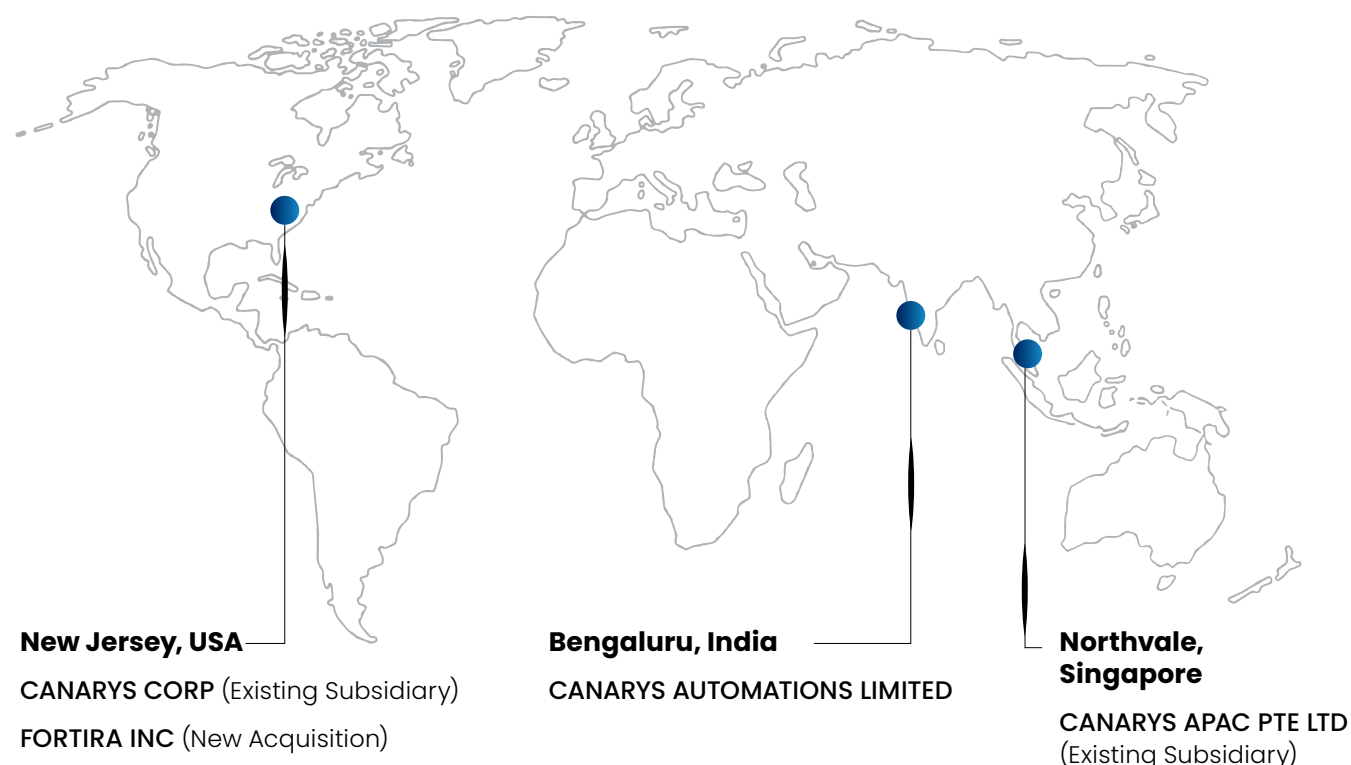
2,500+
Automatic rain
gauges



400
Automatic weather
stations

Presence

Building a strong global footprint by delivering technology solutions and digital transformation solution across markets.



3
Countries of presence



10+
Countries served



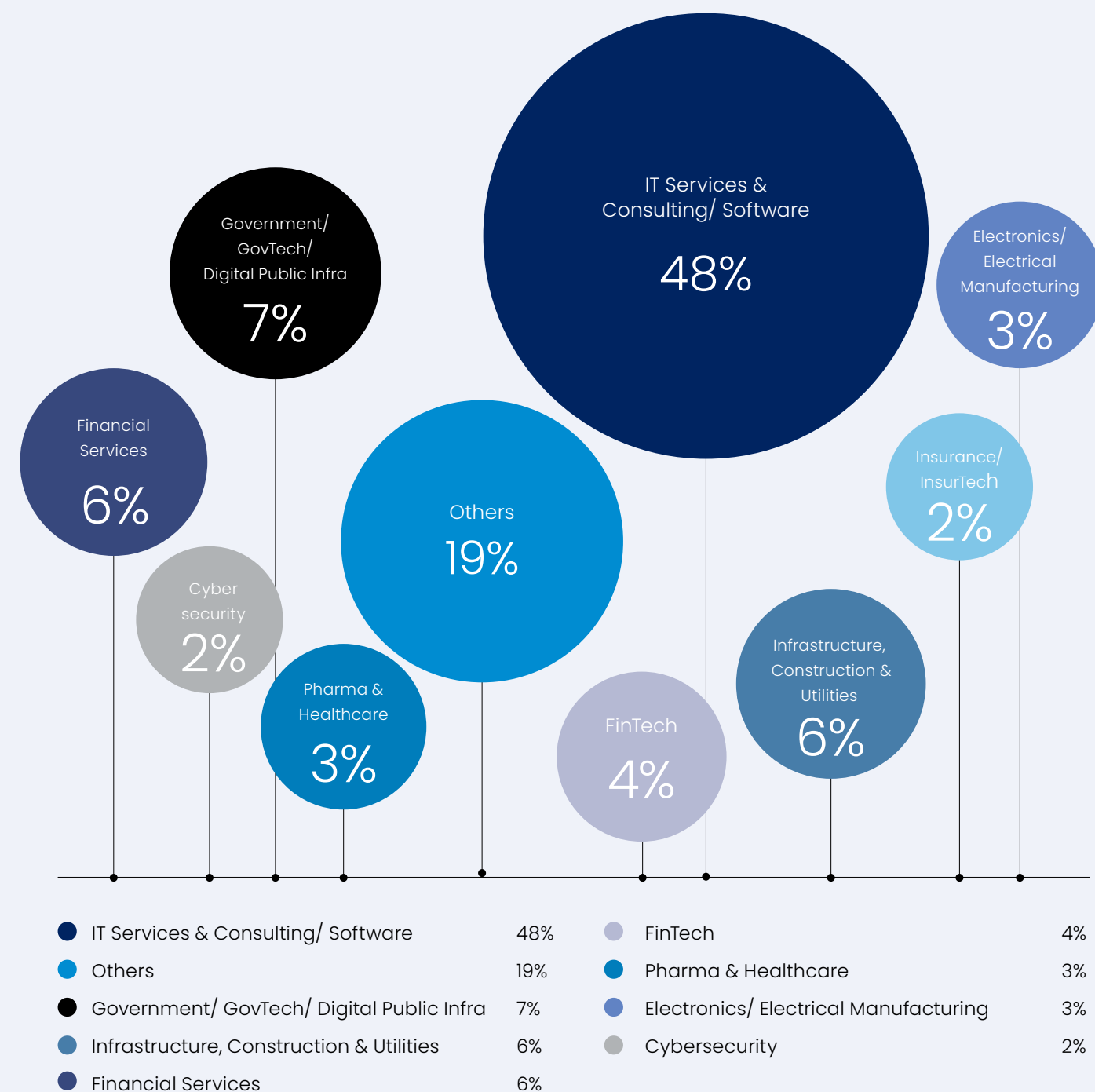
~48%
International revenue



200+
Customers served

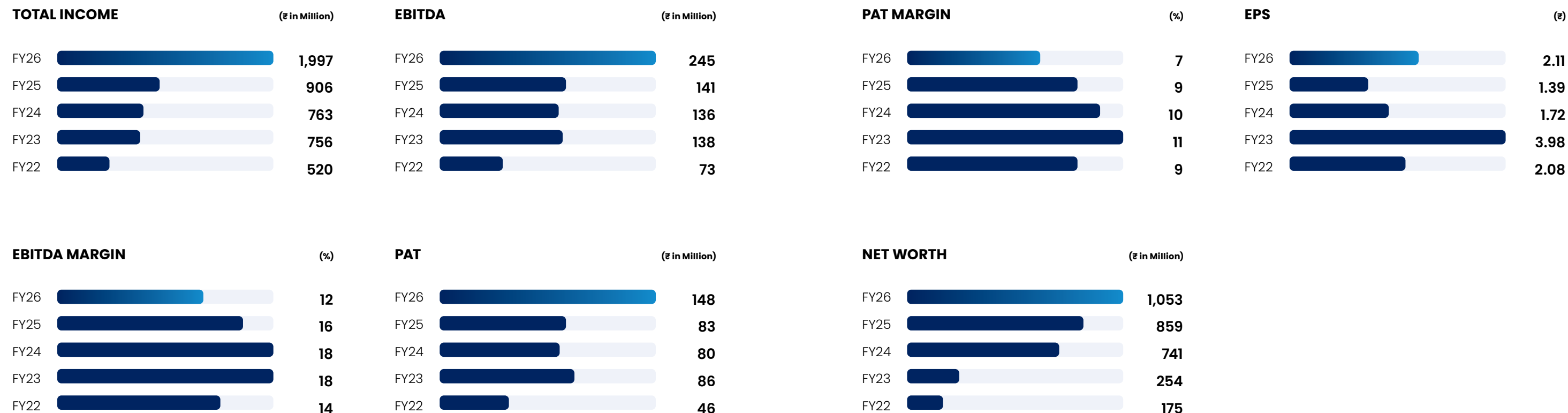
Technology Solutions Across Diverse Industries

Our products and solutions enable digital transformation across diverse industries by addressing evolving business challenges, enhancing operational efficiency, and delivering superior customer experiences.



Key Performance Indicators

Financial Performance



Operational Metrics – Technology Solutions



*FY26 financial and operational metrics include Fortira's order book, projects, and employees

CEO's Message



A successful transformation requires more than technology — it requires a culture that embraces change.

Dear Stakeholders,

FY26 marked the most defining year in Canarys' 30+ year journey. We delivered our strongest-ever financial performance, crossing ₹100 crore in standalone revenue and reaching nearly ₹200 crore in consolidated revenue for the first time in our history. Beyond these milestones, FY26 represented a fundamental transformation of our business model — evolving from a trusted engineering services partner into an AI-native engineering and solution resilience platform. This strategic pivot marks a new chapter in Canarys' growth journey.

POWERING AI-LED ENGINEERING THROUGH CAR FRAMEWORK

At the core of this transformation is our proprietary CAR (Canarys Automation Resilience) framework, which embeds AI across the complete software engineering lifecycle. Built around four pillars — CAR-D (Design), CAR-E (Engineering), CAR-T (Testing) and CAR-S (Support) — the framework enhances existing technology investments through intelligent automation, resilience and continuous improvement.

By enabling smarter engineering practices, CAR has the potential to deliver up to 5x improvement in engineering productivity, over 40% increase in revenue per employee, up to 12 percentage point improvement in gross margin potential and nearly 30% faster project delivery. These capabilities create structural advantages that strengthen scalability and profitability. Leading global enterprises, including a Fortune 100 technology company and a North American bank, are already leveraging CAR-powered solutions.

BUILDING PROPRIETARY AI PLATFORMS

Alongside our AI-led services transformation, we are scaling our portfolio of proprietary AI platforms, which represent a second growth engine for Canarys. AURYIS, our flagship AI-powered regulatory compliance and safety intelligence platform for pharmaceutical and life sciences companies, enables organisations to simplify complex regulatory processes and convert unstructured compliance data into audit-ready insights.

ClubAce is enabling intelligent automation, engagement and analytics for clubs, hospitality and membership ecosystems, while Scholaris is transforming doctoral and research lifecycle management for universities. Built as AI-native, subscription-led platforms, these solutions strengthen our proprietary intellectual property and create opportunities for scalable recurring revenue.

INVESTING IN FUTURE-READY TALENT

Our transformation is powered by our people. We continue to invest in AI upskilling, capability development and future-ready talent across the organisation. Our 430+ professionals across Digital DevOps, Digital Assurance, Intelligence & Analytics and other technology practices are being equipped to design, deploy and manage agentic AI solutions for customers. This investment in capabilities will remain a key differentiator in sustaining our competitive advantage.

STRENGTHENING A CULTURE OF INNOVATION

A successful transformation requires more than technology — it requires a culture that embraces change. At Canarys, our people-first approach continues to foster collaboration, innovation and belonging. Initiatives such as Canarys Kreedotsava, Canarys Women's Premier League, Ugadi and Kannada Rajyotsava celebrations strengthen employee engagement, while improving attrition trends reflect the trust and stability within our organisation.

RECOGNISED FOR INNOVATION AND EXCELLENCE

FY26 brought strong recognition for our innovation and execution capabilities. We were named GitHub's 2025 Growth Services and Channel Partner of the Year at GitHub Universe in San Francisco, reinforcing our position as the No. 1 GitHub Partner in APAC. Our Water Resource Management team received the GEEF Award for Urban Flood Early Warning System initiatives, while we continued to receive recognition across the DevOps ecosystem through partnerships with Microsoft, GitHub, JFrog, GitLab, SAP and Snk.

DELIVERING RECORD FINANCIAL PERFORMANCE

On a consolidated basis, total income reached ₹199.7 crore, up 121% year-on-year, supported by strong momentum in Technology Solutions and the integration of Fortira. EBITDA stood at ₹24.5 crore and PAT at ₹14.8 crore. International revenue contributed approximately 48% of total revenue, with customers across 10+ countries and operations spanning India, the USA and Singapore.

EXPANDING GLOBAL CAPABILITIES THROUGH FORTIRA

The acquisition of Fortira Inc. in April 2025 was a strategic milestone, strengthening our North American presence and expanding capabilities across AI, cloud, cybersecurity and digital engineering. With 20+ enterprise customers, Fortira enhances our global delivery capabilities and strengthens our position in key technology markets.

BUILDING A SCALABLE, HIGHER-MARGIN GROWTH MODEL

As we move forward, our focus remains on translating strategic investments into sustainable profitability. Wider adoption of the CAR framework will drive AI-led productivity gains, while scaling platforms such as AURYIS, ClubAce and Scholaris will enhance our subscription-based revenue mix. Additionally, as integration investments mature, we expect stronger operating leverage and improved margins over the next 12–24 months.

APPRECIATION

I extend my sincere gratitude to our employees for embracing this transformation with passion and commitment, and to our customers for their continued trust and partnership. I also thank our shareholders, Board of Directors and technology partners, including Microsoft, GitHub, SAP and JFrog, for their confidence and support as we continue building a differentiated AI-led technology company.

Regards,

Sheshadri Srinivas

Canarys’ Advantage in the Agentic AI Revolution

Canarys combines agility, AI-native capabilities and customer-centric execution to deliver faster, smarter and more scalable technology outcomes.

DIFFERENTIATOR	CANARY’S ADVANTAGE	TRADITIONAL SYSTEM AGGREGATORS
 Agility by Design	Lean structure enables quicker decisions, faster execution and greater responsiveness	Complex organisational structures may lead to longer decision cycles
 AI-Embedded Engineering	AI integrated across development, testing, automation and delivery processes	AI adoption typically evolves through incremental integration
 Customer-Centric Approach	Close customer engagement enables tailored solutions aligned with changing business needs	Standardised delivery models may limit flexibility and customisation
 Faster Innovation Cycles	Rapid experimentation and deployment accelerate time-to-value	Large-scale processes can result in longer innovation cycles
 Scalable Productivity Model	AI-led efficiencies support growth with improved scalability and operating leverage	Growth models often depend on proportional increases in workforce capacity



PROVEN ENTERPRISE IMPACT THROUGH REAL-WORLD AI DEPLOYMENTS

Canarys’ AI-first approach is validated through successful enterprise implementations, enabling organisations to enhance productivity, accelerate decision-making and achieve measurable business outcomes.

CASE STUDY 1

Leading Enterprise Networking Company | North America

BUSINESS CHALLENGE
Drive UI/UX innovation while improving engineering productivity.

AI SOLUTION IMPLEMENTED
Deployed CAR-D, an AI-powered design workflow solution, to streamline and accelerate UI/UX development.

- BUSINESS OUTCOMES**
- Faster UI/UX design iterations
 - Enhanced engineering productivity
 - Accelerated design-to-development workflows



CASE STUDY 2

Leading Banking Institution | North America

BUSINESS CHALLENGE
Enable faster and more informed technology selection decisions.

AI SOLUTION IMPLEMENTED
Developed an AI-powered ERP Selection Agent to automate evaluation and support structured decision-making.

- BUSINESS OUTCOMES**
- Rapid proof-of-concept execution
 - Transparent and auditable vendor assessment
 - Accelerated technology decision cycles



Road Ahead: Building an AI-Powered Growth Engine

As enterprises accelerate their adoption of artificial intelligence, Canarys is strategically positioned to drive the next phase of technology transformation through AI-led innovation, engineering excellence and scalable digital solutions. The Company's roadmap focuses on embedding AI across its portfolio, expanding agentic AI capabilities, scaling proprietary platforms, enhancing operational efficiency and strengthening its global presence to deliver sustained value for customers and stakeholders.



AI-EMBEDDED ENTERPRISE SOLUTIONS

Integrate AI across technology platforms, delivery models, infrastructure services and customer engagements to create intelligent, outcome-driven solutions.



ACCELERATING AGENTIC AI ADOPTION

Expand the CAR framework and intelligent automation capabilities across the software engineering lifecycle to enhance productivity and efficiency.



SCALING AI PRODUCTS & PLATFORMS

Drive adoption and market expansion of AI-powered platforms including AURYIS, ClubAce, Scholaris, along with future AI-led offerings.



AI-DRIVEN PRODUCTIVITY & OPERATIONAL EXCELLENCE

Leverage AI, automation and engineering excellence to improve delivery velocity, quality, resource utilisation and profitability.



EXPANDING GLOBAL FOOTPRINT & MARKET LEADERSHIP

Strengthen enterprise relationships, build strategic partnerships and accelerate international growth across key markets.

Board of Directors



Raman Subbarao M R
Chairman & Managing Director

- 38+ years of experience in software development and technology leadership
- Founder and key architect of Canarys, driving innovation and technology evolution
- Former external consultant at HP, managing organisation-wide metrics and developing performance drivers for enterprise solutions



Raghu Chandrashekhariah
CFO & Whole Time Director

- 40+ years of experience in business leadership and strategic growth
- Drives revenue generation, new customer acquisition and expansion of existing client relationships through cross-selling and upselling initiatives at Canarys



Arun Danavadi K
Whole Time Director – Operations

- 30+ years of experience in IT, with expertise in assembly programming, production, testing and deployment of IEEE-488 systems for telecom and defence applications
- Seasoned technology professional overseeing business operations and operational excellence at Canarys



Muralikrishnan Gopalakrishnan
Independent Director

- 20+ years of experience in technology and business leadership
- Engineering graduate from IISc Bengaluru and former VP at Tata Elxsi
- Founder of Sounding Board Business Solutions, driving strategic consulting initiatives



Sheshadri Srinivas
CEO & Executive Director

- 25+ years of experience in system architecture and engineering
- IIT Bombay alumnus with over 15 years of strategic leadership at Canarys
- Driving business growth and strengthening long-term partnerships, particularly across the US market



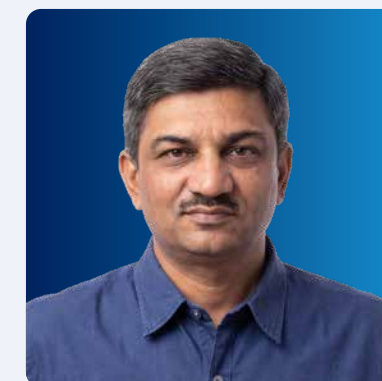
Pushparaj Shetty
Executive Director – Telemetry

- Technologist and business leader with 25+ years of experience
- Spearheaded the launch of Canarys' Water Resource Management business and IoT-enabled water management solutions
- Coach and panel member with autonomous water resource bodies and industry associations, driving innovation in water management



Asha Sivashankar
Independent Director

- 30+ years of leadership experience across diverse industries
- Postgraduate in Physics from Delhi University and MA in Applied & Professional Ethics from Leeds
- Held leadership roles at NIIT, HP, Vaatsalya, Schneider and TeamLease



Ramesh Phatak
Independent Director

- 35+ years of experience in IT and technology leadership
- Holds an M.S. from Louisiana State University
- NASSCOM ER&D Council member, with leadership experience at Intel, Motorola and Schneider Electric
- Active startup mentor and angel investor since 2017

Corporate Information

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

Mr. Metikurke Ramaswamy Raman Subbarao
Chairman & Managing Director

Mr. Raghu Chandrashekhariah
Whole Time Director & Chief Financial Officer

Mr. Arun Danavadi Krishnamurthy
Whole Time Director

Mr. Sheshadri Srinivas Yedavanahalli
Executive Director & Chief Executive Officer

Mr. Pushparaj Shetty
Executive Director

Mr. Muralikrishnan Gopalakrishnan
Non-Executive Independent Director

Ms. Asha Sivashankar
Non-Executive Independent Director

Mr. Ramesh Phatak
Non-Executive Independent Director

CS Ambikeshwari M A
Company Secretary and Compliance Officer

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

INTERNAL AUDITORS

M/s. Sachin Hareesh & Associates,
Chartered Accountants
Address: No. 57, Nagashree, 2nd Floor,
5th Cross, Rangarao Cross Road, Shankarapuram,
Bengaluru-560004, Karnataka, India

BANKERS

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

REGISTRAR & SHARE TRANSFER AGENT

MUFG Intime India Private Limited
(Formerly Link Intime India Private Limited)
Address: C-101, Embassy 247, L.B.S. Marg, Vikhroli
(West), Mumbai – 400 083, Maharashtra, India
Contact: +91 22 4918 6000
Email: advit.shetty@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

REGISTERED OFFICE

Unit I:
566 & 567, 2nd Floor, 30th Main, Attimabbe Road,
Banagirinagara, Banashankari 3rd Stage,
Bengaluru – 560085, Karnataka India
CIN: L31101KA1991PLC012096
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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

Notice

NOTICE is hereby given that the **35th Annual General Meeting ("AGM")** of the Members of **M/s. CANARYS AUTOMATIONS LIMITED** (the "Company") will be held on, **Wednesday, 30th September 2026, 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:

- To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2026 and the reports of the Board of Directors and Statutory Auditors thereon:**

To consider and if thought fit, to pass the following resolutions as an **Ordinary Resolution**:

"RESOLVED THAT, the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2026 together with the Reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby received, considered and adopted."

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

Place: Bengaluru
Date: 26th August 2026

- To appoint a director in place of Mr. Pushparaj Shetty (DIN: 03333417) who retire by rotation and being eligible, offer himself for re-appointment as a Director:**

To consider and if thought fit, to pass the following resolutions as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152(6) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment(s) thereof), Mr. Pushparaj Shetty (DIN: 03333417) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

- To appoint a director in place of Mr. Metikurke Ramaswamy Raman Subbarao (DIN: 00176920) who retire by rotation and being eligible, offer himself for re-appointment as a Director:**

To consider and if thought fit, to pass the following resolutions as an **Ordinary Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 152(6) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment(s) thereof), Mr. Metikurke Ramaswamy Raman Subbarao (DIN: 00176920) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

By order of the Board
For **CANARYS AUTOMATIONS LIMITED**

Metikurke Ramaswamy Raman Subbarao
Chairman & Managing Director
DIN: 00176920

Notice

NOTES:

- Pursuant to General Circular No. 3/2025 dated September 22, 2025, read with other relevant Circulars issued by the Ministry of Corporate Affairs ("MCA") and the Circular dated October 03, 2024, and other applicable circulars issued by SEBI from time to time, companies are permitted to convene Annual General Meetings ("AGMs") through VC or OAVM without physical presence of members at a common venue. In compliance with the said Circulars, this AGM shall be conducted through VC / OAVM.
- In compliance with the applicable provisions of the Act, SEBI Listing Regulations, MCA Circulars and SEBI Circulars, the 35th Annual General Meeting of the Company is being held through VC/OAVM on **Wednesday, 30th September 2026, at 04:00 P.M (IST)**. Since the AGM held through VC/OAVM, the proceedings of the AGM will be deemed to be conducted at the registered office of the Company situated at No 566 & 567, 30th Main, Attimabbe Road, Banagirinagara, Banashankari 3rd Stage, Bengaluru – 560085, Karnataka India.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy so appointed need not be a member of the Company. Since this AGM is being held through VC, physical attendance of members has been dispensed with. Accordingly, the facility for appointments of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
- The details required pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the appointment or re-appointment of a director read with Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, and the applicable circulars issued thereunder, are annexed to this Notice and form an integral part hereof.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional

Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- M/s. MUFG Intime India Private Limited** (Formerly Link Intime India Private Limited) will be providing facilities in respect of:
 - voting through remote E-voting;
 - participation in the AGM through VC/ OAVM facility;
 - E-voting during the AGM.
- 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 **29th August 2026**. 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, M/s. MUFG Intime India Private Limited at www.in.mpms.mufg.com

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.

- Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- In case of joint holders, the Members whose name appear 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.
- The Institutional / Corporate Members are encouraged to attend and vote at the AGM through VC. The Institutional / Corporate participant Members intending to authorise their representatives to participate and vote at the Meeting are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at ambikeshwari.m@ecanarys.com

- 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 this Notice, shall be available for inspection through electronic mode, based on the request being sent to ambikeshwari.m@ecanarys.com
- 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 **M/s. MUFG Intime India Private Limited** (Formerly Link Intime India Private Limited)
- The manner of voting remotely by members holding shares in dematerialised 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.
- The Company has appointed CS. Ganapathi G M (FCS: 5659; CP: 4520), falling him CS. Radhesh R Bhat (ACS: 53606; CP: 21562), Partners of M/s. Ganapathi & Mohan, Company Secretaries, to act as Scrutiniser to scrutinise the e-voting process in a fair and transparent manner. Further, the scrutinisers have communicated their willingness to be appointed and be available for the purpose.
- Members of the Company holding shares either in physical form or in dematerialised form, as on **23rd September 2026 ("cut-off date")** 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.
- The remote e-voting will commence **on 27th September 2026 at 09:00 A.M. (IST) and end on 29th September 2026 at 05:00 P.M (IST)**. The remote e-voting module shall be disabled by M/s. MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) 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.

- 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**. 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.
- 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 may obtain the login ID and password by sending a request at instameet@in.mpms.mufg.com. However, if he / she is already registered with NSDL for remote e-voting, then they can use their 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".
- 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, **M/s. MUFG Intime India Private Limited** at instameet@in.mpms.mufg.com
- The results of the remote e-voting and votes cast at the AGM shall be declared not later than two working days from the date of conclusion of the AGM. The results declared, along with the Scrutiniser's Report, shall be placed on the Company's website, viz., www.ecanarys.com, immediately after their declaration, and will be communicated to MUFG Intime India Private Limited, viz., www.in.mpms.mufg.com and National Stock Exchange of India Limited at www.nseindia.com

Notice

21. For receiving all communication from the Company electronically:

- In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), self-attested scan copy of PAN card, and self-attested scan copy of AADHAAR Card by email to ambikeshwari.m@ecanarys.com or to rnt.helpdesk@in.mpms.mufg.com
- Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participant.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING BEFORE AGM ARE AS UNDER:

In compliance with the provisions of Section 108 of Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by MUFG Intime India Private Limited (formerly Link Intime India Private Limited), on all the resolutions set forth in this Notice. In terms of SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email id correctly in their demat accounts to access remote e-Voting facility.

Login method for Individual shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode with NSDL

METHOD 1 – NSDL IDeAS facility

Shareholders registered for IDeAS facility:

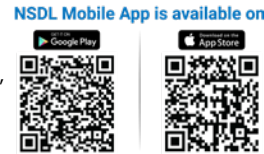
- Visit URL: <https://eservices.nsdl.com> and click on “Beneficial Owner” icon under “IDeAS Login Section”.
- Click on “Beneficial Owner” icon under “IDeAS Login Section”.
- Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on “Access to e-Voting” under e-Voting services.

- Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for IDeAS facility:

- 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>
- Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on “Submit”.
- Enter the last 4 digits of your bank account / generate ‘OTP’
- Post successful registration, user will be provided with Login ID and password. Follow steps given above in points (a-d).

Shareholders/ Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.



METHOD 2 – NSDL e-voting website

- Visit URL: <https://www.evoting.nsdl.com>
- Click on the “Login” tab available under ‘Shareholder/Member’ section.
- Enter User ID (i.e., your 16-digit demat account no. held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- Post successful authentication, you will be redirected to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.
- Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 3 – NSDL OTP based login

- Visit URL: <https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp>
- Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP.
- Enter the OTP received on your registered email ID/ mobile number and click on login.

- Post successful authentication, you will be redirected to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.
- Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders registered with CDSL Easi/ Easiest facility

METHOD 1 – CDSL Easi/ Easiest facility:

Shareholders registered for Easi/ Easiest facility:

- Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or www.cdslindia.com & click on New System Myeasi Tab.
- Enter existing username, Password & click on “Login”.
- Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for Easi/ Easiest facility:

- To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- Proceed with updating the required fields for registration.
- Post successful registration, users will be provided username and password. Follow steps given above in points (a-c).

METHOD 2 – CDSL e-voting page

- Visit URL: <https://www.cdslindia.com>
- Go to e-voting tab.
- Enter 16-digit Demat Account Number (BO ID) and PAN No. and click on “Submit”.
- System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account

- Post successful authentication, users will be able to see e-voting option. The evoting option will have links with e-voting service providers i.e., MUFG InTime. Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

- Login to DP website
- After Successful login, user shall navigate through “e-voting” option.
- Click on e-voting option, users will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- Post successful authentication, click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

STEP 1: LOGIN / SIGNUP TO INSTAVOTE

Shareholders registered for INSTAVOTE facility:

- Visit URL: <https://instavote.linkintime.co.in> & click on “Login” under ‘SHARE HOLDER’ tab.
- Enter details as under:
 - User ID: Enter User ID
 - Password: Enter existing Password
 - Enter Image Verification (CAPTCHA) Code
 - Click “Submit”.

(Home page of e-voting will open. Follow the process given under “Steps to cast vote for Resolutions”)

InstaVote USER ID	NSDL	User ID is 8 character DP ID followed by 8 digit Client ID (e.g. IN123456) and 8 digit Client ID (e.g. 12345678).
	CDSL	User ID is 16 Digit Beneficiary ID.
	Shares held in physical form	User ID is Event No + Folio No. registered with the Company

Shareholders who are not registered for INSTAVOTE facility:

- a) Visit URL: <https://instavote.linkintime.co.in> & click on “Sign Up” under ‘SHARE HOLDER’ tab & register with details as under:
- User ID: Enter User ID
 - 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.
 - DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)
 - Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
 - Shareholders holding shares in **NSDL form**, shall provide ‘D’ above
 - Shareholders holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above
 - Set the password of your choice.
(The password should contain minimum 8 characters, at least one special Character (!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
 - Enter Image Verification (CAPTCHA) Code.
 - Click “Submit” (You have now registered on InstaVote).

Post successful registration, click on “Login” under ‘SHARE HOLDER’ tab & follow steps given above in points (a-b).

STEP 2: STEPS TO CAST VOTE FOR RESOLUTIONS THROUGH INSTAVOTE

- A. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the “Notification for e-voting”.
- B. Select ‘View’ icon. E-voting page will appear.

- C. 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).
- D. After selecting the desired option i.e. Favour / Against, click on ‘Submit’.
- E. 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.

NOTE: Shareholders may click on “Vote as per Proxy Advisor’s Recommendation” option and view proxy advisor recommendations for each resolution before casting vote. “Vote as per Proxy Advisor’s Recommendation” option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

Guidelines for Institutional shareholders (“Custodian / Corporate Body/ Mutual Fund”)

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

- A. Visit URL: <https://instavote.linkintime.co.in>
- B. Click on “Sign Up” under “Custodian / Corporate Body/ Mutual Fund”
- C. Fill up your entity details and submit the form.
- D. A declaration form and organisation ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- E. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person’s email ID. (You have now registered on InstaVote)

STEP 2 – Investor Mapping

- A. Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- B. Click on “Investor Mapping” tab under the Menu Section
- C. Map the Investor with the following details:
- ‘Investor ID’ – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678;

Investor ID for CDSL demat account is 16 Digit Beneficiary ID.

- ‘Investor’s Name – Enter Investor’s Name as updated with DP.
- ‘Investor PAN’ – Enter your 10-digit PAN.
- ‘Power of Attorney’ – Attach Board resolution or Power of Attorney.

NOTE: File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID.

Further, Custodians and Mutual Funds shall also upload specimen signatures.

- D. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the “Report Section”.

STEP 3 – Steps to cast vote for Resolutions through InstaVote

The corporate shareholder can vote by two methods, during the remote e-voting period.

METHOD 1 – VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on “Votes Entry” tab under the Menu section.
- c) Enter the “Event No.” for which you want to cast vote.

Event No. can be viewed on the home page of InstaVote under “On-going Events”.
- d) Enter “16-digit Demat Account No.”.
- 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). After selecting the desired option i.e. Favour / Against, click on ‘Submit’.
- f) 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).

METHOD 2 – VOTES UPLOAD

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.

- b) After successful login, you will see “Notification for e-voting”.
- c) Select “View” icon for “Company’s Name / Event number”.
- d) E-voting page will appear.
- e) Download sample vote file from “Download Sample Vote File” tab.
- f) Cast your vote by selecting your desired option ‘Favour / Against’ in the sample vote file and upload the same under “Upload Vote File” option.
- g) 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:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

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 request at evoting@nsdl.co.in or call at: 022 – 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in

Notice

demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on **“Login”** under ‘SHARE HOLDER’ tab.
- Click **“forgot password?”**
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on **“SUBMIT”**.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under “Custodian / Corporate Body/ Mutual Fund” tab
- Click **“forgot password?”**
- Enter User ID, Organisation ID and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case shareholders have a 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 information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. 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:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

General Instructions – Shareholders

- 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”.

INSTAMEET VC INSTRUCTIONS:

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 09/2024 dated 19.09.2024, the Companies can conduct their AGMs/ EGMs on or before 30 September 2025 by means of Video Conference (VC) or other audio-visual means (OAVM).

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

Login method for shareholders to attend the General Meeting through InstaMeet:

- Visit URL: <https://instameet.in.mpms.mufig.com> & click on “Login”.
- Select the “Company Name” and register with your following details:
- Select Check Box – **Demat Account No. / Folio No. / PAN**
 - Shareholders holding shares in NSDL/ CDSL demat account shall select check box – Demat Account No. and enter the 16-digit demat account number.
 - Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the company.
 - Shareholders shall select check box – PAN and enter 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 by MUFG Intime, if applicable.
 - Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
 - Email ID: Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
- Click “Go to Meeting”
You are now registered for InstaMeet, and your attendance is marked for the meeting.

Instructions for shareholders to Speak during the General Meeting through InstaMeet:

- Shareholders who would like to speak during the meeting must register their request with the company.

- Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- Shareholders will receive “speaking serial number” once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- Other shareholder who has not registered as “Speaker Shareholder” may still ask questions to the panellist via active chat-board during the meeting

**Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking*

Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

- On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- 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
- Click on ‘Submit’.
- After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- 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’.

- 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. 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-Fi or LAN connection to mitigate any kind of aforesaid glitches.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufig.com or contact on: – Tel: 022 – 4918 6000 / 4918 6175.

Notice

ANNEXURES TO THE NOTICE

PROFILE OF DIRECTORS

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard – 2 (SS-2) issued by ICSI on General Meetings, the particulars of the aforesaid Directors seeking re-appointment at the AGM are given below:

ITEM No 2.

Sr. No	Particulars	Details
1	Name	Pushparaj Shetty
2	DIN	03333417
3	Date of birth; and Age	19/11/1970 56 Years
4	Qualification	Bachelor of Engineering (Industrial & Production) from University of Mysore and Post Graduate Degree in Management Sciences from Shri Dharmasthala Majunatheswara -Institute of Management Development – Mysore
5	Experience and expertise in specific functional areas	Experience: 26 Years Under his leadership, launched WRM business and IoT-driven water management facilities. He is a coach and a panel member in autonomous water resources bodies and associations
6	Brief Profile/Resume	He is one of the Promoter and Executive Director of the Company. He has work experience of more than 24 years in Water Resource Business, including positive relationships with top water managers, Bid and Contract management. He leads the Water Resource Business of the Company. In addition to above, he has had 4 years of experience in Marketing as an Assistant Manager at Samsung India Electronics Pvt Limited, Bengaluru. He has been associated with the Company since April 1, 2003
7	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NA
8	Nature of appointment (appointment/re-appointment)	He is liable to retire by rotation and being eligible to offer himself for re-appointment.
9	Terms and Conditions of appointment / re-appointment	He was appointed as Executive Director of the Company with effect from 19 th May 2023 In this AGM he is liable to retire by rotation and being eligible offer himself for re-appointment
10	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	₹ 99,24,000/- lakhs received in Financial Year 2025-26.
11	Date of first appointment on the Board	19/05/2023
12	Shareholding in the company including shareholding as a beneficial owner;	Holding 28,54,382 Equity Shares of ₹ 2/- each as on 31 st March 2026
13	The number of Meetings of the Board attended during the financial year 2025-26	All 4 Board Meetings held during FY 2025-26
14	Directorship held in other companies	NIL
15	Membership/Chairmanship of Committees of board held in other companies	NIL
16	List of Listed Entity from which he has resigned as a Director in the past three years	NIL

ITEM No 3.

Sr. No	Particulars	Details
1	Name	Metikurke Ramaswamy Raman Subbarao
2	DIN	00176920
3	Date of birth; and Age	19/07/1962 64 Years
4	Qualification	Bachelor of Engineering (Electronics) from B. M. S. College of Engineering, Bengaluru, Karnataka.
5	Experience and expertise in specific functional areas	Experience: 38 Years He is experienced in Software development, IEEE-488 based Test & Measuring instruments, Design & development of Microprocessor/Microcontroller based Controllers, vast programming expertise Spanning Machine, Assembly and High-Level Languages, Web based tools for data capturing, monitoring and analyzing data.
6	Brief Profile/Resume	He is one of the Promoter and currently the Chairman and Managing Director of our Company. He has been driving technological innovations all throughout, with major accomplishment of becoming the very few early companies to be funded by Venture Capital in 1992 from “Canbank Venture Capital Fund” of Canara Bank for developing Microprocessor based programmable instruments compatible to IEEE-488 standards with PC based controllers for the first time in the country. He has received multiple certificates of recognition for his exceptional performance. He has been awarded with Silver Award from HP Invent for being instrumental in providing Analysis & Reports from various tools and an active participant in the ESSC Quality march. He has been Awarded from HP Hewlett Packard for managing the Flexis Implementation (Phase I) project for STL during the period September – December 1999. He was awarded by HP Invent on May 09, 2002, for his contribution towards planning and leveraging ESSC Process tools (Audit tools & Peer review tool) to OEO Labs. He has been awarded from HP Hewlett Packard for getting Chanakya II metrics tool done while following good software engineering practices during the period April- July 1999. He was awarded by HP Invent for his contribution to ESSC Quality March Program that successfully reached CCM level 5 Capability in the CBA-IPI Assessment of January 2002. He has been also awarded the Certificate of Appreciation from HP Invent for being flexible to modify the tools and generating baseline. He has been associated with our Company since July 01,1991. He has been actively involved in the day-to-day operations and is currently overseeing & controlling the overall administration and finance
7	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NA
8	Nature of appointment (appointment/re-appointment)	He is liable to retire by rotation and being eligible to offer himself for re-appointment.
9	Terms and Conditions of appointment / re-appointment	He was originally appointed as a Director of the Company with effect from 01 st July 1991. Later designation of Mr. Raman was changed to Managing Director of the company with effect from 01 st September 2022 In this AGM he is liable to retire by rotation and being eligible offer himself for re-appointment
10	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	₹ 94,22,850/- lakhs received in Financial Year 2025-26.
11	Date of first appointment on the Board	01 st July 1991
12	Shareholding in the company including shareholding as a beneficial owner;	Holding 10,329,882 Equity Shares of ₹ 2/- each as on 31 st March 2026
13	The number of Meetings of the Board attended during the financial year 2025-26	All 4 Board Meetings held during FY 2025-26

Sr. No	Particulars	Details
14	Directorship held in other companies	Fortira Inc, USA (51% Subsidiary Company)
15	Membership/Chairmanship of Committees of board held in other companies	NIL
16	List of Listed Entity from which he has resigned as a director in the past three years	NIL

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Phone: +91-80-2679 9915
e-mail: fin@ecanarys.com
web: www.ecanarys.com

Place: Bengaluru
Date: 26th August 2026

By order of the Board
For **CANARYS AUTOMATIONS LIMITED**

Metikurke Ramaswamy Raman Subbarao
Chairman & Managing Director
DIN: 00176920

Board’s Report

To,
The Members of,
CANARYS AUTOMATIONS LIMITED

Your directors are pleased to present the 35th Annual Report of M/s. Canarys Automations Limited (the “Company”), together with the audited standalone and consolidated financial statements for the financial year ended 31st March 2026. The Consolidated performance of the company and its subsidiaries have been referred to wherever required.

1. FINANCIAL HIGHLIGHTS:

The Standalone and Consolidated Financial Statements have been prepared in accordance with the applicable Accounting Standards (AS). The key highlights of the standalone and consolidated financial performance of the Company for the year ended 31st March 2026, indicating the state of the Company’s affairs, are summarised below.

The financial summary of the standalone and consolidated financial statements is as follows:

Particulars	Standalone		Consolidated	
	Financial Year ended 31.03.2026	Financial Year ended 31.03.2025	Financial Year ended 31.03.2026	Financial Year Ended 31.03.2025
Revenue from Operations	10,013.13	8,596.44	19814.60	8,908.27
Other Income	158.15	149.49	159.63	149.58
Total Income	10,171.28	8,745.93	19,974.23	9,057.85
Total Expenditures	8,503.27	7,449.97	17,745.56	7,908.84
Profit/ (loss) before Share based Payment expenses	1,668.01	1,295.96	Nil	Nil
Share based payment expenses	71.51	114.14	Nil	Nil
Profit/ (loss) before exceptional items and tax	1,596.50	1,181.82	2,228.67	1,149.01
Exceptional items Impact of Labour Codes	255.95	Nil	255.95	Nil
Profit/ (Loss) Before Tax	1,340.55	1,181.82	1,972.72	1,149.01
Tax Expenses				
a) Current tax	407.44	318.35	550.21	320.81
b) Deferred tax	(60.86)	(15.35)	(60.86)	(0.76)
Income Tax - Previous year	(3.54)	Nil	Nil	Nil
Profit/(Loss) After tax	997.51	878.82	1,483.37	828.96
Minority interest in (Profit)/losses	Nil	Nil	(251.23)	Nil
Profit/(Loss) for the period (after Minority interest adjustment)	Nil	Nil	1232.14	828.96
Earnings per share				
Basic	1.73	1.56	2.11	1.42
Diluted	1.70	1.48	2.11	1.42

COMPANY’S PERFORMANCE:

On a standalone basis, the total income of your Company for the financial year 2025-26 increased to ₹ 10,171.28 Lakhs from ₹ 8,745.93 Lakhs in the previous financial year 2024-25, representing growth of 16.30%. Your Company’s profit after tax for the financial year 2025-26 increased to ₹ 997.51 Lakhs from ₹ 878.82 Lakhs in the previous financial year 2024-25.

On a consolidated basis, the total income of your Company for the financial year 2025-26 increased to ₹ 19,974.23 Lakhs from ₹ 9,057.85 Lakhs in the previous financial year 2024-25, representing growth of 120.52%. Profit for the year after minority interest was ₹ 1,232.14 Lakhs, representing growth of 48.64% over ₹ 828.96 Lakhs in the previous financial year 2024-25.

Board's Report

The performance of the Company is discussed in the Management Discussion and Analysis Report, which forms part of the Annual Report.

2. TRANSFER TO RESERVES:

During the financial year 2025-26, the Company has not transferred any amount to the General Reserve. Further, the Company has transferred ₹ 32.12 Lakhs to the share-based payment reserve account.

3. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN END OF FINANCIAL YEAR AND AS ON DATE OF REPORT

There are no material changes and commitments affecting the financial position between the end of the financial year 2025-26 and the date of report.

4. CHANGE IN NATURE OF BUSINESS:

During the financial year 2025-26, there was no change in the nature of the Company's business, and the Company continued to operate in accordance with its main objects.

5. ALTERATION OF MEMORANDUM AND ARTICLES OF ASSOCIATION

During the year under review, there is no change in the Memorandum and Articles of Association of the Company.

6. PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Sections 73 and 74 of the Companies Act, 2013 ("Act"), read with the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company does not have any deposits in violation of Chapter V of the Act.

7. CHANGE IN NAME OF THE COMPANY

During the financial year 2025-26, there has been no change in the name of the Company.

8. DIVIDEND:

Equity Shareholders

With a view to strengthening the Company's financial position and supporting its long-term growth and strategic objectives, the Board of

Directors, after carefully considering the overall financial performance, capital requirements, future business plans, and other relevant factors, has decided not to recommend dividend for the financial year under review. The Board believes that retaining the profits will enable the Company to capitalise on future opportunities and create sustainable long-term value for all equity shareholders.

Preference Shareholders

As per terms of the issue of Cumulative Preference shares ("Preference Shares"):

- The Board of Directors at their meeting held on 25th August 2025 have declared an interim dividend for the period of 2 months (i.e. from 01st February 2025 to 31st March 2025) aggregating to ₹ 2,60,000/- (Rupees Two Lakh Sixty Thousand Only) to the Preference shareholders whose names appeared in the register of preference shareholders on 31st March 2025 (Record Date).
- The Board of Directors on 10th March 2026 have declared an interim dividend for the period of 10 months (i.e. from 01st April 2025 to 31st January 2026) aggregating to ₹ 13,00,000/- (Rupees Thirteen Lakhs Only) to the Preference shareholders whose names appeared in the register of preference shareholders on 31st January 2026 (Record Date).

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

9. SHARE CAPITAL:

The Board provides following disclosures pertaining to Companies (Share Capital and Debentures) Rules, 2014, during the financial year 2025-26:

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

The authorised share capital of the Company is ₹ 17,60,00,000/- (Rupees Seventeen Crores Sixty Lakhs Only) consisting of 6,20,00,000 (Six

Crores Twenty Lakhs) equity shares of ₹ 2/- (Rupees Two Only) each and 52,00,000 (fifty-two lakhs) Preference shares of ₹ 10/- (Rupees Ten only) each.

The paid-up share capital of the Company is ₹ 11,74,89,786/- (Rupees Eleven Crores Seventy-Four Lakhs Eighty-Nine Thousand Seven Hundred and Eighty-Six Only) consisting of 5,87,44,893 (Five Crores Eighty-Seven Lakhs Forty-Four Thousand Eight Hundred and Ninety-Three Only) equity shares of ₹ 2 each (Rupees Two Only).

During the financial year 2025-26, the following changes were made in the paid-up share capital structure of the Company:

i. Allotment of 15,48,780 Equity Shares pursuant to exercise of Warrants

On 23rd May 2024 the Company had allotted 25,60,973 (Twenty-Five Lakhs Sixty Thousand Nine Hundred and Seventy-Three) convertible warrants ("Warrants") which will be convertible into, or exchangeable for, 1 (One) fully paid-up equity share of the Company of face value of ₹ 2/- (Rupees Two only) each at a price of ₹ 41/- (Rupees Forty-One only) per Warrant within a period of 18 (Eighteen) months from the date of

- The details of the shareholders who have exercised their warrants into Equity Shares during the financial year 2025-26 as follows:

Name of the Allottees	Category	No of Equity Shares allotted pursuant to Conversion of Warrants
Sheshadri Yedavanahalli Srinivas	Promoter / Individual	12,43,902
Raghu Pavan T S	Non-promoter/ Individual	2,43,902
Dr. Mahesha Bangalore Ramalinga Pandit	Non-promoter/ Individual	60,976
Total No. of Equity Shares Allotted		15,48,780

ii. Redemption of Preference shares:

As per the terms of issue of Preference shares, the Board of Directors in its meeting held on 02nd February 2026 have redeemed outstanding 30% of the preference shares i.e., 15,60,000 Preference Shares of ₹10/- each at par amounting to ₹ 1,56,00,000/- (Rupees One Crore Fifty-Six Lakhs only) out of the profits of the Company.

10. EMPLOYEE STOCK OPTION SCHEME (ESOS):

To motivate and reward both current and future employees, the Company has adopted Employee Stock Option Scheme called Canarys Employees Stock Scheme ("CANARYS ESOS") pursuant to a resolution passed by the Board of Directors at

allotment of the Warrants i.e. 23rd May 2024. The Company has also received in-principle approval from the National Stock Exchange of India ("NSE") for this matter on 13th May 2024. In pursuant to this, the Board in its meeting held on 13th March 2025 have allotted 10,12,193 equity shares of ₹ 2/- each pursuant to exercise of warrants on preferential basis by 05 (Five) warrant holders (which includes both promoters and a non-promoter members).

- The Company had made a listing and trading application with the NSE for 10,12,193 Equity Shares allotted to 05 (Five) allottees, for which the Company has received the listing and trading approval from the NSE, and the said allotted equity shares are listed and admitted on the NSE from 14th August 2025.
- Further, the Board in its meeting held on 20th November 2025, have allotted 15,48,780 equity shares pursuant to exercise of warrants by the remaining 03 (Three) warrant holders and the same has been listed with NSE and obtained the trading approval with effect from 16th March 2026.

their meeting held on Meeting 11th August 2023 and shareholders at the Annual General Meeting held on 14th August 2023.

The CANARYS ESOS will be administered by the Nomination and Remuneration (NRC) Committee. The objective includes that the Company strongly believes that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the organisation. The underlying philosophy of CANARYS ESOS is to enable the employees, present and future, to share the wealth that they help to create for the organisation over a certain period of time.

During the financial year 2025-26, none of the employees were vested/exercised the shares by the company under CANARYS ESOS.

11. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

11.1 Subsidiary Companies

a) Details of Subsidiaries

As on 31st March 2026, the Company had 3 (Three) subsidiaries as detailed below:

Sr. No	Name of the Subsidiary	Date of Creation of Interest	Nature of Interest	Location
1	Canarys Corp	24 th June 2002	100% Wholly Owned Subsidiary	USA
2	Canarys APAC Pte Ltd	14 th November 2019	100% Wholly Owned Subsidiary	Singapore
3	Fortira Inc***	15 th April 2025	51% Subsidiary	USA

- NOTE***
- During the financial year 2025-26, the Company has made an investment and acquired 51% of stake along with complete management control of M/s. Fortira Inc. (“Target Company”), USA based entity.

M/s. Fortira Inc. is based in New Jersey, USA, has been established for more than 15 years, and is engaged in AI, ML and data-driven technologies. M/s. Fortira Inc. serves large enterprise clients across the BFSI, Healthcare and Pharma sectors, delivering technology solutions tailored to their evolving business needs.

CANARYS acquired a 51% stake at the time of acquisition, and the balance is proposed to be acquired within three years from the date of acquisition.

The acquisition has been fully funded through a combination of IPO proceeds, warrants subscribed by the promoter and other subscribers, and internal accruals, demonstrating CANARYS’ financial discipline and commitment to maintaining a healthy capital structure without incurring additional debt.

This acquisition marks a significant strategic milestone in CANARYS’ journey to scale its capabilities in Artificial Intelligence (AI), Machine Learning (ML) and the data domain. Fortira’s strengths in enterprise AI and data solutions, together with its established customer relationships in the U.S., align with CANARYS’ digital transformation portfolio.

Fortira’s relationships in the BFSI, Healthcare and Pharma sectors are expected to support CANARYS’ market penetration through its solutions-driven approach. The acquisition supports CANARYS’ growth strategy and strengthens its expansion plans in the North American market. CANARYS believes that the transaction has the potential to create long-term value for both organisations and their stakeholders.

Further, the acquisition is aligned with CANARYS’ vision of becoming a leading global technology solutions provider and strengthens its commitment to delivering innovative and value-driven digital services to clients worldwide.

CANARYS has successfully completed all the formalities related to acquisition of M/s. Fortira Inc., on 15th April 2025 and the same has been intimated to National Stock Exchange of India Limited (“NSE”) on 16th April 2025 https://nsearchives.nseindia.com/corporate/CANARYS_16042025101638_CanarysupdateonAcquisitiondt16042025.pdf

b) Financial Performance of Subsidiary Companies

Pursuant to Section 129(3) of the Act, a statement containing salient features of the financial performance of each of the subsidiaries in the prescribed Form AOC-1 is set out in “ANNEXURE-I” to this report. The financial statements of the subsidiaries are available for inspection by the members at the registered office of the Company pursuant to the provisions of Section 136 of the Act and also available on the Company’s website.

11.2 Associate or Joint ventures

a) Details of Associate or Joint ventures

As on 31st March 2026, the Company had 01 (One) joint venture entity as detailed below:

Sr. No	Name of the Associate or Joint ventures	Date of Creation of Interest	Nature of Interest	Location
1	Canarys-Hanuka Apo Technologies Private Limited	19/07/2021	Joint venture	India

b) Financial Performance of joint venture Company

Pursuant to Section 129(3) of the Act, a statement containing salient features of the financial performance of the joint venture Company in the prescribed Form AOC-1 is set out in “ANNEXURE-I” to this report. The financial statements of the joint venture company is available for inspection by the members at the registered office of the Company pursuant to the provisions of Section 136 of the Act and also available on the Company’s website

12. LISTING ON STOCK EXCHANGE

Equity shares of the Company were listed on the NSE Emerge SME Platform on 11th October 2023. The NSE symbol of the Company is ‘CANARYS’. The Company confirms that the annual listing fee to the stock exchange has been paid for the financial year 2025-26.

13. CREDIT RATING:

During the financial year 2025-26, the Company was not required to obtain credit rating for its securities.

14. INVESTOR EDUCATION AND PROTECTION FUND

During the financial year under review, there is no amount which is required to be transferred to the Investors Education and Protection Fund as per the provisions of Section 125(2) of the Act.

15. DIRECTORS & KEY MANAGERIAL PERSONNELS (KMPs):

a. 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 2026, the Board consisting of the following Directors:

Sl. No.	Name of the Director	Designation	DIN
1	Mr. Metikurke Ramaswamy Raman Subbarao	Chairman & Managing Director	00176920
2	Mr. Danavadi Krishnamurthy Arun	Whole time Director	01064990
3	Mr. Raghu Chandrashekhariah	Whole Time Director & Chief Financial Officer (CFO)	01065269

Sl. No.	Name of the Director	Designation	DIN
4	Mr. Sheshadri Srinivas Yedavanahalli	Executive Director & Chief Executive Officer (CEO)	03367545
5	Mr. Pushparaj Shetty	Executive Director	03333417
6	Mr. Muralikrishnan Gopalakrishnan	Non-Executive Independent Director	07059037
7	Mrs. Asha Sivashankar	Non-Executive Independent Director	10184245
8	Mr. Ramesh Phatak Bhaskar	Non-Executive Independent Director	07981182

b. Appointment and Cessation of Directors

No Director was appointed or ceased to be a director during the financial year 2025-26; accordingly, there was no change in the composition of the Board during the year.

c. Reappointment of Directors

The members, at the Annual General Meeting held on 30th September 2025, re-appointed Mr. Sheshadri Srinivas Yedavanahalli (DIN: 03367545) as a Director of the Company.

d. Directors liable to retire by rotation and being eligible offer themselves for re-appointment:

Pursuant to the provisions of section 152 of the Act, and in accordance with provisions of Articles of Association of the Company, Mr. Pushparaj Shetty (DIN: 03333417), Executive Director and Mr. Metikurke Ramaswamy Raman Subbarao (DIN: 00176920) Managing Director of the Company, retires by rotation at the ensuing 35th Annual General Meeting and being eligible, offers themselves for re-appointment. Your directors recommend their re-appointment.

Appropriate resolutions relating to the re-appointment of directors are being placed before the shareholders for their approval at the ensuing Annual General Meeting. Brief profiles of the proposed directors and other relevant details, as required under the Companies Act, 2013 and Secretarial Standard-2 on General Meetings (SS-2), are provided in the Notice convening the ensuing AGM of the Company.

In terms of Regulation 36(3) of SEBI (LODR) Regulations, 2015, brief resume in respect of the Director who is retiring by rotation and proposed to be re-appointed, is provided in the Notice convening the 35th AGM of the Company

e. Key Management Personnel:

As on 31st March 2026, your Company has following Key Managerial Personnel (KMPs) of

Board’s Report

the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Designation
Mr. Metikurke Ramaswamy Raman Subbarao	Chairman & Managing Director
Mr. Danavadi Krishnamurthy Arun	Whole time Director
Mr. Raghu Chandrashekhariah	Whole Time Director & Chief Financial Officer (CFO)
Mr. Sheshadri Srinivas Yedavanahalli	Chief Executive Officer (CEO)
Ms. Ambikeshwari M A	Company Secretary

16. COMMITTEES OF THE BOARD OF DIRECTORS

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Companies Act, 2013 read with rules framed thereunder, the committees consist of requisite majority of Directors comprising Independent and non-independent directors.

SL. No	Name of the Committee
1	Audit Committee
2	Nomination and Remuneration Committee
3	Stakeholders’ Relationship Committee
4	Internal Complaints Committee
5	Management Sub-Committee

- During the year, all recommendations made by the Committees were approved by the Board.
- Details of all the Statutory Committees along with their composition and meetings held during financial year 2025-26 are provided in “ANNEXURE- II” to this report.

17. BOARD FAMILIARISATION AND TRAINING PROGRAMME

The Board is regularly updated on changes in statutory provisions applicable to the Company. The Board is also updated on the operations, functions and nature of industry in which the Company operates. These updates help the Directors in keeping abreast of key changes and their impact on the Company.

18. DECLARATION BY NON-EXECUTIVE INDEPENDENT DIRECTORS:

The Company has received declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations from:

Sr. No	Name of the Non-Executive Independent Directors	DIN
1	Ms. Asha Sivashankar	10184245
2	Mr. Ramesh Phatak Bhaskar	07981182
3	Mr. Muralikrishnan Gopalakrishnan	07059037

All the Independent Directors of the Company have declared that:

- they have met the criteria of independence as laid down under the Act and the Listing Regulations;
- they have complied with the code of conduct for the board of directors and senior management personnel of the company prescribed under Schedule IV of the Act and code of conduct for the board of directors and senior management personnel of the company; and
- they have registered themselves with the Independent Directors’ Database maintained by the Indian Institute of Corporate Affairs.

The Board of Directors of the Company has taken on record the said declarations and confirmation as submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

The company had formulated and implemented code of conduct for the board of directors and senior management personnel of the company which is available on the Company’s website at www.ecanarys.com.

Further a declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management is provided in “ANNEXURE-VIII”.

19. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

In the opinion of the Board of Directors of the Company, Independent Directors on the Board of Company hold the highest standards of integrity and are highly qualified, recognised and respected individuals in their respective fields. It’s

an optimum mix of expertise (including financial expertise), leadership and professionalism.

All the Independent Directors of your Company have been registered and are members of Independent Directors Data bank maintained by the Indian Institute of Corporate Affairs (IICA) and have passed the Online Proficiency Self-Assessment Test conducted by Indian Institute of Corporate Affair (IICA) within the prescribed timelines.

20. NUMBER OF MEETINGS

20.1 Meeting of the Board of Directors

The meetings of the Board of Directors (“Board”) are held regularly to review, discuss deliberate and decide on various business, strategies, risk management, audit and assurances, governance policies, financial matters and other matters as proposed by the Chairman or Member(s) of the Board from time to time.

During the financial year under review, Four (04) Board Meetings were held and the gap between two Board Meetings did not exceed 120 days as per Section 173 of the Companies Act, 2013. The details of the meetings of the Board have been provided in the table below:

Sl. No	Date of Board Meeting	No. of Directors entitled to attend the meeting	No of Directors Present
1.	29 th May 2025	8	8
2.	25 th August 2025	8	8
3.	14 th November 2025	8	8
4.	10 th March 2026	8	8

The requisite quorum was present at all the said meetings, and the proceedings were duly recorded in the minutes book maintained for this purpose. Further, all decisions of the Board were passed unanimously and, therefore, no dissenting views were recorded in the minutes.

The attendance of the Directors for the Board meetings as follows:

Sl. No	Name of the Director	Number of board meetings entitled to attend	Number of board meetings attended
1.	Mr. Metikurke Ramaswamy Raman Subbarao	4	4
2.	Mr. Arun Danavadi Krishnamurthy	4	4

Sl. No	Name of the Director	Number of board meetings entitled to attend	Number of board meetings attended
3.	Mr. Raghu Chandrashekhariah	4	4
4.	Mr. Sheshadri Srinivas Yedavanahalli	4	4
5.	Mr. Pushparaj Shetty	4	4
6.	Mrs. Asha Sivashankar	4	4
7.	Mr. Ramesh Phatak Bhaskar	4	4
8.	Mr. Muralikrishnan Gopalakrishnan	4	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.

20.2 Separate Meeting of Independent Directors

During the financial year under review, the Independent Directors met once i.e. 13th March 2026 and discussed;

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- Evaluation of the quality, quantity and timelines of flow of information between the Management and the Board of Directors, that is necessary for the Board of Directors to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board of Directors (“Board”) as a whole. The Independent Directors had expressed satisfaction on the matters related to Company’s performance, operations and other critical matters on the good performance of the Company and distinct improvement in quality and timeliness of flow of information.

20.3 Meetings of the Members of the Company

a) Annual General Meeting (AGM)

During the financial year 2025-26, the 34th Annual General Meeting of the Company was held on Tuesday, 30th September 2025 at 04:00 PM (IST) through video conference (VC)/Other Audio

Board's Report

Visual Means (OAVM) to discuss the business as stated in the AGM Notice dated 25th August 2025.

b) Extraordinary General Meeting (EGM)

During the financial year 2025-26, none of the resolutions were passed through Extraordinary General Meeting.

c) Postal Ballot

During the financial year 2025-26, none of the resolutions were passed through Postal Ballot.

21. NOMINATION AND REMUNERATION POLICY

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Companies Act, 2013 read with the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee have formulated the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board of Directors of the Company and persons in the Senior Management of the Company, their remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The said policy is available on the website of the company at www.ecanarys.com

22. EVALUATION OF THE PERFORMANCE OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 read with Rules framed there under and in compliance with the requirements of SEBI (LODR) Regulations, 2015, the Board has carried out the annual evaluation of the performance of the Board as a whole, Individual Directors including Independent Directors, Non-Independent Directors, Chairperson and the Board Committees. A structured questionnaire was prepared after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Meetings of the

board, functioning of the board, effectiveness of board processes, Board culture, execution and performance of specific duties, obligations and governance.

The exercise was also carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Key Managerial Personnel. The Directors expressed their satisfaction with the evaluation process.

23. REMUNERATION OF DIRECTORS AND EMPLOYEES OF THE COMPANY

The disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in and annexed as "ANNEXURE-III" and forms an integral part of this Report.

Further, there were no employees whose remuneration was in excess of the limits in pursuance of section 197(12) of the Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

24. DIRECTORS' RESPONSIBILITY STATEMENT ('DRS')

To the best of their knowledge, belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3) (c) & 134 (5) of the Companies Act, 2013:

- In the preparation of the annual accounts for the financial year ended 31st March 2026, the applicable accounting standards had been followed and there were no material departures;
- 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 as on 31st March 2026 and of the profit of the Company for the year ended as on that date;

- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company, and such internal financial controls are adequate and are operating effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

25. INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The policies and procedures adopted by the Company 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 of reliable financial information.

The Audit Committee also periodically reviews the adequacy and effectiveness of internal control systems and provides guidance for further strengthening them.

During the financial year under review, no material observation has been made by the Statutory Auditors of the Company in relation to the efficiency and effectiveness of such controls.

26. PARTICULARS OF LOAN GIVEN, INVESTMENTS MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE COMPANIES ACT, 2013 (ACT)

The details of the loans given, investments made or guarantees given covered under the provisions of Section 186 of the Act, are provided

in the Note No. 12 and 13 of the Standalone Financial Statements.

27. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the FY 2025-26, Company has entered transactions with related parties as per provision of Section 188 of the Act read with Accounting Standards (AS- 18), in the ordinary course of business at Arms' Length Basis. The details of the related party transactions as required under AS - 18 are set out in Notes to the financial statements.

Further, the transactions were in accordance with the provisions of the Act, read with rules framed thereunder and the SEBI (LODR) Regulations, 2015. All transactions with related parties were entered with approval of the Audit Committee and the Board of Directors.

The Company has formulated the policy on related party transactions, the same is available on Company's website at www.ecanarys.com.

The disclosure in Form AOC- 2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in "ANNEXURE-IV" to this Report.

28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of the Companies Act, 2013, and the Rules made there under, the Company is not required to constitute the Corporate Social Responsibility (CSR) Committee.

The Company has formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at www.ecanarys.com.

During the financial year 2025-26, the Company was required to spend an amount of ₹ 24,08,930/- in compliance with the provisions of section 135 of the Act. In this regard the Company had spent an amount of ₹ 24,10,000/- on CSR activities.

The annual report on CSR activities of the Company for the Financial Year 2025-26 as required to be given under section 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in "ANNEXURE-V" to this Report.

Board's Report

29. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the particulars relating to conservation of energy, Technology Absorption and foreign exchange earnings and outgo is appended as an **"ANNEXURE-VI"** to this Board's Report.

30. RISK MANAGEMENT POLICY

The Company has a robust Risk Management policy. The Company through Board and Audit Committee oversee the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. Risk Management forms an integral part of the Company's planning process.

The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on continuing basis.

There are no risks, which in the opinion of the Board threaten the existence of the Company.

31. VIGIL MECHANISM

Your Company has established a Vigil Mechanism/ Whistle Blower Policy which is in compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 4(2)(d)(iv) read with Regulation 22 of the SEBI (LODR) Regulations, 2015. The policy enables stakeholders, including individual employees, directors and their representative bodies, to freely communicate their concerns about illegal or unethical practices, instances of unethical behaviour, actual or suspected fraud or violation of the company's code of conduct. The Policy provides adequate safeguards against victimisation of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The protected disclosures, if any reported under this policy will be appropriately and expeditiously investigated by the Chairman.

Your Company hereby affirms that none of the Director, employee or any other personnel has been denied access to the Chairman of the Audit

Committee and that no complaint was received during the financial year.

The Whistle Blower Policy has been disclosed on the Company's website under the weblink www.ecanarys.com.

32. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

During the financial year 2025-26, there is no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

33. AUDITORS AND THEIR REPORT

a) Statutory Auditors:

Based on the recommendation of the Audit Committee, M/s. Suresh & Co. (FRN: 004255S), Chartered Accountants, were appointed as the Statutory Auditors of the Company for a period of five years at the 32nd Annual General Meeting held on 14th August 2023, to hold office until the conclusion of the 37th Annual General Meeting.

The Auditors' Report for the financial year 2025-26 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.

b) Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and on the recommendation of Audit Committee, the Board in its meeting held on 29th May 2025 have appointed M/s. Sachin Hareesh and Associates, Chartered Accountants, Bengaluru (FRN: 017017S), as an internal auditor of the Company to conduct internal audit for the Financial Year 2025-26.

c) 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 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board in its meeting held on 25th August 2025 and members at the 34th Annual General Meeting held on 30th September

2025 have appointed M/s. Ganapathi & Mohan, Company Secretaries, Bengaluru (ICSI Peer Review No. 1571/2021), as Secretarial Auditors of the Company, to carry out the Secretarial Audit of the Company, for a term of five consecutive financial years from 2025-2026 to FY 2029-2030.

The Secretarial Audit Report for the Financial Year 2025-26 in Form MR-3 is attached to this report as **"ANNEXURE- VII"**.

The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark. Further There is no incident of fraud requiring reporting by the Secretarial Auditors under Section 143(12) of the Act.

d) Tax Auditors

During the financial year 2025-26 the following changes occurred:

- On the recommendation of Audit Committee, the Board, in its meeting held on 29th May 2025 have appointed M/s. Raju Prasad and Puneeth, Chartered Accountants, Bengaluru, as new Tax Auditors of the Company to conduct tax auditing with effect from the Assessment Year 2025-2026 onwards.

e) Cost Auditors

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable to the Company.

34. STATEMENT OF DEVIATIONS / VARIATIONS

In compliance with Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Statement of Deviation or Variation is provided to this report in **"ANNEXURE-X"**.

35. SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)

During the financial year under review, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

36. IMPLEMENTATION OF CORPORATE ACTION

During the year under review, the company has not failed to implement any corporate actions within the specified time limit.

37. ANNUAL RETURN:

The Annual Return of the Company as on 31st March 2026 in form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014 is available on Company's website and accessible through www.ecanarys.com

38. MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MD&A)

Pursuant to Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed review of the developments in the industry, performance of the Company, opportunities and risks, segment wise and product wise performance, internal control systems, outlook etc., of the Company is given under the head Management Discussion and Analysis Report (MD&A), which forms part of this Annual Report, the same is provided in **"ANNEXURE IX"**.

39. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

The disclosures with respect to the demat suspense account / unclaimed suspense account are not applicable to the Company for the Financial Year 2025-26.

40. DISCLOSURE UNDER REGULATION 30, READ WITH REGULATION 30A, AND CLAUSE 5A, PARAGRAPH A, PART A, OF SCHEDULE III, OF SEBI LODR REGULATIONS

During the Financial Year 2025-26, the Company entered into a loan agreement with M/s. Canarys Corp, USA, Wholly Owned Foreign Subsidiary Company, providing inter-corporate loan amounting to ₹ 10,00,00,000/- (Rupees Ten Crore Only), the same was approved by the Board of directors in their Board Meeting held on 14th November 2025.

Brief details of the aforesaid loan agreement were disclosed to stock exchange at https://nsearchives.nseindia.com/corporate/CANARYS_14112025180510_BoardMeetingOutcomedt14112025.pdf

41. CORPORATE GOVERNANCE REPORT

Since the Company is listed on the NSE Emerge Platform, it is exempt from compliance with

certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in terms of Regulation 15(2) thereof. Accordingly, the Company is not required to furnish a separate Corporate Governance Report. Nevertheless, the Company is committed to maintaining high standards of corporate governance, and wherever applicable, relevant corporate governance disclosures have been incorporated under the respective sections of this Directors' Report.

42. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS OF THE END OF THE FINANCIAL YEAR

During the year under review, no application was made and no proceeding was initiated or remained pending by any financial and/or operational creditor against your Company under the Insolvency and Bankruptcy Code, 2016.

As on the date of this Report, there is no application or proceeding pending against your Company under the Insolvency and Bankruptcy Code, 2016.

43. 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:

Your Company has not obtained any one-time settlement of loan from the Banks or Financial Institutions.

44. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). The Company has constituted Internal Complaints Committee under the POSH Act. This policy covers all employees of the Company whether permanent

or temporary, probationary or part-time or working as a consultant or on a voluntary basis or engaged through a contractor or agent.

The Policy on Prevention of Sexual Harassment at Workplace is available at the website of the Company and accessible through www.ecanarys.com

To build awareness in this area, the Company has been conducting induction/refresher programmes in the organisation on a continuous basis. During the financial year under review, the Company organised training sessions on the topics of POSH for the Employees and Internal Committee Members.

During the financial year 2025-26, no complaints were received by the Company related to sexual harassment.

Particulars	Number of Complaints
Number of complaints of sexual harassment received in the year	Nil
Disposal by conciliation	Nil
Disposed due to other reasons (Lack of sufficient material/ document/ evidence)	Nil
Disposal by disciplinary actions	Nil
Number of cases pending for more than ninety days	Nil

45. NUMBER OF EMPLOYEES AS ON THE CLOSURE OF FINANCIAL YEAR AND GENDERWISE BIFURCATION THEREOF

The details relating to the number of employees as on the closure of financial year and gender wise bifurcation thereof is as follows:

Gender	No. of Employees
Female	96
Male	214
Transgender	-
Total Employees	310

46. COMPLIANCE WITH THE PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT 1961:

The Company declares that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees, if any, have been extended the statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post maternity support such as nursing breaks and flexible return-to-work

options, as applicable. The Company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

47. DEMATERIALISATION OF SHARES

The shares of the Company are available for transfer in the dematerialised form under both the Depository Systems in India i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The International Securities Identification Number ('ISIN') allotted to the Company's shares under the Depository System is INEQG301017.

48. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

In compliance with various MCA Circulars and SEBI Circulars, notice of the 35th Annual General Meeting along with the Annual Report 2025-26 is being sent only through electronic mode to those members whose email addresses are registered with the Company/RTA/Depositories. Members may note that the notice and annual report 2025-26 will also be available on the Company's website at www.ecanarys.com, on the website of the Stock Exchange at www.nseindia.com and on the website of the MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) Company's Registrar and Transfer Agent at www.in.mpms.mufig.com.

49. GENERAL DISCLOSURES:

The Directors state that no disclosures or reporting are required in respect of the following matters, as no transactions or events pertaining to such matters occurred during the financial year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise

- Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any scheme
- Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013).
- Revision of financial statements and Directors' Report of the Company
- None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as a Director by SEBI/ Ministry of Corporate Affairs/ Statutory Authorities.
- Neither the Managing Director nor the Whole-time Directors of the Company, receives any commission from any of its subsidiaries.

50. CAUTIONARY STATEMENT

Statements in the Annual Report, including those which relate to Management Discussion and Analysis (presented as a part of Annual Report), describing the Company's objectives, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

51. ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the support and co-operation extended by all stakeholders, including clients, investors, bankers, government and regulatory authorities, and business associates, during the year.

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED

Raman Subbarao M R
Managing Director
DIN: 00176920

Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 26th August 2026
Place: Bengaluru

Annexure-I

FORM AOC-1

Statement containing salient features of the financial statement of Subsidiaries/ Associate Company/ 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

1. Number of subsidiaries: 03 (Three)

(₹ in lakhs)

Name of the Subsidiary	Canarys Corp, USA	Canarys APAC PTE LTD	Fortira Inc, USA
Date of becoming subsidiary	24 th June 2002	14 th November 2019	15 th April 2025
Provisions pursuant to which the company has become a subsidiary (Section 2(87)(i)/Section 2(87)(ii)	Section 2(87) (ii)	Section 2(87) (ii)	Section 2(87) (ii)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	1 st April 2025 to 31 st March, 2026	1 st April 2025 to 31 st March, 2026	1 st April 2025 to 31 st March, 2026
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD and Exchange rate 93.48 INR as on 31/03/2026	SGD and 72.71 INR as on 31/03/2026	USD and 93.48 INR as on 31/03/2026
Share capital: Authorised Share Capital	10,00,000 USD	10,00,000 SGD	10,000 USD
Paid up Share Capital	25.82 (at Cost)	5.69 (at Cost)	4.28 (at Cost)
Reserves and surplus	56.94	-4.99	330.21
Total assets	477.40	4.46	1,894.07
Total Liabilities (excluding share capital and reserves)	367.18	2.18	1,559.19
Investments	-	-	-
Turnover	1657.73	0.00	10,917.50
Profit/(Loss) before taxation	16.64	-1.60	681.11
Provision for taxation. Income tax expenses	3.49	0.00	143.03
Profit/(Loss) after taxation	13.14	-1.60	538.08
Proposed Dividend	0.00	0.00	0.00
% of shareholding	100% Shares	100% Shares	51% Shares

2. Number of subsidiaries which are yet to commence Operations: Nil
3. Number of subsidiaries which have been liquidated or have ceased to be a subsidiary during the year: Nil

Annexure-I

PART “B”: ASSOCIATES AND JOINT VENTURES

1. Number of Joint Venture: 01 (One)

(₹ in lakhs)

Name of Associates/Joint Ventures	Canarys-Hanuka APO Technologies Private Limited
Latest audited Balance Sheet Date	31/03/2026
Date on which the Associate or Joint Venture was associated or acquired	19/07/2021
No. of shares	49,000
Amount of Investment in Associates/Joint Venture	4.90
Extent 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	-318.41
Profit / Loss for the year	-77.45
Considered in Consolidation	-37.93
Not Considered in Consolidation	-39.52

2. Number of associates or joint ventures which are yet to commence operations: Nil
3. Number of associates or joint ventures which have been liquidated or have ceased to be a subsidiary during the year: Nil

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED

Raman Subbarao M R
Managing Director
DIN: 00176920

Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 26th August 2026
Place: Bengaluru

B. NUMBER OF MEETINGS HELD BY COMMITTEES OF THE BOARD OF DIRECTORS AND ATTENDANCE THEREAT:

AUDIT COMMITTEE:

During the financial year 2025-26, Meeting of the Audit Committee was held 02 (Two) times i.e. on 29th May 2025 and 14th November 2025. The details of attendance of the members at the Audit Committee Meeting are given below:

Name & Designation of Members	Category	No. of Meetings	
		Held during the tenure	Attended
Muralikrishnan Gopalakrishnan (Chairman)	Non-executive Independent Director	2	2
Ramesh Phatak Bhaskar (Member)	Non-executive Independent Director	2	2
Raghu Chandrashekhariah (Member)	Whole Time Director & Chief Financial Officer (CFO)	2	2

*The Company Secretary acts as the Secretary to the Audit Committee. The minutes of each Audit Committee meeting are placed at the subsequent meeting of the Board.

MANAGEMENT SUB-COMMITTEE:

During the financial year 2025-26, Meeting of the Management Sub Committee was held 03 (Three) times i.e. on 28th April 2025, 21st July 2025 and 25th February 2026. The details of attendance of the members at the Audit Committee Meeting are given below:

Name & Designation of Members	Category	No. of Meetings	
		Held during the tenure	Attended
Metikurke Ramaswamy Raman Subbarao (Chairman)	Managing Director	3	3
Raghu Chandrashekhariah (Member)	Whole Time Director & Chief Financial Officer (CFO)	3	3
Arun Danavadi Krishnamurthy (Member)	Whole Time Director	3	3

*The Company Secretary acts as the Secretary to the Management Sub-Committee. The minutes of each Management Sub-Committee meeting are placed at the subsequent meeting of the Board.

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED

Raman Subbarao M R
Managing Director
DIN: 00176920

Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 26th August 2026
Place: Bengaluru

Details Pertaining to Remuneration

(Pursuant to Section 197 Sub-Section (12) of the Companies Act, 2013 and Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

a) The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2025-26

Name of Director	Designation	% increase / Decrease in Remuneration compared to last financial year	Ratio of remuneration of director to the Median remuneration
Raman Subbarao M. R	Chairman & Managing Director	60.24	11.09
Danavadi Krishnamurthy Arun	Whole-time Director	66.35	11.84
Raghu Chandrashekhariah	Whole-time Director & Chief Financial Officer	64.80	11.73
Sheshadri Y S	Executive Director & Chief Executive Officer	62.15	14.06
Pushparaj Shetty	Executive Director	68.27	11.64
Asha Sivashankar	Independent Director	NA	NA
Ramesh Phatak Bhaskar	Independent Director	NA	NA
Muralikrishnan Gopalakrishnan	Independent Director	NA	NA

Notes:

- Ms. Ambikeshwari M A, Company Secretary of the Company, appointed for part of the previous financial year. Hence, the increase in remuneration is not disclosed.
- The Company has not paid any remuneration to Independent Directors. The Company has paid only sitting fees for attending the Board, Committee and General Meetings. Hence, the comparative increase in remuneration and the ratio of remuneration to median remuneration is not mentioned.
- Median remuneration of employees of the Company for all its employees is 9.02 Lakhs per annum for the financial year 2025 -26.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2025-26.

Note: The Remuneration details have been taken from Audited Financial Statements for the Financial year 2025-26.

b) Percentage increase in the median remuneration of all employees in the Financial Year 2025-26 compared to 2024-25: (3.90%)

c) Number of permanent employees on the rolls of the Company: 315 employees as on 31st March 2026

d) Average percentiles 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;

1.90% decrease in remuneration in salaries of employees other than managerial personnel against 64.29%increase in salary of managerial personnel. There has been no exceptional remuneration increase for managerial personnel. The increase managerial remuneration is because of their Performance and consequent to increase in revenue of the company.

e) 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 for Directors, Key Managerial Personnel and other employees of the Company.

Information required under Section 197 of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**1. List of top ten employees in terms of remuneration drawn in FY 2025-26**

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Sl. No	Name of the employee	Designation of the employee	remuneration received (Amount in lakhs)	nature of employment, whether contractual or otherwise	qualifications and experience of the employee	date of commencement of employment	age of such employee before joining the company	last employment held by such employee in the company with- in the meaning of clause (iii) of sub-rule (2)	Percentage of equity shares held by the employee in the company and if so, name of such director or manager:
1	Metikurke Ramaswamy Raman Subbarao	Chairman & Managing Director	94,22,850	Full time	BE & 38 Years	01-07-1991	64 years	NA	17.58% NA
2	Arun Danavadi Krishnamurthy	Whole time Director	1,01,04,000	Full time	BE & 35 Years	29-09-1999	61.5 years	NA	12.65% NA
3	Raghu Chandrashe khariah	Whole Time Director & Chief Financial Officer (CFO)	1,00,04,000	Full time	BE & 35 Years	29-09-1999	68.3 years	NA	13.15% NA
4	Sheshadri Srinivas Yedavanahalli	Executive Directors & Chief Executive Officer	1,21,04,040	Full time	MBA & 25 years	30-04-2012	49.1 years	NA	6.12% NA
5	Pushparaj Shetty	Executive Director	99,24,000	Full time	BE & 26 Years	19-05-2023	56 years	NA	4.86% NA
6	Raghu Pavan T S	Chief Information Officer	10,950,000	Full time	BE & 24.7 years	01-02-2021	46 years	Incture Technologies Private Limited	0.47% NA
7	Nagaraj B Bhairaji	Sr. Vice President – DevOps Consulting Business	6,183,004	Full-time	BE & 24.7 years	06-07-2009	42.1 years	NA	0.06% NA
8	Deepthi Anantharam	Vice President – Data and AI Practice	5,679,010	Full time	M S & 23.4 years	07-04-2025	49 years	Microsoft Corporation India Private Limited	Nil NA
9	Gudipati Vijaya Krishna	Practice Head-DES	5,675,901	Full time	MCA 18.4 years	11-04-2025	45.4 years	Panfish Solutions Private Limited	Nil NA
10	Badrinarayanan Damal Vijayara ghavan	Sr. Vice President Delivery	5,527,923	Full time	MBA & 25 years	21-06-2023	50.8 years	Accenture Service Private Limited	Nil NA
11	Srinivasa Rama Chandrachar	Sr. Vice President Head Industry Group: BFSI	5,119,074	Full time	Executive MBA & 26 years	17-07-2023	48.4 years	Capco Technology	Nil NA
12	Srinivasa Rao Dhulipalla	Technical Manager	4,890,339	Full time	M. Sc & 21.8 years	02-07-2008	44.1 years	EnsueSoft Solutions	Nil NA
13	Anand Ishwar Patil	Sr. Manager Application Support –IT	4,523,446	Full time	B. Sc & 19.9 years	01-08-2024	46 years	Fortira India Software Private Limited	Nil NA
14	Sudhir B S	Sr. Application Support Manager – IT	4,523,446	Full time	BE & 21.8 years	01-08-2024	47 years	Fortira India Software Private Limited	Nil NA
15	Syed Nadeem	Senior Technical Manager	4,426,247	Full time	BE & 19.7 years	17-10-2019	42 years	Incture Technologies Pvt Ltd	Nil NA

Annexure-III

Note: *The Remuneration details have been taken from Audited Financial Statements for the financial year ended 31st March 2026.

- Employees employed throughout the financial year were in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees:** Nil
- Employees employed for a part of the financial year were in receipt of remuneration for any part of that year, at a rate which, in aggregate, was not less than eight lakh and fifty thousand rupees per month:** Not Applicable
- Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, 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 two percent of the equity shares of the company:**

There was no such employees employed throughout the financial year or part thereof who was in receipt of remuneration in that year which, in the aggregate, or as the case may be, 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 two percent of the equity shares of the company.

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company is as per the Remuneration Policy of the Company.

- Remuneration received by Managing Director from subsidiary company:** During the reporting year, no remuneration has been received by the Managing Director from subsidiary company.

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED

Raman Subbarao M R
Managing Director
DIN: 00176920

Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 26th August 2026
Place: Bengaluru

Annexure-IV

Form No. AOC-2: Related Party Transaction

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

This form pertains to disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (l) of section 188 of the Act including arm’s length transactions under third proviso thereto:

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 features of contracts or arrangements or transactions including the value	Date(s) of approval by the Board, if any	Amount paid as advances
(i)	(ii)	(iii)	(iv)	(v)	(vi)
iBOTomate Private Limited, Mr. Sheshadri Y S, interested director	Sale of Services	On need basis	These transactions have been undertaking by the Company on regular basis depending on the needs of business	29 th May, 2025	Nil
Fortira Inc Subsidiary company from 15 th April 2025	Sale of Services	On need basis	These transactions have been undertaking by the Company on regular basis depending on the needs of business	Not applicable	Nil
Canarys Corp Wholly owned Subsidiary	Sale of Services	On need basis	These transactions have been undertaking by the Company on regular basis depending on the needs of business	Not applicable	Nil
Canarys Hanuka APO Technologies Pvt Ltd Joint venture entity and Mr. Arun Danavadi Krishnamurthy and Mr. Pushparaj Shetty, interested directors	Purchase of Goods	On need basis	These transactions have been undertaking by the Company on regular basis depending on the needs of business	29 th May, 2025	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	29 th May, 2025	Nil

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED

Raman Subbarao M R
Managing Director
DIN: 00176920

Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 26th August 2026
Place: Bengaluru

Annexure-V

Annual Report On Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013]

1. A brief outline of Company’s CSR Policy:

The Company follows community development strategy with initiatives interlinked to its long-term objectives for sustainable development. Its business and economic growth has always been underlined/ complimented by adherence to environmental preservation, societal upliftment and financial prudence. The contributions by the Company in the field of corporate social responsibility fall within the broad framework of Schedule VII to the Companies Act, 2013 which inter-alia include wide range of areas aligned to national priorities and sustainable development such as education, healthcare, sustainable livelihood, women empowerment, rural and infrastructure development, environment protection, supporting widows/dependents of martyrs of armed forces and promotion of art, culture & sports, epitomising a holistic approach to inclusive growth.

2. Composition of the CSR Committee.

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

3. Provide the web-link(s) 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 www.ecanarys.com

4. Provide executive summary along with web-link of Impact assessment of CSR projects carried out in pursuance of subrule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014: The impact assessment is not applicable to the Company.

5. a. Average net profit of the company as per section 135(5): ₹ 1204.47/-

(₹ in Lakhs)		
Sr. No.	Financial Year	Net Profit as per Section 198 (PBT)
1	2022-23	1282.00
2	2023-24	1149.97
3	2024-25	1181.43
Total		3613.4
Average Net Profit		1204.47

- b. Two percent of average net profit of the company as per section 135(5): ₹ 24.09 Lakhs
- c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- d. Amount required to be set off for the financial year, if any years: Nil
- e. Total CSR obligation for the financial year (b+c-d): ₹ 24.09 Lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project: ₹ 24.1 Lakhs
- (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 (a+b+c): ₹ 24.1 Lakhs

Annexure-V

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

Total Amount Spent for the Financial Year	Amount Unspent				
	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
₹ 24.1	NIL	N. A	NIL	NIL	NIL
Not Applicable					

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

Sl. No.	Particular	₹ in Lakhs
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 24.09
(ii)	Total amount spent for the Financial Year	₹ 24.1
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 0.01
(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 CSR 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 ₹)	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	
Not Applicable							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes ☐ No ☒

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

Raman Subbarao M R
Managing Director
DIN: 00176920

Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 26th August 2026
Place: Bengaluru

Annexure-VI

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings And Outgo

The Information as required under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 are set out as under:

A. Conservation of Energy:

Sr. No	Particulars	Details
1	Steps taken or impact on conservation of energy	The Company's operations are not energy intensive. Nevertheless, the Company remains committed to energy conservation and environmental sustainability by continuously improving energy efficiency through preventive maintenance of equipment, automation of processes, regular monitoring of energy consumption and timely replacement of obsolete and energy-inefficient equipment, wherever required. These initiatives contribute to optimising overall energy usage.
2	Steps taken by the company for utilising alternate sources of energy	Considering the nature of the Company's business operations, no significant alternate energy sources are presently required. However, the Company continues to evaluate opportunities to adopt sustainable energy practices wherever commercially and operationally feasible.
3	Capital investment on energy conservation equipment	Nil

B. Technology Absorption:

Sr. No	Particulars	Details
1	The efforts made towards technology absorption	During the year, the Company continued to leverage appropriate technologies, automation and digital tools, wherever feasible, to enhance operational efficiency, improve process reliability, strengthen information security and optimise resource utilisation.
2	Benefits derived as a result of the above efforts; e.g., product improvement, cost reduction, product development, import substitution, etc;	The initiatives undertaken resulted in improved operational efficiency, enhanced process reliability, optimum utilisation of resources, improved service quality, cost optimisation and better customer responsiveness. No technology was imported during the financial year.
3	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) following information may be furnished	a. Details of Technology imported: Not Applicable b. Year of Import: Not Applicable c. Where the Technology fully absorbed : Not Applicable d. If not fully absorbed, areas where absorption has not taken place, and the reasons therefore: Not Applicable
4	The expenditure incurred on Research and Development	The Company did not incur any separate expenditure on Research & Development qualifying for disclosure under this section during the financial year.

C. Foreign exchange earnings and Outgo:

(Amount in Lakhs)			
Sr. No	Particulars	As on 31st March 2026	As on 31st March 2025
1	Earnings in Foreign Exchange	4,654.72	2,541.57
2	Expenditure in Foreign Currency	820.72	474.49

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED

Raman Subbarao M R
Managing Director
DIN: 00176920

Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 26th August 2026
Place: Bengaluru

Annexure-VII

Form No. MR-3

Secretarial Audit Report

For the financial year ended 31st March 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule9 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CANARYS AUTOMATIONS LIMITED
CIN: L31101KA1991PLC012096
Reg Off: 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** (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 conduct/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 authorised 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 2026, 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 2026 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 Byelaws framed there under;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there 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 as amended from time to time;
- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time;
- iv. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time;
- 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 as amended from time to time;

6. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

7. Laws specifically applicable to the Company;

- i. Indian Contract Act, 1872;
- ii. 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 the 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.

WE FURTHER REPORT THAT:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. There are no changes in the composition of the Board of Directors of the Company during the period under review.
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/ ratification at the meeting, if any, and the 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 process 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 major bearing on the Company's affairs in pursuance of the above-mentioned laws, rules, regulations, guidelines etc;

- i. The Company has made an investment and acquired 51% of stake and complete management control of M/s. Fortira Inc. USA-based entity during the year.
- ii. The Board of Directors at their meeting held on 25th August 2025 have approved to declare interim dividend on the outstanding 15,60,000 preference shares amounting to ₹ 2,60,000 (for period of 2 months).
- iii. The Board of Directors at their meeting held on 14th November 2025 have approved for providing unsecured loan of INR. 10,00,00,000/- (Indian Rupees Ten crores only) to M/s. Canarys Corp, USA, wholly owned subsidiary of the Company for meeting of its principal business activities.
- iv. The Board of Directors on 20th November 2025 have approved to convert 15,48,780 convertible warrants issued by the Company into 15,48,780 equity shares of ₹ 2/- each.
- v. The Board of Directors has approved to declare interim dividend on the outstanding 15,60,000 preference shares amounting to ₹13,00,000 (for period of 10 months) on 02nd February 2026.
- vi. As per the terms of issue of preference shares, the Board of Directors on 2nd February 2026 have redeemed 15,60,000 unlisted Cumulative Preference shares having face value of INR. 10/- each at par aggregating to ₹ 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: 26th August 2026

CS. Radhesh R Bhat
Partner

ACS. 53606; C.P: 21562

FRN: P2002KR057100

Peer Review No: 1571/2021

ICSI UDIN: A053606H001224215

Annexure-I

To,
The Members,
CANARYS AUTOMATIONS LIMITED
CIN: L31101KA1991PLC012096
Reg off: 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 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 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 provided 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: 26th August 2026

CS. Radhesh R Bhat
Partner
ACS. 53606; C.P: 21562
FRN: P2002KR057100
Peer Review No: 1571/2021
ICSI UDIN: A053606H001224215

Annexure-VIII

Declaration on Compliance of the Company's Code of Conduct

To,
The Members of
CANARYS AUTOMATIONS LIMITED

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March 2026.

These Codes are available on the Company's website www.ecanarys.com.

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED

Date: 26th August 2026
Place: Bengaluru

Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Annexure-IX

Management Discussion And Analysis

1. Economic Overview

1.1 Global Economy

Global economic growth moderated during CY2025 amid geopolitical tensions, evolving trade policies, financial market volatility and cautious business sentiment. According to the International Monetary Fund (IMF), global GDP growth is projected to moderate from 3.4% in CY2025 to 3.1% in CY2026, before improving marginally to 3.2% in CY2027. While advanced economies are expected to witness modest growth, Emerging Market and Developing Economies (EMDEs) are expected to remain key contributors to global expansion, supported by resilient domestic demand, infrastructure investments and favourable demographics.

Outlook

The global economy is expected to maintain moderate growth over the medium term, supported by resilient domestic demand, easing inflation and improving financial conditions. Investments in infrastructure, digitalisation, artificial intelligence and supply-chain resilience are expected to support productivity and economic activity. However, geopolitical tensions, trade policy shifts, commodity price volatility and elevated public debt remain key downside risks, underscoring the importance of policy stability and international cooperation.

1.2 Indian Economy

India's economy maintained strong growth momentum during FY2025-26 despite global trade uncertainties, geopolitical tensions and volatile capital flows. According to the Ministry of Statistics and Programme Implementation (MoSPI), real GDP is estimated to have grown by 7.7%, supported by resilient domestic demand, sustained investment and policy support. Household consumption remained a key growth driver, while easing inflation, improved liquidity and continued public investment in infrastructure supported business confidence. Headline inflation moderated to 2.1% during the year, creating a favourable environment for economic activity and monetary easing.

Fiscal consolidation progressed steadily, while the banking sector remained well-capitalised, supported by healthy credit growth, improving asset quality and robust profitability. Sustained investments in infrastructure, renewable energy and digital technologies, coupled with continued expansion in manufacturing and

services, further strengthened India's long-term growth prospects.

Indian Economy GDP Growth Rate (in %)

Year	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
GDP Growth Rate	8.7	7.0	8.2	6.5	7.7

(Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2132688>

<https://indianexpress.com/article/business/india-gdp-growth-2025-26-mospi-rbi-forecast-10725705>

Outlook

India's economic outlook remains favourable, supported by resilient domestic demand, moderating inflation and sustained investments in infrastructure, manufacturing and exports. Policy reforms, expanding trade partnerships and rising integration with global value chains are expected to strengthen industrial competitiveness and diversify export opportunities. While geopolitical developments and global trade uncertainties remain key external risks, India's strong macroeconomic fundamentals and reform-oriented policy framework position the economy for continued growth over the medium term.

2. Industry Review

2.1 Global IT Industry

Global IT spending is projected to reach US\$6.37 trillion in 2026, representing a 14.2% increase over 2025, according to Gartner. Growth is expected to be led by data centre systems and Infrastructure-as-a-Service (IaaS), driven by accelerating investments in AI infrastructure, cloud platforms and intelligent applications.

The rapid expansion of AI workloads is prompting hyperscalers and enterprises to significantly scale next-generation data centre and computing capacity. AI infrastructure, AI-enabled cloud platforms and advanced software ecosystems are therefore emerging as key areas of growth within the global technology market.

The latest projections also reflect stronger expectations for AI-led technology spending, with organisations increasing investments in AI-optimised servers, cloud services and AI-ready software. However, growth remains uneven,

with technology budgets facing pressure from inflation, supply constraints, rising hardware and memory costs, and shifting investment priorities.

Overall, AI infrastructure, cloud services and AI-enabled software are expected to remain among the fastest-growing segments as enterprises accelerate the adoption and scaling of AI capabilities.

Worldwide IT Spending Forecast
(Billions of US Dollars)

	2025 Spending	2025 Growth (%)	2026 Spending	2026 Growth (%)
Data Center Systems	506	51.6	822	62.5
Devices	790	9.7	868	9.8
Software	1,271	13.9	1,468	15.5
Services	1,492	3.8	1,570	5.3
Infrastructure as a Service (IaaS)	222	25.3	287	29.3
Communications Services	1,296	3.3	1,354	4.4
Overall IT	5,577	10.7	6,369	14.2

Source: Gartner (July 2026)

Key Market Drivers

- **AI & Agentic AI:** Rapid enterprise adoption of AI and agentic systems is accelerating demand for AI engineering, intelligent automation and AI-ready applications.
- **Cloud & Infrastructure Modernisation:** Increasing cloud adoption, application modernisation and IaaS investments are driving technology spending and transformation programmes.
- **Data & Analytics:** Enterprises are investing in data engineering, analytics and AI-ready data environments to improve decision-making and operational efficiency.
- **Cybersecurity & Digital Trust:** Growing cyber threats, data privacy requirements and sovereign-cloud considerations are increasing demand for cybersecurity and resilient technology environments.
- **Enterprise Automation:** Hyper-automation and intelligent workflows are gaining traction as businesses seek productivity gains, cost optimisation and improved customer experiences.
- **Industry-Specific Digitalisation:** BFSI, healthcare, manufacturing, retail and other sectors are increasingly adopting vertical-specific digital and AI solutions.
- **Shift Towards Outcome-Based Models:** Technology providers are moving beyond traditional FTE-led delivery towards

outcome-based solutions, platforms and IP-led offerings.

Outlook

The global technology market is entering a strong AI-led growth cycle, data centre systems, IaaS, software and AI-enabled solutions are expected to remain key growth areas.

India is similarly positioned for sustained technology expansion, with IT spending forecast at US\$176.3 billion in 2026, up 10.6%. Growth is expected to be supported by AI infrastructure, cloud adoption, cybersecurity, data analytics, application modernisation and hyper-automation.

For technology service providers, the opportunity is increasingly shifting from AI experimentation to enterprise-scale implementation. NASSCOM expects FY27 to mark further maturation of AI spending, with greater emphasis on enterprise re-engineering, domain-led solutions, talent transformation and outcome-based delivery.

Overall, the outlook remains positive, with AI, cloud, data, cybersecurity and digital engineering emerging as the principal growth engines. Companies with differentiated capabilities, strong technology partnerships, domain expertise and the ability to translate AI into measurable business outcomes are well positioned to capture this opportunity.

Annexure-IX

2.2 Indian IT Industry

India's IT services industry is entering a new phase of growth, driven by accelerated digital transformation, cloud adoption and the integration of AI and automation across enterprise operations. The India IT services market was valued at US\$42.74 billion in 2025 and is projected to reach US\$78.14 billion by 2034, registering a CAGR of 6.94% during 2026–2034.

The industry continued to expand its talent base, with headcount increasing by 2.3%, supported by large-scale digital and AI-focused skilling initiatives. Indian IT exports are projected to grow 5.6% YoY to US\$246 billion in FY26, compared with US\$233 billion in FY25. As AI becomes increasingly embedded across business functions, it is reshaping operating models, workforce requirements and approaches to innovation.

Key Growth Drivers

- **Platform Engineering & DevOps:** Rising adoption of platform engineering, DevOps automation and SRE practices is improving software delivery, scalability and application reliability.
- **Digital Transformation & Cloud:** Investments in digital transformation, cloud-native architectures, hybrid and multi-cloud environments and data analytics continue to drive demand for advanced technology services.
- **AI & Intelligent Automation:** Growing adoption of AI, machine learning and RPA is creating opportunities across consulting, implementation and managed services.
- **Cybersecurity & Resilience:** Increasing digitalisation and evolving cyber threats are strengthening demand for secure, resilient and compliant technology environments.
- **Specialised Talent:** Demand is shifting towards specialised AI, cloud, data, cybersecurity and digital engineering capabilities, creating opportunities for technology providers with strong domain expertise.

Outlook

According to NASSCOM, FY27 is expected to mark the next phase of enterprise AI adoption, with organisations moving from rapid experimentation and deployment towards large-scale transformation and long-term enterprise

re-engineering. Technology spending is expected to maintain 5–7% year-on-year growth, while AI investments continue to increase despite challenges related to data readiness, integration and organisational change.

The industry's talent model is also evolving from workforce expansion towards capability depth and productivity. Organisations are increasingly prioritising specialised digital and AI skills as automation enhances productivity and enables technology teams to deliver greater business value with greater efficiency.

Source: http://timesofindia.indiatimes.com/articleshow/12876264.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst, <https://www.imarcgroup.com/india-it-services-market>, <https://nasscom.in/knowledge-center/publications/technology-sector-india-strategic-review-2026>

2.3 Agentic AI

Indian enterprises are moving from AI experimentation to value-driven, scaled implementation, strengthening India's position as a leading enterprise AI market. India ranks second globally in strategic AI investment, with organisations planning AI investments of US\$25.9 million. AI spending is expected to increase by 45% over the next two years, while AI ROI is projected to rise from 22% to 39%, reflecting growing focus on measurable business outcomes.

The next frontier is Agentic AI, which enables systems to reason, orchestrate workflows and execute actions with limited human intervention. More than 80% of Indian organisations are exploring autonomous AI agents, while 67% are piloting agentic use cases. Further, 85% view Agentic AI as having moderate to very high potential to transform business operations. This signals a shift from AI-assisted processes towards increasingly autonomous execution.

Key Growth Drivers

- **Intelligent Automation:** Growing demand for AI systems that can reason, make decisions and execute complex, multi-step workflows.
- **Productivity & Efficiency:** Automation of front-, middle- and back-office processes across customer engagement, finance, operations and product development.

- **Digitalisation & Data Growth:** India's extensive digital ecosystem, including UPI, UIDAI and digital commerce, is generating large and increasingly complex data environments.
- **Software Engineering & Digital Transformation:** Strong applicability across software development, DevOps, application modernisation and enterprise technology transformation.
- **Enterprise AI Adoption:** Increasing transition from AI pilots to scaled deployments is creating demand for AI engineering, integration, governance and managed services.

Outlook

Agentic AI is emerging as a new frontier of enterprise transformation, enabling organisations to move beyond AI-assisted applications towards systems capable of reasoning, workflow orchestration and autonomous execution. Adoption is expected to deepen across software engineering, customer engagement, finance, operations and other complex business processes.

As the market matures, the focus is likely to shift from individual AI agents towards interconnected multi-agent ecosystems, supported by cloud infrastructure, enterprise data, APIs and robust governance frameworks. This evolution is expected to create significant opportunities for technology providers with strong AI engineering, domain expertise and enterprise integration capabilities.

Sources: <https://www.deloitte.com/in/en/about/press-room/indian-enterprises-lead-global-peers-in-at-scale-ai-adoption-across-most-functions.html>, <https://news.sap.com/india/2026/06/agentic-ai-returns-in-india-projected-to-grow-fivefold-to-us14-4-million-sap-study>

2.4 India Smart Water Management Market

India's smart water management market was valued at US\$837.1 million in 2025 and is projected to reach US\$2,264.6 million by 2034, growing at a CAGR of 11.34% during 2026–2034. Growth is being driven by rapid urbanisation, rising water conservation needs, advancements in ICT and increasing focus on environmental sustainability.

Smart Water Management (SWM) combines flood management, canal modernisation and automation, digital metering, sensors, SCADA, GIS and real-time analytics to enhance water-network monitoring and efficiency. These technologies enable leak detection, optimise water and energy use, predict equipment failures and strengthen regulatory compliance.

The Government of India approved Modernisation of Command Area Development and Water Management (M-CADWM) under PMKSY for 2025–26, with an initial outlay of ₹1,600 crore. The scheme aims for modernisation of the irrigation water supply network to supply of irrigation water from existing canals or other sources in a designated cluster. The scheme aims to modernise irrigation networks and leverage SCADA and IoT for water accounting and management, improving water-use efficiency, agricultural productivity and farmer incomes.

Rapid urbanisation and climate change are intensifying flood risks and driving demand for smart, resilient and efficient water infrastructure. Compared with rural areas, urban catchments can increase flood peaks by 1.8–8x and flood volumes by up to 6x, underscoring the need for integrated water management systems that enable cities to better monitor, manage and mitigate flooding.

Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2120360&lang=2®=48&utm_https://smartcities.ieee.org/about/technical-tracks/ieee-smart-water-management

Key Market Drivers

- **Water Conservation:** Growing water stress is accelerating demand for efficient, technology-enabled water management.
- **Digitalisation of Water Infrastructure:** Smart meters, sensors, SCADA, GIS and analytics are enabling real-time monitoring and data-driven decision-making.
- **Leak Detection & Network Efficiency:** Intelligent systems help identify losses, optimise pressure and improve network performance.
- **Urban Flood Management:** Rapid urban growth is increasing the need for reliable, scalable and efficient water infrastructure.

Annexure-IX

- **Sustainability Focus:** Increasing emphasis on resource conservation and environmental sustainability is supporting SWM adoption.
- **Smart Irrigation & Residential Efficiency:** Integration with intelligent irrigation, meter data management and water-efficiency solutions is expanding the application landscape.
- **Canal Modernisation:** Modernising ageing canal networks with SCADA, IoT and automated controls can reduce water losses, improve distribution and enhance irrigation efficiency.

Outlook

India's smart water management sector is poised for strong and sustained growth as utilities and municipalities modernise water infrastructure and adopt data-driven solutions. The convergence of IoT, real-time monitoring, analytics, automation and intelligent infrastructure is expected to enhance operational efficiency, reduce water losses and flood risk, and support sustainable resource management.

As India advances towards a more water-resilient and digitally enabled infrastructure ecosystem, smart water management is expected to play an increasingly important role across urban and rural applications.

3. Company Overview

Canarys is a boutique Agentic AI engineering firm backed by three decades of proven technology delivery expertise. We combine established technology partnerships with deep engineering capabilities, agility and a consultative approach to address complex enterprise requirements.

Our capabilities span technology-led transformation and specialised infrastructure solutions, supported by the Canarys Automation Resilience (CAR) framework. Built on three decades of delivery experience, CAR integrates AI across the technology lifecycle to enhance execution speed, productivity, quality and operational resilience.

By combining our engineering heritage with Agentic AI, we are helping enterprises build intelligent, resilient and scalable technology environments. Our global client base, 100% client retention and recognition as a GitHub 2025 Growth Services and Channel Partner of the Year

demonstrate the strength of our capabilities and customer relationships.

AI-Powered Products & Platforms

Our AI-native platforms are led by AURYIS, our flagship product, alongside Scholaris and ClubAce, together addressing specialised needs across life sciences and pharma, higher education and research, and clubs, hospitality and membership organisations.

AURYIS

An AI-powered regulatory compliance and safety intelligence ecosystem for pharma and life sciences, combining Auryis Quality Intelligence (covering CAPA, deviations, change control, complaints, training, document control and validation) with Auryis Safety Intelligence, a pharmacovigilance solution that monitors safety reporting and flags regulatory risk early – turning complex, unstructured regulatory content into clear, audit-ready, defensible insights.

Scholaris

An AI-native doctoral lifecycle management platform for universities, digitalising the PhD and DBA journey from admissions and coursework through milestones, thesis completion and post-doc workflows.

ClubAce

A purpose-built ERP platform for sports and lifestyle clubs worldwide, unifying membership, bookings, facilities, finance, events, F&B, procurement, HR and analytics on a single system to reduce revenue leakage and optimise operations.

Through intelligent automation, agentic workflows, compliance monitoring and actionable insights, all three platforms enable greater productivity, governance and engagement – with AURYIS, in particular, marking Canarys' shift from a services-led organisation to a product-led company. Their scalable SaaS model also supports recurring revenue and long-term growth.

CAR Framework: Engineering with AI, End to End

The Canarys Automation Resilience (CAR) framework embeds AI across the technology lifecycle to help organisations adopt AI without ripping and replacing what they already run. Rather than forcing a wholesale swap of existing

systems, CAR "smartifies" them – layering intelligence onto current investments so they become more self-healing, disciplined, and long-lived, and so those investments compound in value instead of expiring. Its four integrated capabilities – CAR-D for AI-assisted design, CAR-E for AI-powered engineering, CAR-T for AI-driven testing, and CAR-S for intelligent support – work together in a continuous learning loop that accelerates delivery and strengthens reliability from within the organisation's current technology stack. Rather than centering on resolving issues after they surface, CAR-S focuses upstream: detecting anomalies, predicting failures, and deploying fixes before they ever reach the customer, so resilience is built into the system rather than bolted on after something breaks.

Partnering with Global Technology Leaders

Our strategic technology ecosystem strengthens our ability to deliver secure, scalable and future-ready enterprise solutions. Partnerships with **Microsoft, GitHub, SAP, Atlassian and JFrog**, supported by specialised capabilities across DevOps, cloud, cybersecurity and software engineering, provide access to advanced technologies, expertise and best practices. Our certifications and partner competencies further reinforce our enterprise delivery capabilities.

Strengthening Revenue Visibility Through a Robust Order Book

Our order book reached ₹4,409 Million in FY26, reflecting strong business momentum and enhanced revenue visibility. The portfolio remains well diversified across IT Solutions, Fortira and WRM, with ₹3,674 Million of recurring orders providing greater predictability. Exposure across technology, WRM, BFSI, manufacturing and other sectors further strengthens business resilience.

Accelerating AI-Led Growth Through Strategic Expansion

The acquisition of Fortira Inc., USA, has strengthened Canarys' presence in the North American market by adding an established enterprise customer base and experienced delivery capabilities. Fortira brings 20+ enterprise customers and enhances the Company's capabilities across AI, cloud, cybersecurity and digital engineering. Going forward, Canarys intends to leverage the combined customer base to drive cross-selling opportunities

and deepen customer relationships, while progressively integrating Fortira's capabilities with its AI-led solutions and proprietary CAR framework. The Company also plans to leverage its India-based delivery capabilities to improve operational efficiency and support margin expansion. Over the medium term, the integration of Fortira with Canarys' technology platforms, delivery capabilities, and AI-led offerings is expected to create greater operating leverage and strengthen the company's global growth platform.

SWOT Analysis

Strength

- **Proven Expertise:** 30+ years of experience in IT and digital transformation.
- **End-to-End Capabilities:** Integrated expertise across digitalisation, modernisation, automation and AI.
- **Skilled Talent:** 450+ professionals with diverse technology expertise.
- **Strong Ecosystem:** Trusted relationships with customers, alliance partners and OEMs.
- **Industry Diversification:** Presence across BFSI, retail, healthcare, pharma, manufacturing and insurance.

Weaknesses

- **Pricing Pressure:** Competitive intensity can impact pricing and margins.
- **Cybersecurity Exposure:** Continued focus required on data privacy and cybersecurity.

Opportunities

- **Digital Transformation:** Rising global demand for enterprise digitalisation.
- **AI & Automation:** Accelerating adoption of AI, cloud, analytics, automation and cybersecurity.
- **Sector Expansion:** Opportunities across fintech, healthtech and Industry 4.0.
- **Global Client Base:** Growing demand from digital-first enterprises.
- **Smart Infrastructure:** Emerging opportunities in intelligent automation and smart infrastructure.

Threats

- **Technology Disruption:** Rapid technological evolution may impact competitive relevance.
- **Competitive Intensity:** Increasing competition from global and domestic IT players.
- **Economic Volatility:** Currency fluctuations and global macroeconomic uncertainties.
- **Regulatory Changes:** Evolving data protection and compliance requirements.
- **Cybersecurity Risks:** Rising cyber threats and operational vulnerabilities.

4. Financial Review

FY26 marked a strong step-up in business scale and profitability, driven by robust execution and healthy business momentum. Revenue from operations more than doubled to ₹1,981 Mn, while EBITDA, PBT and PAT grew by 73.8%, 71.3% and 78.3%, respectively. Although EBITDA margin moderated to 12.3%, the overall improvement in earnings reflects stronger operating scale and profitability. Reported EPS increased 51.8% to ₹2.11, reinforcing the Company's improving earnings profile.

(₹ in Mn)			
Particulars	FY26	FY25	Change (%)
Revenue From Operations	1,981	891	122.3
EBITDA	245	141	73.8
EBITDA margin (%)	12.3%	15.5%	-3.2
PBT	197	115	71.3
PAT	148	83	78.3
Reported EPS (in ₹)	2.11	1.39	51.8

Key Operational Metrics

FY26 witnessed a significant expansion in scale, customer reach and revenue productivity. The order book increased nearly fourfold to ₹4,132 million, providing strong visibility for future growth. Despite a broadly stable project count, the client base expanded to 212, while average revenue per project more than doubled to ₹8.2 million. Revenue per employee also increased sharply to ₹4.4 million, reflecting improved productivity and execution capacity.

	FY26	FY25
Order Book (₹ Mn)	4,132	1,050
Number of Projects (#)	241	248
Number of Clients (#)	212	115
Avg. Revenue/Projects (₹ Mn)	8.2	3.6
Number of Resources (#)	455	436
Avg. Revenue/Employees (₹ Mn)	4.4	1.6

Key Ratios

Particulars	FY25	FY26	Change (%)
Debtors Turnover (x)	1.34	2.67	99%
Current Ratio (x)	3.40	2.87	-16%
EBITDA Margin (%)	14%	12%	-14%
Net Profit Margin (%)	9%	7%	-22%
Return on Equity (%)	11%	13%	18%
Return on Capital Employed (%)	13%	19%	46%

5. People

People remain central to Canarys' ability to deliver technology-led transformation and execute its AI-first growth strategy. During FY26, the Company continued to strengthen its talent base while focusing on capability development, employee engagement and continuous learning.

The Company had 450+ resources as of FY26, with average revenue per employee increasing to ₹4.4 million, reflecting improved productivity and execution capabilities. Employee attrition improved to 11% from 14% in FY25, reflecting the Company's continued focus on employee engagement and retention.

As Canarys accelerates its transition towards AI-led engineering and solutions, the Company is investing in AI upskilling and capability development across its engineering practices. Employees are being enabled to work with AI across design, engineering, testing, automation and support, helping build future-ready capabilities aligned with the Company's evolving technology strategy.

The Company will continue to focus on attracting and retaining skilled talent, strengthening technical capabilities, encouraging continuous learning and building an organisation that can support its long-term growth ambitions.

6. Risk Management

Risk	Impact	Mitigation
Rapid technology changes	Evolving AI, cloud, automation and cybersecurity technologies could affect competitiveness and client acquisition.	Continuous investment in R&D, AI-led solutions, technology partnerships and employee upskilling.
Talent acquisition and retention	Shortages of skilled technology professionals could constrain project delivery, innovation and growth.	Strengthening talent development, certifications, employee engagement and retention programmes.
Intense industry competition	Competition from established IT players could increase pricing pressure and affect market share.	Focusing on niche capabilities, domain expertise, strategic partnerships and differentiated AI-led solutions.
Macroeconomic and IT spending slowdown	Global economic uncertainty could lead clients to defer or reduce technology spending.	Expanding into resilient sectors, strengthening managed services and maintaining a diversified industry portfolio.
Regulatory and compliance risk	Evolving data protection, ESG and industry regulations could increase compliance requirements and costs.	Proactive regulatory monitoring and robust governance, risk and compliance frameworks.

7. Outlook

Canarys enters FY27 with a stronger and more diversified business platform, supported by a robust order book, expanded global presence, AI-led capabilities, and the strategic integration of Fortira. The Company remains focused on executing its order book, deepening customer relationships, expanding cross-selling opportunities, and increasing the contribution of higher-value technology and AI-led offerings.

The Company expects its growth strategy to be supported by the continued adoption of the CAR framework, the gradual scaling of its proprietary platforms, and the development of recurring and subscription-based revenue streams. At the same time, the Company will focus on improving operational efficiency and realising synergies from its expanded delivery and technology capabilities, supporting margin improvement as the business scales.

Going forward, Canarys will remain focused on strengthening its global platform, enhancing its AI and engineering capabilities and building a more scalable and differentiated business model. With AI at the core of its strategy, the Company is focused on advancing its Vision 2028 and creating sustainable long-term value for its stakeholders.

8. Internal Control System

The Company has established a robust Internal Control and Audit framework to ensure the accurate and fair presentation of its financial results. This system is designed to safeguard assets, ensure regulatory compliance, and address operational issues in a timely manner.

Internal audit processes are continuously monitored and upgraded in line with evolving business needs. The Audit Committee reviews reports submitted by internal auditors on a

regular basis, notes key observations, and ensures that corrective measures are implemented where required. The Committee also maintains close engagement with both statutory and internal auditors to ensure the effectiveness and reliability of the internal control system.

9. Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company’s objectives, and predictions may be ‘forward-looking statements’ within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company’s business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

For and on behalf of the Board of Directors
CANARYS AUTOMATIONS LIMITED

Raman Subbarao M R
Managing Director
DIN: 00176920

Sheshadri Y S
Executive Director & CEO
DIN: 03367545

Raghu Chandrashekhariah
Whole time Director & CFO
DIN: 01065269

Date: 26th August 2026
Place: Bengaluru

Annexure-X
Statement of Deviation & Variation

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 on utilised and unutilised IPO proceeds of Canarys Automations Limited

To,
The Board of Directors,
CANARYS AUTOMATIONS LIMITED,
Reg Office: 566 & 567, 30th Main, Attimabbe Road,
Banagirinagara, Banashankari 3rd Stage,
Bengaluru, Karnataka 560085, India

1. This Report is issued in accordance with the mail request dated May 28th, 2026.
2. The accompanying Statement of utilised and unutilised IPO proceeds as on March 31, 2026 (the “Statement”) of Canarys Automations Limited (“the Company”) has been prepared by the management of the Company, having its registered office at 566 & 567, 30th Main, Attimabbe Road, Banagirinagara, Banashankari 3rd Stage, Bengaluru, Karnataka 560085 as a reference document.
3. We, SURESH & CO., Chartered Accountants (Firm’s Registration No. 004255S) have examined the relevant unaudited financial information for FY 2025-26, signed balance confirmation from the State Bank of India for unutilised IPO proceeds held as fixed deposits as on March 31, 2026, and other records of the Company, for the purpose of certifying the accompanying Statement.

Management’s responsibility

4. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The accuracy and completeness is the responsibility of the Company’s management

Auditor’s responsibility

6. Pursuant to the requirements of the regulations, it is our responsibility to provide a reasonable assurance whether:
 - The difference between the total IPO proceeds and un-utilised IPO proceeds as on March 31, 2026, has been utilised by the company.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.

Opinion

10. Based on our examination and according to the information and explanations given to us by the management, we report that the unutilised balance of the total IPO proceeds, held as a fixed deposit as of March 31, 2026, is in line with the signed balance confirmation received from the State Bank of India pertaining to the balance of unutilised IPO proceeds in the form of fixed deposits as on the above stated date, and the difference between the total IPO proceeds and the unutilised balance as of March 31, 2026, has been utilised by the Company

Restriction on use

11. This Report is issued at the request of the management of the Company as a reference document to be presented in the board meeting to be held on May 28th, 2026. This Report should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Report is shown or into whose hands it may come without our prior consent in writing.

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

Udupi Vikram
Partner
Membership Number: 227984

Bengaluru
29th May 2026
UDIN: 26227984BLQISY6841

Encl:
Annexure 1 – Statement of utilised and un-utilised IPO proceeds of Canarys Automations Limited as on March 31, 2026

Statement of utilised and un-utilised IPO proceeds of Canarys Automations Limited as on 31st March 2026:

Objects for which funds have been raised and where there has been a deviation are stated in the following table:

(Amount ₹ Lakhs)

Original Object	Modified Objects, (if any)	Original Allocation	Modified Allocation, if any	Fund Utilised	Amount of Deviation/ Variation for the half year ended 31st March 2026, according to applicable objects	Remarks If any
Funding expenditure relating to solutions development for digital transformation and water resources management solutions (Object-I)	NA	1,100.00		729.28	NA	
Creation of new delivery center including infrastructure thereof and upgrading existing facilities (Object-II)	Yes	894.00	(894.00)	0.00	NA	Modification in the Object of the Issue, as approved by the shareholders on December 04, 2024, through the postal ballot mechanism.
Funding working capital requirements of our Company (Object-III)	NA	1,500.00		1,500.00	NA	
General corporate purposes (Object-IV)	NA	609.32		609.32	NA	
Issue Related Expenses (Object-V)	NA	600		600	NA	
New Object: Strategic investment by way of acquisition of equity shares of Fortira Inc., USA	Yes	NIL	894.00	894.00	NA	Modification in the Object of the Issue, as approved by the shareholders on December 04, 2024, through the postal ballot mechanism.
Total	NA	4,703.32	0.00	4,332.60	NA	

Deviation or variation could mean:

- a. Deviation in the objects or purposes for which the funds have been raised or
- b. Deviation in the amount of funds actually utilised as against what was originally disclosed or
- c. Change in terms of a contract referred to in the fund-raising document i.e. prospectus, letter of offer, etc.

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

Udupi Vikram
Partner
Membership Number: 227984

Date: 29th May 2026
Place: Bengaluru
UDIN: 26227984BLQISY6841

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

Raman Subbarao M R
Managing Director
DIN: 00176920

Date: 29th May 2026
Place: Bengaluru

Annexure–XI

Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

To,
The Board of Directors of
CANARYS AUTOMATIONS LIMITED

In relation to the Audited Financial Accounts of the Company as on 31st March 2026, I hereby certify that:

- a. I have reviewed financial statements and the cash flow statement for the year ended 31st March 2026, and that to the best of my knowledge and belief:
 - 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2. These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There is, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2026, which is fraudulent, illegal or violative of the Company’s code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps taken or proposed to be taken to rectify these deficiencies
- d. I have indicated to the auditors and the Audit committee, wherever applicable
 - 1. Significant changes in internal control over financial reporting during the year
 - 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.
- e. Members of the board of directors and senior management personnel have affirmed Compliance with the code of conduct of board of directors and senior management.

Raghu Chandrashekhariah
Chief Financial Officer (CFO)

Sheshadri Y S
Chief Executive Officer (CEO)

Date: 26th August 2026
Place: Bengaluru

ANNEXURE–XII

Certificate on Non–Disqualification of Directors

[Pursuant to clause 10 (i) of the Part C of Schedule V read with Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
CANARYS AUTOMATIONS LIMITED
Reg office: No. 566 & 567, 2nd Floor, 30th Main,
Attimabbe Road Banagirinagara,
Banashankari 3rd Stage, Bengaluru-560085
Karnataka India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Canarys Automations Limited, having CIN: L31101KA1991PLC012096, its registered office situated at No. 566 & 567, 2nd Floor, 30th Main, Attimabbe Road Banagirinagara, Banashankari 3rd Stage, Bengaluru-560085, (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para–C, Sub–clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended 31st March, 2026 have been debarred or disqualified from being appointed or continue as Director of the Company, by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs, Government of India (MCA) or any such Statutory Authority.

The details of directors of the Company as on 31st March 2026 are as follows:

Sr. No	Name of the Director	DIN	Designation
1	Metikurke Ramaswamy Raman Subbarao	00176920	Managing Director
2	Raghu Chandrashekhariah	01065269	Whole-time Director
3	Danavadi Krishnamurthy Arun	01064990	Whole-time Director
4	Sheshadri Srinivas Yedavanahalli	03367545	Executive Director
5	Pushparaj Shetty	03333417	Executive Director
6	Asha Sivashankar	10184245	Non-Executive Independent Director
7	Ramesh Phatak Bhaskar	07981182	Non-Executive Independent Director
8	Muralikrishnan Gopalakrishnan	07059037	Non-Executive Independent Director

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 26th August 2026
Place: Bengaluru

For **Ganapathi & Mohan**
Company Secretaries

CS. Radhesh R Bhat
Partner
ACS. 53606; C.P: 21562
FRN: P2002KR057100
Peer review No: 1571/2021
UDIN: A053606H001224259



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, 2026, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and notes to the 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, 2026, 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 (“ICAI”) 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 ICAI’s Code of Ethics. We believe that the audit evidence we have 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.

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 recognised on fixed-price contracts.	Principal Audit Procedures Performed included the following: Our audit procedures related to the determination of whether revenue is recognised 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 recognised on a straight-line basis or using the percentage of completion method. • We selected a sample of fixed price contracts with customers measured 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.

Sl. No.	Key Audit Matter	Auditor’s response
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 2026. There has been no provision for doubtful debts created against such receivables, as the Company believes, on the basis of past realisation 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 evaluating the recoverability of long-outstanding trade receivables, particularly those due from government entities, included the following, among others: • We obtained an understanding of the Company’s assessment process for recoverability of receivables from government entities and evaluated the reasonableness of management’s judgement, having regard to historical collection experience. • We selected a sample of trade receivable balances outstanding for a period between one and two years from government entities and traced these to underlying invoices and supporting documentation. • As balance confirmations could not be obtained from these entities, we performed alternative procedures, including verification of subsequent receipts against the outstanding balances and correlation of the timing and pattern of such receipts with amounts recorded as at year end. • We evaluated the historical trend of recoveries from these customers to assess whether it supports management’s conclusion that no provision for doubtful debts is required, and considered whether any indicators of credit deterioration existed that would contradict this conclusion. • We reviewed the ageing of trade receivables and the related disclosures in the Standalone Financial Statements to assess whether they are adequate and appropriately presented. Based on the above procedures, we concur that the Company’s assessment of recoverability of these receivables is reasonable in the context of the Standalone Financial Statements as a whole.
3	Intangible assets – Product 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 capitalised in the FY 2025-26. This required a high degree of auditor judgment in evaluating the audit evidence since this estimate has a high inherent uncertainty of realisation of projected revenues.	Principal audit procedures performed included the following: Our audit procedures related to the assessing the reliability of realisation of project revenues shared by the management included the following, among others: • We tested the effectiveness of controls relating to the capitalisation of intangible assets under development. • We selected a sample of employees and evaluated their timesheets with the cost capitalised. • 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 utilisation 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.

Independent Auditor's Report (Contd.)

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

The Company's Board of Directors is responsible for the preparation and presentation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, 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 and the secretarial audit report are not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors 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 the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. 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 Responsibilities for the Audit of the Standalone Financial Statements

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

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

- 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 controls 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 Statement of Cash Flows 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 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
 - g. With respect to the other matters to be included in the Auditor's Report in

Independent Auditor's Report (Contd.)

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:

- The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note 29 to the Standalone Financial Statements
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.
- (i) The management has represented that, to the best of its knowledge and belief, other than 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;

- The management has represented, that, to the best of its knowledge and belief, other than 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

- Based on such audit procedures that have been 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 (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- The interim dividend for preference shares capital 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.

- Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

for SURESH & CO.

Chartered Accountants
Firm Registration No.: 004255S

Udupi Vikram

Partner
Membership No.: 227984

Bengaluru
29 May 2026
UDIN: 26227984EZGVWJ4315

"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 Statements for the year ended March 31, 2026

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- In respect of the Company's property, plant and equipment, and intangible assets:

- (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).
- 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.
- 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 2026 (₹ in lakhs)	Carrying Value in the Standalone Financial Statements as at 31st March 2026 (₹ 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

- The Company has not revalued its Property, Plant & Equipment and intangible assets or both during the year.
- There are no proceedings that 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.

-

- 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.
- The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions during the year, amounting to ₹9.5 crore. Based on our audit procedures and according to the information and explanations given to us, the statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

-

- The Company has not made investments in Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties.

“Annexure A” to the Independent Auditor’s Report

- b) The 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. The Company has not granted any loans & advances to any other party including its subsidiaries and associate Company, or stood guaranteed. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has neither accepted any deposits from the public, nor accepted any amounts which are deemed to be deposits within in the meaning of sections 73 to 76 of the Companies Act and the rules made thereon, to the extent applicable. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (i) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) According to the information and explanations given to us by the management, and on the basis of our examination of the records of the Company and in our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Income Tax, and other material statutory dues applicable to it with the appropriate authorities
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income Tax, and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.
- (b) There were no disputed amounts payable in respect of provident fund, income tax, GST and other material statutory dues in arrears as at March 31, 2026 except for the below:

(Amount in Lakhs)

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount involved	Amount Unpaid
Income Tax	Sec. 195-TDS on non-resident payment	CIT Appeals	FY 2017-18	72.77	61.86
Goods and Service Tax		DGST Appeals	FY 2021-22	6.80	6.80

- viii. The Company has not surrendered or disclosed any transactions, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, clause 3(viii) of the Order is not applicable to the Company.
- (a) The Company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year, and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the Financial Statements of the Company, no funds raised on a short-term basis have been utilised for the long-term purposes of the Company.
- (e) On an overall examination of the Financial Statements 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.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- ix. a) The Company has not raised any moneys by way of initial public offer or further public offer. Accordingly, reporting under clause 3(x)(a) of the order is not applicable.
- b) The Company has not made preferential allotment during the year. Accordingly, reporting under clause 3(x)(a) of the order is not applicable

- x. (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- 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) The Company has not received any whistle blower complaints during the year. Accordingly, reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xi. The Company is not a Nidhi Company as per the provisions of Companies Act, 2013. Accordingly, clause 3(xii)(a), (b) & (c) of the Order is not applicable.
- xii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiii. a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- b) 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.
- xiv. In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xv. a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies
- xvi. The Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- xvii. There has been no resignation of the statutory auditors during the year.
- xviii. On the basis of the financial ratios (note 41) to the Standalone Financial Statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xix. 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.

for SURESH & CO.

Chartered Accountants
Firm Registration No.: 004255S

Udupi Vikram

Partner
Membership Number: 227984

Bengaluru
29 May 2026
UDIN: 26227984EZGVWJ4315

“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, 2026, 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 and Board of Director’s 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 the 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 and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, 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 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 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.

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 and to the best of our information and according to the explanations given to us, based on the test checks conducted by us, the Company have, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31 March 2026, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for SURESH & CO.

Chartered Accountants
Firm Registration Number: 0042555

Udupi Vikram

Partner
Membership Number: 227984

Bengaluru
29 May 2026
UDIN: 26227984EZGVWJ4315

Standalone Balance Sheet

as at March 31, 2026

(Amount in ₹ Lakhs)			
	Notes	As at March 31, 2026	As at March 31, 2025
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
a) Share capital	2	1,174.90	1,299.92
b) Reserves and surplus	3	9,013.02	7,352.97
c) Money Received Against Share Warrant	2	-	158.75
2) Non - current liabilities			
a) Deferred tax liabilities (Net)	4	-	-
b) Other long -term liabilities	5	3.30	3.30
c) Long term provisions	6	13.22	29.36
3) Current liabilities			
a) Short term borrowings	7	190.07	330.81
b) Trade payables	8		
- Dues to micro enterprises and small enterprises		22.57	52.89
- Due to creditors other than micro and small enterprises		1,472.86	1,818.07
c) Other current liabilities	9	397.24	394.29
d) Short-term provisions	10	417.56	119.72
TOTAL		12,704.74	11,560.08
II. ASSETS			
1) Non-current assets			
a) Property, Plant and Equipment and Intangible assets			
i) Property, Plant and Equipment	11	46.44	49.16
ii) Intangible assets	11	0.46	1.95
iii) Intangible asset under development	11	1,181.64	541.16
b) Non-current investments	12	2,336.27	156.31
c) Long-term loans and advances	13	11.29	12.69
d) Other non current assets	14	209.40	151.21
e) Deferred Tax Assets	15	104.75	43.89
2) Current Assets			
a) Inventories	16	478.50	445.60
b) Trade receivables	17	7,365.87	6,679.93
c) Cash and bank balances	18	410.71	2,708.18
d) Short-term loans and advances	19	147.09	253.40
e) Other current assets	20	412.32	516.60
TOTAL		12,704.74	11,560.08
Significant accounting policies	1		

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

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

Chartered Accountants
Firm Registration Number: 004255S

Udupi Vikram
Partner
Membership Number: 227984

Bengaluru
29 May 2026

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

Raman Subbarao M R
Managing Director
DIN: 00176920
Bengaluru
29 May 2026

Raghu C
Whole-time Director & CFO
DIN: 01065269
Bengaluru
29 May 2026

Sheshadri Y S
Director & CEO
DIN: 03367545
Bengaluru
29 May 2026

Ambikeshwari M A
Company Secretary
M. No.: A67639
Bengaluru
29 May 2026

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(Amount in ₹ Lakhs)			
Particulars	Notes	Year Ended 31st March 2026	Year Ended 31st March 2025
I. Income			
a) Revenue from operations	21	10,013.13	8,596.44
b) Other income	22	158.15	149.48
Total Income		10,171.28	8,745.93
II. Expenses			
a) Purchases	23	1,974.50	2,722.70
b) (Increase)/decrease in inventory	24	(87.80)	(292.09)
c) Employee benefits expenses	25	4,650.89	3,710.15
d) Finance costs	26	64.49	84.36
e) Depreciation and amortisation expenses	11	19.64	25.52
f) Other expenses	27	1,953.07	1,313.48
Total Expenses		8,574.79	7,564.11
III. Profit/(loss) before exceptional items and tax (I- II)		1,596.49	1,181.82
IV. Exceptional items			
Impact of Labour Codes	43	255.95	-
V. Profit/(loss) before tax		1,340.55	1,181.82
VI. Tax expenses			
a) Current tax		407.44	318.35
b) Deferred tax		(60.86)	(15.35)
c) Income Tax - Previous year		(3.54)	-
VII. Profit/(loss) for the year		997.51	878.82
VIII. Restated Earnings per share : (Face value of ₹2/- each)			
Basic		1.73	1.56
Diluted		1.70	1.48
Significant accounting policies	1		

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

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

Chartered Accountants
Firm Registration Number: 004255S

Udupi Vikram
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Bengaluru
29 May 2026

for and on behalf of the Board of Directors of
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M. No.: A67639
Bengaluru
29 May 2026

Standalone Statement of Cash Flow

for the year ended March 31, 2026

	(Amount in ₹ Lakhs)	
	Year ended March 31, 2026	Year ended March 31, 2025
(A) Cash Flows from Operating Activities		
Net Profit/(loss) before tax and extraordinary items	1,340.55	1,181.82
Adjustments for :		
Depreciation	19.64	25.52
Gain/Loss on sale of Assets	-	-
Gain/Loss on Redemption of Mutual Fund	(0.15)	(0.39)
Provision for deferred tax	(60.86)	(15.35)
Interest Expenses	64.49	84.36
Assets discarded/Loss on sale of asset	-	-
Adjustment in respect of Non Current Investments	-	-
Adjustment in share based payment reserve	71.51	114.14
Dividend / Interest income	(14.01)	(106.74)
Adjustment on FCTR	-	-
Operating Profit before Working Capital change	1,421.17	1,283.35
(Increase) / Decrease in Trade receivables	(685.95)	(247.61)
(Increase) / Decrease in Inventory	(32.90)	(346.99)
(Increase) / Decrease in Loans and advances	107.71	101.76
(Increase) / Decrease in Other Current Assets	104.28	(175.03)
Increase / (Decrease) in Trade Payables	(375.53)	459.68
Increase / (Decrease) in Provisions	297.84	2.50
Increase / (Decrease) in Other Current Liabilities	(13.18)	(462.38)
Cash Generated from/ (used in) Operating Activities	823.43	615.27
Less: Income taxes paid	(343.04)	(303.00)
Net cash from / (used in) Operating Activities	480.40	312.27
(B) Cash Flows from Investing Activities		
Purchase of fixed assets	(655.91)	(317.85)
Changes in Non-current Investments	(2,179.95)	2.43
Changes in other non-current assets	(58.18)	(151.21)
Gain/Loss on sale of Assets	-	-
Interest Income	14.01	106.74
Gain/Loss on Redemption of Mutual Fund	0.15	0.39
Net cash from / (used in) Investing Activities	(2,879.88)	(359.50)
(C) Cash Flows from Financing Activities		
Issue of Share Capital/Share application money received	-	-
Redemption of Share Capital	(156.00)	(156.00)
Money Received Against Share Warrant	476.25	573.75
Premium received during the year	-	-
Net Proceeds from/(repayment) of borrowings	(140.74)	(46.55)
Less: Dividend paid	(13.00)	(28.60)
Less: Interest Expenses	(64.49)	(84.36)
Net cash from / (used in) Financing Activities	102.02	258.24
(D) Total Increase/(Decrease) in Cash and bank balances	(2,297.46)	211.01
(E) Cash and bank balances at the beginning of the year	2,708.18	2,497.17
(F) Closing Cash and bank balances	410.71	2,708.18

Standalone Statement of Cash Flow

for the year ended March 31, 2026

	(Amount in ₹ Lakhs)	
	Year ended March 31, 2026	Year ended March 31, 2025
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	0.16	0.33
b) Balance with banks		
- In current accounts	410.55	806.45
- In Fixed deposits		1,901.40
	410.71	2,708.18

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

Udupi Vikram
Partner
Membership Number: 227984

Bengaluru
29 May 2026

for and on behalf of the Board of Directors of
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Company Secretary
M. No.: A67639
Bengaluru
29 May 2026

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

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:

- It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- 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:

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

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

All other liabilities are classified as non-current.

1.04 Operating cycle

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

the agreed credit period normally applicable to the respective lines of business. The operating cycle identified by the company for Technology Solution business is a duration of 12 months from the end of balance sheet date and for Water Resource Management Solution business the cycle is greater than 12 months.

1.05 Revenue from operations:

- Income and Expenditure are accounted on going concern basis.
- 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.
- 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.
- All other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.
- Interest income is accrued at applicable interest rate. All other income has been recognised when right to receive payment is established.

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

- Property, Plant and Equipment are stated at their original cost of acquisition or construction less accumulated depreciation/amortisation. 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 capitalised 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 capitalised and included in the cost of property, plant and equipment as appropriate.

- Intangible assets are recognised 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 amortisation 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.

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.

1.07 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)
Building	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.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

1.08 Impairment of Assets

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

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

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

1.09 Inventories

Inventories are valued after providing for obsolescence. Raw Materials and finished (traded) goods are valued at lower of cost and net realisable 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 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 recognise a decline, other than temporary, in the value of long-term investments.

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

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.

1.11 Employee Benefits

Defined benefit plans

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

(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 recognised 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.

1.12 Borrowing Costs

Borrowing Costs that are attributable and exclusively relating to the acquisition, construction of the qualifying assets are capitalised as part of cost of such assets up to the date the assets are ready for its intended use. All other borrowing costs are recognised 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

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

resource Management solutions" as the primary reportable segment. The detailed report on the segments were disclosed separately in Note No 42 attached Financial statement.

1.14 Foreign Currency transactions

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

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

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.

2 Share capital

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Authorised		
6,20,00,000 Equity Shares of ₹ 2 each share fully paid	1,240.00	1,240.00
52,00,000 Preference Shares of ₹ 10 each	520.00	520.00
Total	1,760.00	1,760.00
Issued, subscribed and fully paid-up		
5,87,44,893 Equity Shares of ₹ 2 each share fully paid (2026 - 5,87,44,893 Equity Shares of ₹ 2 each share fully paid) (2025 - 5,71,96,113 Equity Shares of ₹ 2 each share fully paid)	1,174.90	1,143.92
15,60,000 Preference Shares of ₹ 10 each (2026 - NIL Preference Shares of ₹ 10 each share fully paid) (2025 - 15,60,000 Preference Shares of ₹ 10 each share fully paid)	-	156.00
Total	1,174.90	1,299.92

(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	As at March 31, 2026		As at March 31, 2025	
	Nos.	Amount	Nos.	Amount
Equity shares				
No. of shares at the beginning of the year	5,71,96,113	1,143.92	5,61,83,920	1,123.68
Add: Bonus Shares issued during the year	-	-	-	-
Add: Further issue of shares through conversion of Preference shares	-	-	-	-
Add: Further issue of shares through conversion of Share Warrants	15,48,780	30.98	10,12,193	20.24
Add: Further issue of shares through IPO	-	-	-	-
Issued, subscribed and fully paid up equity shares having face value of ₹ 2 each at the end of the year	5,87,44,893	1,174.90	5,71,96,113	1,143.92
Number of shares outstanding at the end of the year	5,87,44,893	1,174.90	5,71,96,113	1,143.92

Particulars	As at March 31, 2026		As at March 31, 2025	
	Nos.	Amount	Nos.	Amount
Preference shares				
No. of shares at the beginning of the year	15,60,000	156	31,20,000	312.00
Conversion of Preference shares into Equity Shares	-	-	-	-
Redemption during the year	(15,60,000)	(156.00)	(15,60,000)	(156.00)
Number of shares outstanding at the end of the year.	-	-	15,60,000	156.00

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

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

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹2/- each fully paid				
Raman Subba Rao	1,03,29,882	17.58%	1,03,29,882	18.06%
Raghu C	77,24,542	13.15%	77,24,542	13.51%
Arun D K	74,30,462	12.65%	74,30,462	12.99%
Total	2,54,84,886		2,54,84,886	

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

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Nos.	% Holding	Nos.	% Holding
Preference shares of ₹10/- each fully paid				
Anuradha Hegde	-	0.00%	3,00,000	19.23%
Shweta S Murthy	-	0.00%	82,500	5.29%
Total	-		3,82,500	

(iv) Shareholding of Promoters as on 31st March 2026

(Amount in ₹ Lakhs)

Name of Promoters	No. of Shares	% of Total Shares	% Change during the year
Raman Subba Rao M.R.	1,03,29,882	17.58%	-0.48%
Arun D.K.	74,30,462	12.65%	-0.34%
Raghu C	77,24,542	13.15%	-0.36%
Nagaraju Vineeth	6,10,000	1.04%	-0.03%
Pushparaj Shetty	28,54,382	4.86%	-0.13%
Sheshadri Y.S.	35,94,602	6.12%	2.01%
Total	3,25,43,870		

Shareholding of Promoters as on 31st March 2025

(Amount in ₹ Lakhs)

Name of Promoters	No. of Shares	% of Total Shares	% Change during the year
Raman Subba Rao M.R.	1,03,29,882	18.06%	0.11%
Arun D.K.	74,30,462	12.99%	0.20%
Raghu C	77,24,542	13.51%	0.19%
Nagaraju Vineeth	6,10,000	1.07%	-0.02%
Pushparaj Shetty	28,54,382	4.99%	0.34%
Sheshadri Y.S.	23,50,700	4.11%	-0.07%
Total	3,12,99,968		

Terms/ rights attached to equity shares

The company has two class of share capital i.e. equity shares having face value of ₹ 2 per share and Preference share capital of ₹10 per share. In the Financial year 2020-21 company has sub divided the face value of equity shares of ₹ 10 each per share at the beginning of the year into face value of ₹ 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 ₹ 10 each at a premium of ₹ 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 ₹ 10 each at a premium of ₹ 20 each per equity share.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

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 ₹ 10 each to face value into ₹ 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 ₹ 2 per equity share.

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

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

In the Financial year FY 2024-25, the company had converted 10,12,193 shares warrants into equity shares and shareholders subscribed 10,12,193 equity shares of ₹ 2 each at a premium of ₹ 39 each per equity share.

In the Financial year FY 2025-26, the company had converted 15,48,780 shares warrants into equity shares and shareholders subscribed 15,48,780 equity shares of ₹ 2 each at a premium of ₹ 39 each per equity share.

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

Terms & Conditions attached to the preference shares issued by the company 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 to be paid shall be 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. The remaining 10% of the paid-up preference shares capital has been 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 has been repaid at the end of 3rd year
 - ii. 30% of the preference shares has been 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% has been 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.

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 ₹25 per Equity shares.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

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

During the Financial year FY 2024-25 the company has redeemed 30% of preference shares (15.60Lakhs) at a Face Value of ₹10 per Preference shares.

During the Financial year FY 2025-26 the company has redeemed balance 30% of preference shares (15.60Lakhs) at a Face Value of ₹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.

Employee stock option scheme - The company had reserved 43,50,000 shares 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	19,17,000
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 FY25-26"
Method used to account for ESOS	Fair Value
Options exercised	Nil
Options forfeited/lapsed	Nil
Money realised by exercise of options	Nil
Total number of options in force as of March 31, 2026	15,87,000

Employee-wise detail of options granted to:

i. Key Managerial Personnel	Nil		
	Name of the SMP	No. of options	
ii. Senior Managerial Personnel	Mr. Nagaraj B Bhairaji	2,50,000	
	Mr. Raghu Pavan T S	8,00,000	
	Total	10,50,000	
	Name of the employee	No. of options	%

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

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.	Mr. Nagaraj B Bhairaji	2,50,000	15.75%
		Mr. Raghu Pavan T S	8,00,000	50.41%
		Total	10,50,000	
		Name of the employee	No. of options	%
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	Mr. Raghu Pavan T S	8,00,000	1.95
		Total	8,00,000	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	
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	₹ 25
Weighted average exercise price	₹ 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.

Share Warrants

As at the balance sheet date, the Company has issued the following share warrants:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of Warrants	Amount (₹)	Number of Warrants	Amount (₹)
Total share warrants issued during the year	-	-	25,60,973	1,050.00
Amount received (25% upfront payment)	-	158.75	-	262.50
Warrants converted into equity shares during the year	15,48,780	635.00	10,12,193	415.00
Amount received on conversion (balance 75%)	-	476.25	-	311.25
Warrants pending conversion as at year-end	-	-	15,48,780	635.00
Amount pending on conversion (75% on pending warrants)	-	-	-	476.25
Amount received balance as on Balance sheet Date (25% upfront payment)	-	-	-	158.75

Terms of issue :

- i) Each warrant is convertible into one fully paid equity share of face value ₹2 each at an exercise price of ₹41 per share
- ii) The warrants are exercisable within 18 months from the date of allotment (date of Allotment 23rd May 2024).
- iii) If not exercised within the stipulated period, the upfront amount paid shall be forfeited.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

3 Reserves and surplus

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
a) Securities premium		
Opening balance	4,373.00	3,978.24
Premium received during the year	604.02	394.76
Less - Amount Utilised for Share issue Expenses		
Closing balance (a)	4,977.02	4,373.00
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	433.33	329.33
Created towards redemption of Preference Shares	34.67	104.00
Closing balance (c)	468.00	433.33
The company has transferred a sum of ₹34.67 Lakhs to CRR in the financial year 2025-26 and accumulated CRR created is amounting to ₹ 468.00 Lakhs		
d) Surplus/(deficit) in the statement of profit and loss		
Opening balance	2,293.83	1,547.61
Add: Profit/(Loss) for the year	997.51	878.82
	3,291.34	2,426.43
Less: Appropriations		
Dividend paid		
On Equity Share capital		
On Preference Share capital	13.00	28.60
Transferred to Capital Redemption Reserves	34.67	104.00
Closing balance (d)	3,243.67	2,293.83
e) Share Based Payment Reserve A/c		
Opening balance	240.54	126.40
Add: Transferred during the Year	71.51	114.14
Closing balance (e)	312.05	240.54
Total reserves and surplus	9,013.02	7,352.97

4 Deferred tax Liabilities (Net)

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Deferred tax liability	-	-
Deferred tax asset	-	-
Deferred tax Liabilities (Net)	-	-

5 Other long term liabilities

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
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.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

6 Long term provisions

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
b) Rent equalisation reserve	13.22	29.36
Total	13.22	29.36

7 Short term borrowings

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
a) Cash credit account drawn*	190.07	330.81
Total	190.07	330.81

*The company has availed the Cash Credit Limit of ₹ 500 Lakhs & non fund based limit of ₹ 800 lakhs towards issue of bank guarantee from State Bank of India.

The primary security towards cash credit of ₹ 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 guarantees offered by the Directors of the Company.

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

Rate of interest on cash credit is @12.65% and Bank shall any time and from time to time be entitled to vary the margin base on Credit Risk Assessment of the borrower and the EBR/MCLR at its discretion.

Margin for non fund based limit of ₹ 800 lakhs towards issue of bank guarantee is 25%

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

8 Trade payables

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
a) Due to micro and small enterprises *	22.57	52.89
b) Due to creditors other than micro and small enterprises**	1,472.86	1,818.07
Total	1,495.43	1,870.96

***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 received the required information from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (Except as mentioned above).

Ageing for trade payables

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
(i) MSME		
a) Less than 1 year	22.57	52.89
b) 1 - 2 years	-	-
c) 2 - 3 years	-	-
d) More than 3 years		
Total (i)	22.57	52.89

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
(ii) Others		
a) Less than 1 year	701.53	1,230.72
b) 1 - 2 years	226.03	429.57
c) 2 - 3 years	430.08	157.78
d) More than 3 years	115.22	-
Total (ii)	1,472.86	1,818.07
Total (i+ii)	1,495.43	1,870.96

The Company does not have any disputed outstanding balances.

9 Other current liabilities

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
a) Advances from customers	22.92	21.35
c) Statutory dues	346.38	339.51
d) Salary payable	5.93	7.89
e) Due to employees	12.87	18.39
f) Other payables	9.14	7.14
Total	397.24	394.29

10 Short term provisions

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
a) Provision for taxation	70.96	34.22
b) Provision for Dividend	-	2.60
c) Provision for Compensated Absences	48.87	44.61
b) Provision for Gratuity	297.74	38.29
Total	417.56	119.72

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

Particulars	Gross block			Accumulated depreciation / amortisation				Net block	
	As at 1.04.2025	Additions during the year	Deletions during the year	As at 31.03.2026	As at 1.04.2025	Depreciation for the year	Deletions during the year	As at 31.03.2026	As at 31.03.2025
Property, Plant and Equipment									
Vehicles	29.93	-	-	29.93	23.71	1.79	-	25.50	4.43
Office Equipment	47.22	10.75	-	57.97	39.21	5.07	-	44.28	13.69
Electrical Fittings	13.50	0.86	-	14.36	9.89	1.09	-	10.98	3.37
Furniture	52.57	2.45	-	55.02	38.83	3.61	-	42.44	12.58
Computers	149.73	1.37	-	151.10	132.15	6.58	-	138.73	12.36
Intangible assets									
Software	5.16	-	-	5.16	3.22	1.49	-	4.71	0.46
Intangible asset under development	541.16	640.48	-	1,181.64	-	-	-	-	1,181.64
Total	839.27	655.91	-	1,495.18	247.01	19.64	-	266.64	1,228.54
Previous year	521.42	317.85	-	839.27	221.49	25.52	-	247.01	592.27
									299.93

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

12 Non-current investments

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
a) Investments in Equity Instruments	0.05	0.05
b) Investments in Mutual Funds*	110.18	110.03
c) Investment in Subsidiaries	2,211.33	31.52
d) Investment in Joint Venture	4.90	4.90
e) Investment property	9.81	9.81
Total	2,336.27	156.31

*Market value of the above mutual fund as on 31st March 2026 is ₹139.11 Lakhs (As on 31st March 2025, ₹130.81 Lakhs)

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
In Equity Shares of Subsidiary Companies -Unquoted, fully paid up		
10,000 shares of SGD 1 per share, fully paid up		
In Canarys APAC PTE. LTD.	5.70	5.70
57,000 shares of USD 1 per share, fully paid up		
In Canarys Corp USA	25.83	25.83
5,100 shares of USD 100 per share, fully paid up	2,179.80	-
In Fortira Inc. USA		
In Equity Shares of Joint Venture -Unquoted, fully paid up		
4,900 shares of ₹ 100 per share, fully paid up		
In Canarys Hanuka Apo Technologies Pvt Lt	4.90	4.90
In Equity Shares of other companies -Unquoted, fully paid up		
500 shares of ₹ 10 per share, fully paid up		
In iBOTomate Private Limited	0.05	0.05
In Mutual Funds*	110.18	110.18
In Property	9.81	9.81
Total	2,336.27	156.31

13 Long term loans and advances

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
a) Security deposit	1.29	1.29
b) Rent deposit**	10.00	11.40
Total	11.29	12.69

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

14 Other non current assets

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Fixed deposit with maturity more than 12 months	209.40	151.21
Total	209.40	151.21

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

15 Deferred tax Liabilities (Net)

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax asset	104.75	43.89
Deferred tax Liabilities (Net)	104.75	43.89

16 Inventories

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Raw material and Components	-	54.90
Work-in-progress	478.50	390.71
Total	478.50	445.60

17 Trade receivables

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured considered good		
a) Over six months from the date they were due for payment	2,772.93	3,043.27
b) Others	4,592.94	3,636.67
Total	7,365.87	6,679.93

Ageing for trade receivables

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
(i) Undisputed Trade Receivables		
- Considered Good		
a) Less than 6 months	4,592.94	3,636.67
b) 6 months - 1 year	234.56	796.67
c) 1 - 2 years	930.39	1,148.13
d) 2 - 3 years	665.11	876.25
e) More than 3 years	942.87	222.21
Total	7,365.87	6,679.93

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

18 Cash and bank balances

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Cash and bank balances		
a) Cash on hand	0.16	0.33
b) Balance with banks		
- In current accounts	410.55	806.45
- In Fixed deposits	-	1,901.40
Total	410.71	2,708.18

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

19 Short-term loans and advances

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
a) Balances with statutory authorities	31.94	63.28
b) Trade advance	55.60	168.01
c) Staff Advance	46.25	11.42
d) Due from Employees	13.30	10.69
Total	147.09	253.40

20 Other current assets

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
a) Earnest Money Deposit	84.14	53.68
b) Prepaid expense	24.97	44.27
c) Interest receivable	9.66	11.49
d) Unbilled revenue	293.55	407.16
Total	412.32	516.59

21 Revenue from operations

(Amount in ₹ Lakhs)		
Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Revenue from Water Resource Management Solution	1,380.02	3,141.14
Revenue from Technology Solutions	8,633.11	5,455.30
Total	10,013.13	8,596.44

22 Other income

(Amount in ₹ Lakhs)		
Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Interest income	14.01	106.74
Profit on Redemption of MF	0.15	0.39
Rental Income	3.96	3.96
Exchange gain	140.03	35.70
Miscellaneous income(Other non operating income)	0.01	2.69
Total	158.15	149.48

23 Purchases

(Amount in ₹ Lakhs)		
Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Purchases	1,287.80	1,635.05
Direct expenses	686.70	1,087.65
Total	1,974.50	2,722.70

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

24 (Increase)/decrease in inventory

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Opening Inventory	390.71	98.61
Less : Closing Inventory	(478.50)	(390.71)
Work in Progress	-	-
(Increase)/decrease in Inventory	(87.80)	(292.09)

25 Employee benefit expenses

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Salaries and wages	4,286.74	3,371.58
Contributions to Provident and other funds	170.43	132.07
Staff welfare expenses	85.71	54.05
Gratuity expenses (Net)	292.45	38.31
Share based payment expenses	71.51	114.14
Total	4,906.84	3,710.15

26 Finance cost

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Interest expense	30.55	53.78
Bank Charges	33.94	30.58
Total	64.49	84.36

27 Other expenses

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Rates and taxes	11.87	18.50
Rent expenses	44.85	62.69
Repairs and maintenance	84.99	62.30
Laptop rental charges	80.09	43.23
Office maintenance	32.47	29.66
Insurance	18.29	17.57
Professional charges	1,261.60	727.02
Communication & internet charges	52.41	57.78
Payment to auditors		
i) Audit fees	6.05	6.05
Travelling and conveyance	201.11	176.71
Marketing expense	66.37	40.35
Security Charges	3.58	3.29
Printing and stationery	3.07	4.19
Power and Fuel	13.46	11.83
Bad debts	16.59	3.98
Subscription Charges	32.17	28.27
CSR Expense	24.10	20.06
Total	1,953.07	1,313.48

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

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

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Current Service cost	62.56	21.41
Interest cost	8.04	6.75
Expected return on plan assets	8.06	6.16
Past Service Cost(Non Vested)	255.95	-
Past Service Cost(Non Vested)	7.52	(14.87)
Net gratuity cost	310.96	36.88

*The total cost accounted in the books of accounts amounts to ₹ 292.45 lakhs, of which ₹ 290.70 lakhs pertains to gratuity cost, while the remaining ₹ 1.75 lakhs represents the premium paid towards the gratuity fund.

II. Net asset/liability recognised during the year

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Present value of defined benefit obligation	418.58	134.86
Present Value of DBO	418.58	134.86
Fair Value of Plan Assets at the end of year	120.84	96.58
Funded status (deficit)	(297.74)	(38.29)
Unrecognised Past Service Cost	-	-
Net asset/(liability) recognised in the balance sheet	(297.74)	(38.29)

III. Change in defined benefit obligation

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Obligations at beginning of the year	134.86	101.27
Service cost	62.56	21.41
Interest cost	8.04	6.75
Past service cost - vested benefits	255.95	-
Benefit payments	(14.51)	(9.75)
Actuarial loss/(gains) due to change in assumptions	-	-
Actuarial Loss/(gain) due to plan experience	(28.31)	15.18
Obligations at end of the year	418.58	134.86

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

IV. Reconciliation of net asset/(liability)

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Net asset/(liability) at beginning of the year	(38.29)	(15.47)
Employer expense	290.71	36.88
Benefits payments made directly by sponsor	(31.26)	(14.06)
Net asset/(liability) at end of the year	(297.74)	(38.29)

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

(Amount in ₹ Lakhs)

Assumptions	As at March 31, 2026	As at March 31, 2025
Discount rate	6.27%	6.30%
Expected rate of return on assets	7.63%	7.68%
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.

29 Contingent liabilities and capital commitments

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

(Amount in ₹ Lakhs)

Name of Statute	Nature of the dues	Period to which the amount related (Assessment Year)	Forum where dispute is pending	As at March 31, 2026	As at March 31, 2025
The Income Tax Act, 1961	Sec. 195 - TDS on non-resident payment	2018-19	CIT Appeals	72.77	72.77
Goods and Service Tax	Demand on Output Tax Liability	2021-22	DGST Appeals	6.80	-

30 Earnings and expenditure in foreign currency

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Earnings in foreign currency:		
Export of Services	4,654.72	2,541.57
Expenditure in foreign currency:		
- Import of Raw Materials & services	(798.91)	(466.86)
- Travelling and conveyance	(21.81)	(7.63)
Total	3,833.99	2,067.09

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

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, 2026.

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Amount due to vendor	22.57	52.89
Principal amount paid beyond the appointed date		
Interest under normal credit terms-		
Accrued during the year	0.31	0.42
Unpaid	0.56	0.14
Total interest payable-		
Accrued during the year	0.31	0.42
Unpaid	0.56	0.14
Total	23.45	53.31

B) Aging for trade payables from the due date of Payment for Each of the Category as at 31st March 2026

Particulars	Less than 1 Year	1-2 Years	2-3-Years	More Than 3 Years	Total
i) MSME	22.57	-	-	-	22.57
ii) Others	701.53	226.03	430.08	115.22	1,472.86
iii) Dispute Dues MSME	-	-	-	-	-
iii) Dispute Dues Others	-	-	-	-	-
Total	724.10	226.03	430.08	115.22	1,495.43

B) Aging for trade payables from the due date of Payment for Each of the Category as at 31st March 2025

Particulars	Less than 1 Year	1-2 Years	2-3-Years	More Than 3 Years	Total
i) MSME	52.89	-	-	-	52.89
ii) Others	1,230.72	429.57	157.78	-	1,818.07
iii) Dispute Dues MSME	-	-	-	-	-
iii) Dispute Dues Others	-	-	-	-	-
Total	1,283.61	429.57	157.78	-	1,870.96

32 Payment to auditor

(Amount in ₹ Lakhs)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
For services as auditors	6.05	6.05
Total	6.05	6.05

* The amount disclosed above does not include GST component.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

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. Pushparaj Shetty	Director
	6. Nagashree Hegde (Retired on 02.08.2024)	Company Secretary & Compliance Officer
	7. Ambikeshwari M A (Appointed on 03.09.2024)	Company Secretary & Compliance Officer
	8. Bhavya	
	9. Kalpana K N	
	10. Kamala M R	
	11. Kanaada M R	Relative of Key Managerial Personnel
	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
	Fortira Inc - USA	Subsidiary company from 15 th April 2025
	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, 2026	As at March 31, 2025
I	Revenue Transactions		
	Remuneration:		
i)	Raman Subba Rao MR	99.99	62.40
ii)	C. Raghu	105.80	64.20
iii)	D.K. Arun	106.80	64.20
iv)	Sheshadri Y S	126.80	78.20
v)	Pushparaj Shetty	105.00	62.40
vi)	Nagashree Hegde	-	3.58
vii)	Ambikeshwari M A	12.69	8.55
	Reimbursement of Travel & Other Expenses:		
i)	Raman Subba Rao MR	31.45	17.05
ii)	C. Raghu	32.22	21.82
iii)	D.K. Arun	31.46	25.07
iv)	Sheshadri Y S	18.96	13.19

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

Sl. No.	Transactions	As at March 31, 2026	As at March 31, 2025
v)	Pushparaj Shetty	1.15	1.19
	Dividend Paid:		
	Preference Dividend		
i)	Bhavya	0.30	0.60
ii)	Kalpana K N	0.17	0.33
iii)	Kamala M R	0.15	0.30
iv)	Kanaada M R	0.15	0.30
v)	Rajeswari C	0.15	0.30
vi)	Saraswathi Raghu	0.32	0.63
vii)	Shylaja Arun	0.32	0.63
	Redemption of Preference Shares		
i)	Bhavya	3.00	3.00
ii)	Kalpana K N	1.65	1.65
iii)	Kamala M R	1.50	1.50
iv)	Kanaada M R	1.50	1.50
v)	Rajeswari C	1.50	1.50
vi)	Saraswathi Raghu	3.15	3.15
vii)	Shylaja Arun	3.15	3.15
	Sale of Services :		
i)	iBOTomate Private Limited	249.17	153.40
ii)	Fortira Inc.	1,303.10	-
iii)	Canarys Corp	172.10	-
	Purchase of Goods :		
i)	Canarys Hanuka APO Technologies Pvt Ltd	162.23	-
	Consultancy Charges Paid		
i)	Kanaada M R	17.38	11.46
	Investments		
	Fortira Inc.	2,179.80	
Sl. No.	Closing balance Balance Receivable/(Payable):	As at March 31, 2026	As at March 31, 2025
1	Raman Subba Rao MR		
i)	Salary Payable	-	-
ii)	Due to employees (Reimbursement)	0.07	(1.41)
2	C. Raghu		
i)	Salary Payable	-	-
ii)	Due to employees (Reimbursement)	(0.60)	(2.90)
3	D.K. Arun		
i)	Salary Payable	-	-
ii)	Due to employees (Reimbursement)	1.56	2.21

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

Sl. No.	Closing balance Balance Receivable/(Payable):	As at March 31, 2026	As at March 31, 2025
4	Sheshadri Y S		
i)	Salary Payable	-	-
ii)	Due to employees (Reimbursement)	(2.80)	(3.82)
5	Pushparaj Shetty		
i)	Salary Payable	-	-
ii)	Due to employees (Reimbursement)	-	(0.09)
6	Fortira Inc.		
i)	Trade receivable	939.67	-
7	Canarys Corp		
i)	Trade receivable	172.10	-
8	iBOTomate Private Limited		
i)	Trade receivable	254.31	108.00
9	Kanaada M R		
i)	Consultancy Charges Payable	(0.83)	(2.47)
10	Canarys Hanuka APO Technologies Pvt Ltd		
i)	Trade payable	(962.60)	(813.89)

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

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Equity Shares		
Profit / (Loss) after tax attributable to equity share holders (₹)	997.51	878.82
Total number of equity shares of ₹2 each	5,87,44,893	5,71,96,113
Weighted average number of shares in calculating EPS	5,77,56,220	5,62,61,568
Earnings per Share (EPS)	1.73	1.56
Diluted Earnings per Share (DPS)	1.70	1.48

35 Leases

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
1. Future Minimum Lease Payments		
- Not later than one year	60.03	60.82
- Later than one year and not later than five years	279.65	247.60
- Later than five years	89.10	-
2. Lease payments recognised in the statement of profit and loss	44.85	62.69

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

- 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)
- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

37 Impairment of assets

No impairment of assets was recognised by the Company during the financial year 2025-26.

38 Intangible asset under development

The company is developing software and the same have been capitalised as per AS26 and shown under PPE.

Canarys Modernisation Framework Solution (CMF)

The company has recognised “software modernisation”, “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 modernisation, the company has started creating a modernisation framework branded as CMF – Canarys Modernisation 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 2026-27, 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 Capitalisation 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 capitalised, capitalisation will seize once final testing is completed. Any further expenses would be capitalised 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 amortise the capitalised 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 is 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	640.48	312.24	228.92	-	1,181.64
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 Modernisation Framework Solution (CMF)	-	-	1,181.64	-

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.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

40 Trade Receivable Aging Schedule As at 31st March 2026

Particulars	Outstanding for following periods from due date of Payment					Total
	Less Than 6 Month	6 Month to 1 Year	1 – 2 Years	2 – 3 Years	More than 3 Years	
i) Undisputed Trade Receivables						
- Considered Good	4,592.94	234.56	930.39	665.11	942.87	7,365.87
- Considered Doubtful	-	-	-	-	-	-
ii) Disputed Trade Receivables						
- Considered Good	-	-	-	-	-	-
- Considered Doubtful	-	-	-	-	-	-
Total	4,592.94	234.56	930.39	665.11	942.87	7,365.87

Trade Receivable Aging Schedule As at 31st March 2025

Particulars	Outstanding for following periods from due date of Payment					Total
	Less Than 6 Month	6 Month to 1 Year	1 – 2 Years	2 – 3 Years	More than 3 Years	
i) Undisputed Trade Receivables						
- Considered Good	3,636.67	796.67	1,148.13	876.25	222.21	6,679.93
- Considered Doubtful	-	-	-	-	-	-
ii) Disputed Trade Receivables						
- Considered Good	-	-	-	-	-	-
- Considered Doubtful	-	-	-	-	-	-
Total	3,636.67	796.67	1,148.13	876.25	222.21	6,679.93

41 Ratio analysis

Ratio analysis for the year ended March 31, 2026

Ratio	Numerator	Denominator	Current Period	Previous period	% of variance	Reason for variance of 25% or more
Current Ratio	Current assets	Current liabilities	3.53	3.90	-10%	NA
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	0.11	0.11	-3%	NA
Inventory Turnover ratio	COGS	Average inventory	0.87	1.12	-22%	NA
Trade Receivable Turnover Ratio	Revenue	Average trade receivable	1.43	1.31	9%	NA
Trade Payable Turnover Ratio	Purchases of services and other expenses	Average trade payables	1.17	1.66	-29%	The decrease in the ratio is primarily attributable to a reduction in trade payables during the current period compared with the previous period. The movement in the ratio is also influenced by the corresponding change in purchases of services and other expenses during the period and reduced our average outstanding payables.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

Ratio	Numerator	Denominator	Current Period	Previous period	% of variance	Reason for variance of 25% or more
Net capital Turnover Ratio	Revenue	Working capital	1.59	1.09	46%	The increase indicates improved utilisation of working capital in generating revenue. The movement are attributable to higher revenue and/or a reduction in working capital compared with the previous period.
Net Profit Ratio	Net profit	Revenue	0.10	0.10	-3%	NA
Return on capital Employed	Earning before interest and taxes	Capital employed	0.16	0.14	20%	NA
Return on Investments	Income generated from investments	Time weighted average investments	0.07	0.05	29%	The improved returns generated from investments during the period, potentially due to higher investment income and improvement in the investment portfolio.

42 Segment wise Details

Segment wise Revenue, Results and Capital Employed as on 31st March 2026

(Amount in ₹ Lakhs)

S No. Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
1 Segment Revenue		
Technology Solutions	8,633.11	5,755.30
Water Resource Management Solutions	1,380.02	3,141.14
Total	10,013.13	8,896.44
Less : Inter Segment Revenue		(300.00)
Net Sales / Income from Operations	10,013.13	8,596.44
2 Segment Results		
Technology Solutions	1,295.05	650.38
Water Resource Management Solutions	137.03	586.99
Total	1,432.08	1,237.37
Less: Interest	(64.49)	(84.36)
Other Un-allocable Expenditure net off	(185.19)	(120.68)
Un-allocable income	158.15	149.48
Total Profit Before Tax	1,340.56	1,181.82
3 Capital Employed		
(Segment Assets – Segment Liability)		
Technology Solutions	4,592.86	3,010.50
Water Resource Management Solutions	3,659.70	4,409.03
Unallocated Segment	1,935.35	1,392.11
Total	10,187.92	8,811.64

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

43 Impact of Labour Codes

On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, ('Labour Codes') which consolidate twenty-nine existing labour laws into a unified framework governing employee benefits during employment and post-employment. The Labour Codes, amongst other things introduces changes, including a uniform definition of wages and enhanced benefits relating to leave. The Company has assessed the financial implications of these changes which has resulted in increase in gratuity liability arising out of past service cost by ₹ 255.95 Lakhs . Considering the impact arising out of an enactment of the new legislation is an event of nonrecurring nature, the Company has presented this incremental amount as "Impact of Labour Codes" under "Exceptional Item" in the Standalone Statement of Profit and Loss for the year ended March 31, 2026. The Company continues to monitor the developments pertaining to Labour Codes and will evaluate impact if any on the measurement of the employee benefits liability.

Additional regulatory Requirements

44 Wilful Defaulter

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

45 Relationship with Struck off Companies

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

46 Corporate Social Responsibility (CSR) expenditure

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Amount required to be spent by the company during the year	24.10	20.06
Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	24.10	20.00
Shortfall at the end of the year	-	0.06
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	

Note: During the Previous financial year ₹0.06 Lakhs, which were unspent at the end of the year, were later remitted to the PM CARES Fund on 22nd May 2025.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2026

47 Backup of Books of accounts and Audit trail

Backup of books of account: As per MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per these Rules, the companies are required to maintain back-up of books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create backup of accounts on servers physically located in India on a daily basis.

The Company maintains its books of account, along with other relevant books and papers in electronic format. The back-up of the books of account occurs daily in servers physically located in India.

Audit trail: Based on the requirements of proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 applicable from 01 April 2023 and reporting under Rule 11(g) of the companies (Audit and Auditors) Rules, 2014, the Company has preserved audit trail as per the statutory requirements for the year ended 31 March 2026. 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, 2026

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

Udupi Vikram
Partner
Membership Number: 227984

Bengaluru
29 May 2026

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

Raman Subbarao M R
Managing Director
DIN: 00176920
Bengaluru
29 May 2026

Raghu C
Whole-time Director & CFO
DIN: 01065269
Bengaluru
29 May 2026

Sheshadri Y S
Director & CEO
DIN: 03367545
Bengaluru
29 May 2026

Ambikeshwari M A
Company Secretary
M. No.: A67639
Bengaluru
29 May 2026

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 “Holding Company”) and its Subsidiaries and Joint Venture, (the Holding Company and its Subsidiaries and Joint Venture together referred to as the “Group”) which comprise the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows 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 Group as at March 31, 2026, their consolidated profit and their consolidated 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants (“ICAI”) 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 ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 recognised on fixed-price contracts.	Principal Audit Procedures Performed included the following: Our audit procedures related to the determination of whether revenue is recognised 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 recognised 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.

Sl. No.	Key Audit Matter	Auditor’s response
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 and 2 years. The Group is unable to obtain balance confirmations regarding the outstanding amount to be received from these entities as on 31 March 2026. There has been no provision for doubtful debts created against such receivables, as the Group believes, on the basis of past realisation 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 evaluating the recoverability of long-outstanding trade receivables, particularly those due from government entities, included the following, among others: • We obtained an understanding of the Company’s assessment process for recoverability of receivables from government entities and evaluated the reasonableness of management’s judgement, having regard to historical collection experience. • We selected a sample of trade receivable balances outstanding for a period between one and two years from government entities and traced these to underlying invoices and supporting documentation. • As balance confirmations could not be obtained from these entities, we performed alternative procedures, including verification of subsequent receipts against the outstanding balances and correlation of the timing and pattern of such receipts with amounts recorded as at year end. • We evaluated the historical trend of recoveries from these customers to assess whether it supports management’s conclusion that no provision for doubtful debts is required, and considered whether any indicators of credit deterioration existed that would contradict this conclusion. • We reviewed the ageing of trade receivables and the related disclosures in the Standalone Financial Statements to assess whether they are adequate and appropriately presented. Based on the above procedures, we concur that the Company’s assessment of recoverability of these receivables is reasonable in the context of the Standalone Financial Statements as a whole.
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 capitalised in the FY 2025-26. This required a high degree of auditor judgment in evaluating the audit evidence since this estimate has a high inherent uncertainty of realisation of projected revenues.	Principal audit procedures performed included the following: Our audit procedures related to the assessing the reliability of realisation of project revenues shared by the management included the following, among others: • We tested the effectiveness of controls relating to the capitalisation of intangible assets under development. • We selected a sample of employees and evaluated their timesheets with the cost capitalised. • 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 utilisation patterns of employees, which could materially affect the Consolidated 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.

Independent Auditor's Report (Contd.)

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation and presentation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, 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 and the secretarial audit report are not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management 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 the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. This responsibility also includes 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 statement 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 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 Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the entities included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

As part of an audit in accordance with SAs, we exercise professional 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. Under section 143(3)(i) of the

Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such 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 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 consolidated financial statement 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 Consolidated Financial Statements, including the disclosures, and whether the consolidated financial statement 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 three subsidiary entities – Canarys Corp, USA having net worth of ₹ 109.03 (in lakhs), and total profit after tax of ₹ 12.52 (in lakhs) for the year ended March 31, 2026, Canarys APAC Pte Ltd having net worth of ₹ 2.48 (in lakhs), and total loss of ₹ (1.46) (in lakhs) for the year ended March 31, 2026, and Fortira Inc having net worth of ₹ 331.55 (in lakhs), and total profit after tax of ₹ 512.72 (in lakhs) for the year ended March 31, 2026, as considered in the Consolidated Financial Statements, in respect of subsidiaries. Cash flow statement is not applicable to the subsidiary as it is incorporated outside India. 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 ₹ (156.02) (in lakhs), total loss of ₹ (37.93) (in lakhs), for the year ended March 31, 2026 as considered in the Consolidated Financial Statements. The financial statements of this Joint Venture have not been audited as on the date of this auditor's report and the financial statements has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of 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 and other auditors.

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 and Joint Venture 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

Independent Auditor's Report (Contd.)

- 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 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 books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statement complies 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 31 March 2026 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2026 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 with reference to Consolidated Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Consolidated Financial Statements.
- 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:
- The Consolidated Financial Statements disclose the impact of pending litigations on the consolidation financial position of the Group. Refer note 28 to the Consolidated Financial Statements.
 - The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group.
 - The respective managements of the Holding Company, its subsidiaries and Joint Venture, has represented that, to the best of its knowledge and belief, other than disclosed in the note 35 of the 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 Holding Company to or in any other person(s) or entity(ies), including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - The respective managements of the Company and its subsidiary has represented that, to the best of its knowledge and belief, other than disclosed in the note 35 of the Consolidated Financial Statements, no funds have been received by the Holding company, from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - Based on such audit procedures that have been 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 (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - The interim dividend for preference shares capital declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
 - Based on our examination, which included test checks, and as communicated by the respective auditor of the Joint Venture, the Holding Company and its Joint Venture incorporated in India, the holding Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the 'Order'/'CARO') issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, 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.: 0042555

Udupi Vikram

Partner
Membership No.: 227984

Bengaluru
29 May 2026
UDIN: 26227984QWZKWK4976

“Annexure – A” 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, 2026, in conjunction with our audit of the Consolidated Financial Statements of the company for the year ended on that date.

Management’s responsibility for internal financial controls

The respective managements and Board of Directors of the Holding Company and its JV incorporated India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its JV incorporated India 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 (‘the 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 the 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 and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, 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 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 and its subsidiary’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 the Consolidated 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 Consolidated 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 Consolidated 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 and to the best of our information and according to the explanations given to us, based on the test checks conducted by us, the Holding Company and its JV incorporated India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31 March 2026, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

We have not audited the financial statements of three subsidiary entities – Canarys Corp, USA having net worth of ₹ 109.03 (in lakhs), and total profit after tax of ₹ 12.52 (in lakhs) for the year ended March 31, 2026, Canarys APAC Pte Ltd having net worth of ₹ 2.48 (in lakhs), and total loss of ₹ (1.46) (in lakhs) for the year ended March 31, 2026, and Fortira Inc having net worth of ₹ 331.55 (in lakhs), and total profit after tax of ₹ 512.72 (in lakhs) for the year ended March 31, 2026, as considered in the Consolidated Financial Statements, in respect of subsidiaries. Cash flow statement is not applicable to the subsidiary as it is incorporated outside India. 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 ₹ (156.02) (in lakhs), total loss of ₹ (37.93) (in lakhs), for the year ended March 31, 2026 as considered in the Consolidated Financial Statements. The financial statements of this Joint Venture have not been audited as on the date of this auditor’s report and the financial statements has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of 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 and other auditors.

for SURESH & CO.

Chartered Accountants
Firm Registration No.: 0042555

Udupi Vikram

Partner
Membership No.: 227984

Bengaluru
29 May 2026
UDIN: 26227984QWZKWK4976

Consolidated Balance Sheet

as at March 31, 2026

(Amount in ₹ Lakhs)			
	Notes	As at March 31, 2026	As at March 31, 2025
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	3	1,174.90	1,299.92
(b) Reserves and Surplus	4	9,178.81	7,288.39
Total		10,353.71	8,588.31
(2) Share Application Money Pending Allotment	3	-	158.75
(3) Minority Interest	5	160.06	-
(4) Non-current liabilities			
(a) Other Long-term Liabilities	6	3.30	3.30
(b) Long-term Provisions	7	13.23	29.36
Total		16.53	32.66
(5) Current liabilities			
(a) Short-term Borrowings	8	964.96	713.91
(b) Trade Payables	9	-	-
- Due to Micro and Small Enterprises		219.45	316.41
- Due to Others		1,150.68	1,524.13
(c) Other Current Liabilities	10	632.95	596.87
(d) Short-term Provisions	11	560.07	119.73
Total		3,528.11	3,271.05
Total Equity and Liabilities		14,058.41	12,050.77
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	12	46.44	49.24
(ii) Intangible Assets	12	0.46	1.95
(iii) Intangible Assets under Development	12	1,181.64	541.16
(iv) Goodwill on Consolidation		2,255.05	-
(b) Non-current Investments	13	120.04	119.89
(c) Deferred Tax Assets (net)	14	104.75	43.89
(d) Long term Loans and Advances	15	11.33	12.73
(e) Other Non-current Assets	16	209.40	151.21
Total		3,929.11	920.07
(2) Current assets			
(a) Inventories	17	602.54	622.58
(b) Trade Receivables	18	8,025.88	6,832.76
(c) Cash and cash equivalents	19	794.81	2,780.58
(d) Short-term Loans and Advances	20	257.85	378.19
(e) Other Current Assets	21	448.22	516.59
Total		10,129.30	11,130.70
Total Assets		14,058.41	12,050.77
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

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

Udupi Vikram
Partner
Membership Number: 227984

Raman Subbarao M R
Managing Director
DIN: 00176920
Bengaluru
29 May 2026

Sheshadri Y S
Director & CEO
DIN: 03367545
Bengaluru
29 May 2026

Bengaluru
29 May 2026

Raghu C
Whole-time Director & CFO
DIN: 01065269
Bengaluru
29 May 2026

Ambikeshwari M A
Company Secretary
M. No.: A67639
Bengaluru
29 May 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

(₹ In Lakhs)			
Particulars	Note	Year Ended 31st March 2026	Year Ended 31st March 2025
Revenue from Operations	22	19,814.60	8,908.27
Other Income	23	159.62	149.58
Total Income		19,974.22	9,057.85
Expenses			
Purchases of Stock in Trade	24	7,977.43	3,020.84
Change in Inventories of work in progress and finished goods	25	(34.85)	(393.95)
Employee Benefit Expenses	26	7,325.69	3,800.95
Finance Costs	27	133.08	118.25
Depreciation and Amortisation Expenses	28	19.71	26.62
Other Expenses	29	2,324.49	1,336.12
Total expenses		17,745.56	7,908.84
Profit/(Loss) before Exceptional and Extraordinary Item and Tax		2,228.67	1,149.01
Exceptional Item	30	255.95	-
Profit/(Loss) before Extraordinary Item and Tax		1,972.72	1,149.01
Extraordinary Item		-	-
Profit/(Loss) before Tax		1,972.72	1,149.01
Tax Expenses	31	-	-
- Current Tax		550.21	320.81
- Deferred Tax		(60.86)	(0.75)
Profit/(Loss) after Tax		1,483.37	828.96
Profit/(Loss) for the period (before Minority interest adjustment)		1,483.37	-
Less: Minority interest in (Profit)/losses		251.23	-
Profit/(Loss) for the period (after Minority interest adjustment)		1,232.14	-
Earnings Per Share (Face Value per Share ₹2 each)			
- Basic (In ₹)	32	2.11	1.42
- Diluted (In ₹)	32	2.11	1.42
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

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

Udupi Vikram
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Bengaluru
29 May 2026

Ambikeshwari M A
Company Secretary
M. No.: A67639
Bengaluru
29 May 2026

Consolidated Statement of Cash Flow

for the year ended March 31, 2026

		(₹ In Lakhs)	
Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		1,972.72	1,149.01
Depreciation and Amortisation Expense		19.71	26.62
Provision for deferred tax		(60.86)	(0.75)
Effect of Exchange Rate Change		15.40	3.46
Net Loss/(Gain) on Sale of Investments		(0.15)	(0.39)
Non Cash Expenses		71.51	114.14
Interest Income		(13.98)	(106.74)
Finance Costs		133.08	118.25
Operating Profit before working capital changes		2,137.43	1,303.60
Adjustment for:			
Inventories		20.05	(448.84)
Trade Receivables		(1,193.12)	(356.55)
Loans and Advances		121.74	70.42
Other Current Assets		68.37	(175.01)
Trade Payables		(470.42)	766.83
Other Current Liabilities		36.08	(455.90)
Short-term Provisions		424.21	0.11
Cash (Used in)/Generated from Operations		1,144.34	704.64
Tax paid(Net)		(489.35)	(320.05)
Net Cash (Used in)/Generated from Operating Activities		654.98	384.59
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(655.91)	(317.85)
Sale / Redemption of Other Investments		0.15	0.39
Goodwill on Consolidation		(2,255.05)	-
Movement in other non current assets		(58.33)	(148.83)
Interest received		13.98	106.74
Net Cash (Used in)/Generated from Investing Activities		(2,955.16)	(359.55)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Share Capital		320.25	417.75
Proceeds from Short Term Borrowings		251.06	(57.71)
Minority Interest Movement		(91.17)	-
Dividends Paid (including Dividend Distribution Tax)		(32.65)	(28.60)
Interest Paid		(133.08)	(118.25)
Net Cash (Used in)/Generated from Financing Activities		314.40	213.18
Net Increase/(Decrease) in Cash and Cash Equivalents		(1,985.77)	238.23
Opening Balance of Cash and Cash Equivalents		2,780.58	2,542.35
Exchange difference of Foreign Currency Cash and Cash equivalents			
Closing Balance of Cash and Cash Equivalents	19	794.81	2,780.58

Components of cash and cash equivalents	Year ended March 31, 2026	Year ended March 31, 2025
Cash on hand	0.18	0.35
Cheques, drafts on hand	-	-
Balances with banks in current accounts	794.63	878.83
Bank Deposit having maturity of less than 3 months	-	1,901.40
Others	-	-
Cash and cash equivalents as per Cash Flow Statement	794.81	2,780.58

Note:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".

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

for and on behalf of the Board of Directors of

Canarys Automations Limited

Udupi Vikram

Partner

Membership Number: 227984

Raman Subbarao M R

Managing Director

DIN: 00176920

Bengaluru

29 May 2026

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Bengaluru

29 May 2026

Ambikeshwari M A

Company Secretary

M. No.: A67639

Bengaluru

29 May 2026

Bengaluru

29 May 2026

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

1 Company Information

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.

2 Significant Accounting Policies

a Basis of Preparation

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:

- 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"
- 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"
- 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."

b Use of Estimates

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

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.

c Current and Non Current Classification

Assets

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

- It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- 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:

- It is expected to be settled in the company's normal operating cycle;

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

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

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

All other liabilities are classified as non-current.

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

- Property, Plant and Equipment are stated at their original cost of acquisition or construction less accumulated depreciation/amortisation. 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 capitalised 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 capitalised and included in the cost of property, plant and equipment as appropriate.

e Intangible assets

- Intangible assets are recognised 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 amortisation 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.

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 12 attached financial Statement.

f Depreciation and 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:

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.

Type of Assets	Useful Life
Buildings	60 Years
Plant and Equipment	15 Years
Furniture and Fixtures	10 Years
Motor vehicles	8 Years
Office equipment	5 Years
Computer equipment's	5 Years
Software	1- 3 Years

g Impairment of assets

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

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

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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.

h Investment

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

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

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.

i Inventories

Inventories are valued after providing for obsolescence. Raw Materials and finished (traded) goods are valued at lower of cost and net realisable 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 water resource management services.

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

j 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.

k 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.

l 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.

m Revenue from operations

- Income and Expenditure are accounted on going concern basis.
- 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.
- 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.
- All other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.
- Interest income is accrued at applicable interest rate. All other income has been recognised when right to receive payment is established.

n Employee Benefits

Defined benefit plans

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

(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,

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

wages, short term compensated absences etc. and incentives if any, are recognised 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.

o Borrowing Cost

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

p Foreign Currency transactions

Transactions in foreign currency are recognised at the rates of exchange prevailing on the dates of the transactions as per the CBIC rates. Exchange differences arising on long-term foreign currency monetary items related to acquisition of fixed asset are capitalised and depreciated over the remaining useful life of the asset.

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.

q Income tax

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

deferred tax asset of earlier years are reassessed and recognised 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.

r Segment accounting

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 resource Management solutions" as the primary reportable segment. The detailed report on the segments were disclosed separately in Note No 42 attached Financial statement.

s Earnings Per Shares

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.

t 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.

u 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 realisation of

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receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business. The operating cycle identified by the company for Technology Solution business is a duration of 12 months from the end of balance sheet date and for Water Resource Management Solution business the cycle is greater than 12 months.

v Provisions, Contingent liabilities and Contingent assets

Provisions involving substantial degree of estimation in measurement are recognised 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 recognised 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.

w 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 capitalised 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.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

3 Share capital

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised Share Capital		
Equity Shares, of ₹ 2 each, 62000000 (Previous Year -62000000) Equity Shares	1,240.00	1,240.00
Preference Shares , of ₹ 10 each, 5200000 (Previous Year -5200000) Preference Shares	520.00	520.00
Issued, Subscribed and Fully Paid up Share Capital		
Equity Shares, of ₹ 2 each, 58744893 (Previous Year -57196113) Equity Shares paid up	1,174.90	1,143.92
Preference Shares , of ₹ 10 each, 0 (Previous Year -1560000) Preference Shares paid up	-	156.00
Total	1,174.90	1,299.92

(i) Reconciliation of number of shares

Particulars	As on 31st March 2026		As on 31st March 2025	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
Opening Balance	5,71,96,113	1,143.92	5,61,83,920	1,123.68
Issued during the year	15,48,780	30.98	10,12,193	20.24
Deletion	-	-		
Closing balance	5,87,44,893	1,174.90	5,71,96,113	1,143.92

Preference Shares

Particulars	As at March 31, 2026		As at March 31, 2025	
	Nos.	Amount	Nos.	Amount
Opening Balance	15,60,000	156.00	31,20,000	312.00
Issued during the year	-	-		
Deletion	15,60,000	156.00	15,60,000	156.00
Closing balance	-	-	15,60,000	156.00

(ii) Rights, preferences and restrictions attached to shares

The company has two class of share capital i.e. equity shares having face value of ₹ 2 per share and Preference share capital of ₹10 per share. In the Financial year 2020-21 company has sub divided the face value of equity shares of ₹ 10 each per share at the beginning of the year into face value of ₹ 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 ₹ 10 each at a premium of ₹ 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 ₹ 10 each at a premium of ₹ 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 ₹ 10 each to face value into ₹ 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 ₹ 2 per equity share.

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

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

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

In the Financial year FY 2024-25, the company had converted 10,12,193 shares warrants into equity shares and shareholders subscribed 10,12,193 equity shares of ₹ 2 each at a premium of ₹ 39 each per equity share.

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

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

- The Partially redeemable & convertible Preference shares issued during the year has maximum 5 years tenure.
- The Preference shares shall carry on dividend of the rate of 10% per annum on the nominal value of share. The Dividend shall be calculated on pro-rata basis from the date of allotment of such preference shares. The Dividend to be paid shall be cumulative in nature.
- The Preference Shareholders does not have right to participate in the surplus funds of the Company.
- The Preference shareholder shall have liquidation preference in the event of winding up of the Company as provided under the Act and the preference shareholders shall not have only right to participate in the surplus asset & profit of the Company.
- The 90% of the preference share paid-up capital held by the shareholders are redeemable. The remaining 10% of the paid-up preference shares capital has been converted into equity shares at the fair value determined at the time of conversion.
- The Preference Shares shall not carry any voting rights except in case of any resolution placed before the Company which directly affects the rights attached to such shares or as otherwise provided in the Companies Act.
- The preference shareholders or Company shall redeem 90% of Preference shares at par value in the following manner:
 - 30% of the preference shares has been repaid at the end of 3rd year
 - 30% of the preference shares has been repaid at the end of 4th year
 - 30% of the preference shares shall be repaid at the end of 5th year
 - The balance 10% has been converted into Equity share at a fair market value determined at that time of such conversion
 - The Company may redeem the preference shares at any time after expiry of one year from the date of issue of such shares.

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 ₹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 ₹10 per Preference shares. During the Financial year FY 2024-25 the company has redeemed 30% of preference shares(15.60Lakhs) at a Face Value of ₹10 per Preference shares. During the Financial year FY 2025-26 the company has redeemed balance 30% of preference shares(15.60Lakhs) at a Face Value of ₹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

for the year ended March 31, 2026

(iii) Shares held by Holding company, its Subsidiaries and Associates

Particulars	As on 31st March 2026		As on 31st March 2025	
	No of Shares	Amount	No of Shares	Amount
Canarys Corp, USA	59,000	25.83	59,000.00	25.83
Canarys APAC Pte Ltd	10,000	5.70	10,000.00	5.70
Canarys-Hanuka Apo Technologies Pvt Ltd	4,900	4.90	4,900.00	4.90
Fortira Inc.	5,100	4.28	-	-

(iv) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity Shares	As on 31st March 2026		As on 31st March 2025	
	No. of shares	In %	No. of shares	In %
Raman Subba Rao	1,03,29,882	17.58%	1,03,29,882	18.06%
Raghu C	77,24,542	13.15%	77,24,542	13.51%
Arun D K	74,30,462	12.65%	74,30,462	12.99%

Preference Shares	As on 31st March 2026		As on 31st March 2025	
	No. of shares	In %	No. of shares	In %
Anuradha Hegde	-	0.00%	3,00,000	19.23%
Shweta S Murthy	-	0.00%	82,500	5.29%

(v) Shares held by Promoters at the end of the year 31 March 2026

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Raman Subba Rao	Equity	1,03,29,882	17.58%	-0.48%
Raghu C	Equity	77,24,542	12.65%	-0.34%
Arun D K	Equity	74,30,462	13.15%	-0.36%
Nagaraju Vineeth	Equity	6,10,000	1.04%	-0.03%
Pushparaj Shetty	Equity	28,54,382	4.86%	-0.13%
Sheshadri Y.S.	Equity	35,94,602	6.12%	2.01%

Shares held by Promoters at the end of the year 31 March 2025

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Raman Subba Rao	Equity	1,00,85,980	18.06%	0.11%
Raghu C	Equity	74,80,640	12.99%	0.20%
Arun D K	Equity	71,86,560	13.51%	0.19%
Nagaraju Vineeth	Equity	6,10,000	1.07%	-0.02%
Pushparaj Shetty	Equity	26,10,480	4.99%	0.34%
Sheshadri Y.S.	Equity	23,50,700	4.11%	-0.07%

Employee stock option scheme - The company had reserved 43,50,000 shares 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.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

The details of the Canarys ESOS are as follows:

Particulars	Details
Date of shareholders' approval	13 th Aug 2023
Total number of options approved under ESOS	43,50,000
Options granted	19,17,000
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 FY25-26
Method used to account for ESOS	Fair Value
Options exercised	Nil
Options forfeited/lapsed	Nil
Money realised by exercise of options	Nil
Total number of options in force as of March 31, 2026	15,87,000

Employee-wise detail of options granted to:

i.	Key Managerial Personnel	Nil		
ii.	Senior Managerial Personnel	Name of the SMP	No. of options	
		Mr. Nagaraj B Bhairaji	2,50,000	
		Mr. Raghu Pavan T S	8,00,000	
		Total	10,50,000	
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	%
		Mr. Nagaraj B Bhairaji	2,50,000	15.75%
		Mr. Raghu Pavan T S	8,00,000	50.41%
		Total	10,50,000	
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	8,00,000	1.95
		Total	8,00,000	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	
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

for the year ended March 31, 2026

Share Warrants

As at the balance sheet date, the Company has issued the following share warrants:

(Amount in ₹ Lakhs)				
Particulars	Number of Warrants	Amount (₹)	Number of Warrants	Amount (₹)
Total share warrants issued during the year			25,60,973	1,050.00
Amount received (25% upfront payment)		158.75		262.50
Warrants converted into equity shares during the year	15,48,780	635.00	10,12,193	415.00
Amount received on conversion (balance 75%)		476.25		311.25
Warrants pending conversion as at year-end	-	-	15,48,780	635.00
Amount pending on conversion (75% on pending warrants)		-		476.25
Amount received balance as on Balance sheet Date (25% upfront payment)		-		158.75

Terms of issue :

- Each warrant is convertible into one fully paid equity share of face value ₹2 each at an exercise price of ₹41 per share
- The warrants are exercisable within 18 months from the date of allotment (date of Allotment 23rd May 2024).
- If not exercised within the stipulated period, the upfront amount paid shall be forfeited.

4 Reserves and Surplus

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Capital Redemption Reserve		
Opening Balance	433.33	329.33
Add: Transfer from P&L	34.67	104.00
Less: Deletion	-	-
(Add)/Less: Adjustment	-	-
Closing Balance	468.00	433.33
Securities Premium		
Opening Balance	4,373.00	3,978.24
Add: Issue of Shares	604.02	394.76
Less: Deletion	-	-
(Add)/Less: Adjustment	-	-
Closing Balance	4,977.02	4,373.00
General Reserve		
Opening Balance	12.27	12.27
Add: Transfer from P&L	-	-
Less: Deletion	-	-
(Add)/Less: Adjustment	-	-
Closing Balance	12.27	12.27
Share Options Outstanding Account		
Opening Balance	240.54	126.40
Add: Transfer from P&L	71.51	114.14
Less: Deletion	-	-
(Add)/Less: Adjustment	-	-
Closing Balance	312.05	240.54

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Other Reserves		
Opening Balance	27.53	24.07
Add: Transfer from P&L	12.98	3.46
Less: Deletion	-	-
(Add)/Less: Adjustment	-	-
Closing Balance	40.51	27.53
Statement of Profit and loss		
Balance at the beginning of the year	2,201.72	1,505.36
Add: Profit/(loss) during the year	1,232.14	828.96
Less: Appropriation	-	-
Transfer to General Reserve	-	-
Dividend on Equity Shares (Incl. DDT)	19.65	-
Dividend on Preference Shares (Incl. DDT)	13.00	28.60
Transfer to Capital Redemption Reserve	34.67	104.00
Changes in the JV Audited FS	(2.41)	-
Total Deduction	64.90	132.60
Balance at the end of the year	3,368.96	2,201.72
Total	9,178.82	7,288.39

The company has transferred a sum of ₹34.67 Lakhs to CRR in the financial year 2025-26 and accumulated CRR created is amounting to ₹ 468.00 Lakhs.

5 Minority Interest

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Share of Minority Interest in Revenue Reserve		
Opening Balance	-	-
Add: Reserve created during acquisition	(91.17)	-
Add: Profit for the year	251.23	-
Closing Balance	160.06	-
Total	160.06	-

6 Other Long term liabilities

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Others		
- Rental deposit/Security deposits	3.30	3.30
Total	3.30	3.30

7 Long term provisions

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Others		
- Rent equalisation reserve	13.23	29.36
Total	13.23	29.36

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

8 Short term borrowings

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Secured Loans repayable on demand from banks	190.07	330.81
Unsecured Loans and advances from related parties	774.90	383.10
Total	964.96	713.91

Borrowings includes

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Cash credit account drawn	190.07	330.81
Loans and advances from related parties	774.90	383.10
Total	964.96	713.91

*The company has availed the Cash Credit Limit of ₹ 500 Lakhs & non fund based limit of ₹ 800 lakhs towards issue of bank guarantee from State Bank of India.

The primary security towards cash credit of ₹ 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 guarantees offered by the Directors of the Company.

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

Rate of interest on cash credit is @12.65% and Bank shall any time and from time to time be entitled to vary the margin base on Credit Risk Assessment of the borrower and the EBR/MCLR at its discretion.

Margin for non fund based limit of ₹ 800 lakhs towards issue of bank guarantee is 25%

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

9 Trade payables

(Amount in ₹ Lakhs)		
Particulars	As at March 31, 2026	As at March 31, 2025
Due to Micro and Small Enterprises	219.45	316.41
Due to others		
- Expense Payable	56.06	0.09
- Others	1,094.62	1,524.04
Total	1,370.13	1,840.55

9.1 Trade Payable ageing schedule as at 31 March 2026

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	25.48	110.50	79.90	3.57	219.45
Others	701.53	163.17	225.03	60.95	1,150.68
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total					1,370.13
Total					1,370.13

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

9.2 Trade Payable ageing schedule as at 31 March 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	174.26	84.03	58.13	-	316.41
Others	1,314.55	202.85	6.74	-	1,524.13
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total					1,840.55
Total					1,840.55

**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 received the required information from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

9.3 Micro and Small Enterprise

Particulars	As on 31st March 2026		31 March 2025	
	Principal	Interest	Principal	Interest
Amount Due to Supplier	219.45	-	316.41	-
Principal amount paid beyond appointed date	-	-	-	-
Interest due and payable for the year	-	(1.16)	-	1.10
Interest accrued and remaining unpaid	-	5.11	-	4.02
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-	-
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year.	-	-	-	-
Further interest remaining due and payable for earlier years.	-	3.96	-	5.11

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, 2026.

10 Other current liabilities

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due on borrowings	137.58	101.72
Statutory dues	346.38	343.34
Salaries and wages payable	5.93	7.89
Advances from customers	117.17	112.73
Expense Payable	9.14	7.14
Outstanding Expenses	3.88	5.66
Dues to Employees	12.87	18.39
Total	632.95	596.87

11 Short term provisions

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Provision for income tax	213.46	34.22
Provision for Compensated Absences	48.86	44.61
Provision for Gratuity	297.74	38.29
Total	560.06	119.72

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

Name of Assets	Gross Block		Depreciation and Amortisation		Net Block	
	As on 01-Apr-25	Addition	Deduction	As on 01-Apr-25	As on 31-Mar-26	As on 31-Mar-25
(i) Property, Plant and Equipment						
Vehicles	29.93	-	-	23.71	25.50	4.43
Office Equipment	47.22	10.75	-	39.21	44.28	13.69
Electrical Fittings	13.50	0.86	-	9.89	10.98	3.37
Furniture	52.57	2.45	-	38.83	42.44	12.58
Computers	152.26	1.37	-	134.60	141.26	12.36
Total	295.48	15.43	-	246.24	264.46	46.44
Previous Year	289.87	5.61		221.27	246.24	49.24
68.60						
(ii) Intangible Assets						
Software	6.72	-	-	4.77	6.26	0.46
Total	6.72	-	-	4.77	6.26	0.46
Previous Year	6.72	-		3.12	4.77	1.95
3.60						
(iii) Intangible Assets under Development						
					1,181.64	541.16

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

Canarys Modernisation Framework Solution (CMF) The company has recognised “software modernisation”, “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 modernisation, the company has started creating a modernisation framework branded as CMF – Canarys Modernisation 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 2026-27, 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 Capitalisation 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 capitalised, capitalisation will cease once final testing is completed. Any further expenses would be capitalised 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 amortise the capitalised 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.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

Movement in Intangible assets under development

(Amount in ₹ Lakhs)

Particulars	31 March 2026	31 March 2025
Opening Balance	541.16	228.92
Add: Addition during the year	640.48	312.24
Less: Capitalised during the year	-	-
Closing Balance	1,181.64	541.16

Intangible assets under development ageing Schedule

(Amount in ₹ Lakhs)

Intangible assets under development	Amount in CWIP for a period of				31 March 2026
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	640.48	312.24	228.92	-	1,181.64
Projects temporarily suspended	-	-	-	-	-

(Amount in ₹ Lakhs)

Intangible assets under development	Amount in CWIP for a period of				31 March 2026
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	312.24	228.92	-	-	541.16
Projects temporarily suspended	-	-	-	-	-

13 Non-current investments

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Investment property	9.81	9.81
Quoted Trade Investments in Mutual Funds	110.18	110.03
- Others	0.05	0.05
Total	120.04	119.89

13.1 Details of Investments

Name of Entity	No of Shares	As on 31st March 2026	No of Shares	As on 31st March 2025
500 shares of ₹ 10 per share, fully paid up In iBOTomate Private Limited	500	0.05	500	0.05
In Mutual Funds		110.03		110.03
In Property		9.81		9.81

*Market value of the above mutual fund as on 31st March 2026 is ₹139.11 Lakhs (As on 31st March 2025, ₹130.81 Lakhs)

14 Deferred tax assets net

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets net	104.75	43.89
Total	104.75	43.89

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

15 Long term loans and advances

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Other loans and advances (Unsecured, considered good)		
- Rent Deposits	10.00	11.40
- Security deposit	1.29	1.29
- Security Deposits	0.05	0.05
Total	11.34	12.74

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

16 Other non current assets

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Bank Deposit having maturity of greater than 12 months		
- Earnest Money Deposit	5.15	-
- Others	204.25	151.21
Total	209.40	151.21

17 Inventories

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Work-in-progress	602.54	567.69
Raw materials	0.00	54.90
Total	602.54	622.58

18 Trade receivables

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured considered good	8,025.88	6,832.76
Total	8,025.88	6,832.76

18.1 Trade Receivables ageing schedule as at 31 March 2026

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	5,252.96	234.55	930.39	665.11	942.87	8,025.88
Undisputed Trade Receivables-considered doubtful						
Disputed Trade Receivables considered good						
Disputed Trade Receivables considered doubtful						
Sub total						8,025.88
Undue - considered good						-
Total						8,025.88

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

18.2 Trade Receivables ageing schedule as at 31 March 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables-considered good	3,746.70	796.67	1,190.93	876.25	222.21	6,832.76
Undisputed Trade Receivables-considered doubtful						
Disputed Trade Receivables considered good						
Disputed Trade Receivables considered doubtful						
Sub total						6,832.76
Undue - considered good						-
Total						6,832.76

19 Cash and cash equivalents

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Cash on hand	0.18	0.35
Balances with banks in current accounts	794.63	878.83
Cash and cash equivalents - total	794.81	879.17
Other Bank Balances		
Deposits with original maturity for more than 3 months but less than 12 months	-	1,901.40
Total	794.81	2,780.58

20 Short term loans and advances

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Loans and advances to employees	46.25	11.42
Advances to suppliers	151.02	271.36
Balances with Government Authorities	46.32	84.71
Others	-	-
- Due from Employees	14.26	10.69
Total	257.85	378.19

21 Other current assets

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Earnest Money Deposit	84.14	53.68
Interest receivable	9.66	11.49
Prepaid expense	24.97	44.27
Unbilled revenue	329.46	407.16
Total	448.22	516.59

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

22 Revenue from operations

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Sale of services	19,814.60	8,908.27
Total	19,814.60	8,908.27

23 Other Income

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Interest Income	13.98	106.74
Net gain/loss on sale of investments	0.15	0.39
Other non-operating income (net of expenses)	1.51	2.69
Others	-	-
- Other Income	-	0.10
Exchange gain	140.03	35.70
Rental Income	3.96	3.96
Total	159.63	149.59

24 Purchases of stock in trade

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Purchases of goods and services	7,290.73	1,933.20
Other direct expenses	686.70	1,087.65
Total	7,977.43	3,020.84

25 Change in Inventories of work in progress and finished goods

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Opening Inventories		
Work-in-progress	567.69	173.74
Less: Closing Inventories		
Work-in-progress	602.54	567.69
Total	-34.85	-393.95

26 Employee benefit expenses

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Salaries and wages	6,936.75	3,455.50
Contribution to provident and other funds	180.63	138.49
Expense on ESOP and ESPP	-	-
- Share based payment expenses	71.51	114.14
Staff welfare expenses	100.29	54.50
Gratuity expenses (Net)	36.51	38.31
Total	7,325.69	3,800.95

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

27 Finance costs

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Interest expense	97.55	87.45
Bank Charges	35.53	30.81
Total	133.08	118.25

28 Depreciation and amortisation expenses

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Depreciation on property, plant and equipment	19.71	26.62
Total	19.71	26.62

29 Other expenses

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Rates and taxes	12.40	21.49
Rent expenses	71.85	62.69
Repairs and maintenance	85.34	62.30
Laptop rental charges	80.11	43.23
Office maintenance	36.35	29.66
Insurance	198.67	17.57
Professional charges	1,334.39	733.09
Communication & internet charges	82.07	64.25
Payment to auditors		
i) Audit fees	6.05	6.05
Travelling and conveyance	233.73	183.79
Marketing expense	88.88	43.63
Printing and stationery	4.70	4.19
Power and Fuel	13.46	11.83
Bad debts	16.59	3.98
Subscription Charges	35.79	28.27
Miscellaneous expenses	0.00	0.02
CSR Expense	24.10	20.06
Total	2,324.49	1,336.12

30 Exceptional item

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Gratuity Contribution (Exp A/c)	255.95	-
Total	255.95	-

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

31 Tax Expenses

Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Current Tax	550.21	320.81
Deferred Tax	(60.86)	(0.75)
Total	489.35	320.05

32 Earning per share

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Profit for the year (In ₹)	1,232.14	828.96
Less: Dividend on Preference Shares (In ₹)	13.00	28.60
Profit attributable to equity shareholders (In ₹)	1,219.14	800.36
Weighted average number of Equity Shares	5,77,56,220	5,62,61,568
Earnings per share basic (₹)	2.11	1.42
Earnings per share diluted (₹)	2.11	1.42
Face value per equity share (₹)	2.00	2.00

33 Auditors' Remuneration

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Payments to Statutory auditor as		
- Statutory Auditor	6.05	6.05
Total	6.05	6.05

*The amount disclosed above does not include GST component.

34 Contingent Liabilities and Commitments

Name of Statute	Nature of the dues	Period to which the amount related (Assessment Year)	Forum where dispute is pending	(Amount in ₹ Lakhs)	
				As at March 31, 2026	As at March 31, 2025
The Income Tax Act, 1961	Sec. 195 - TDS on non-resident payment	2018-19	CIT Appeals	72.77	72.77
Goods and Service Tax	Demand on Output Tax Liability	2021-22	DGST Appeals	6.80	-
Total				79.57	72.77

35 Micro and Small Enterprise

Particulars	(Amount in ₹ Lakhs)			
	As at March 31, 2026		As at March 31, 2025	
	Principal	Interest	Principal	Interest
Amount due to vendor	219.45	-	316.41	-
Principal amount paid beyond the appointed date				
Interest under normal credit terms-				
Accrued during the year	-	(1.16)	-	1.10
Unpaid	-	5.11	-	4.02
Total interest payable-				
Accrued during the year	-	5.11	-	4.02
Unpaid		3.96	-	5.11

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, 2026.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

36 Leases

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Future minimum rental payables under non-cancellable operating lease		
- Not later than one year	60.03	60.82
- Later than one year and not later than five years	279.65	247.60
- Later than five years	89.10	

37 Earnings in Foreign Currencies

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Export of Services	4,654.72	2,541.57
Total	4,654.72	2,541.57

38 Expenditure made in Foreign Currencies

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Import of Raw Materials & services	798.91	466.86
Travelling and conveyance	21.81	7.63
Total	820.73	474.49

39 Segment Reporting

Segment wise Revenue, Results and Capital Employed as on 31st March 2026		
Particulars	(Amount in ₹ Lakhs)	
	Year Ended 31st March 2026	Year Ended 31st March 2025
Segment Revenue		
Technology Solutions	18,434.58	6,067.13
Water Resource Management Solutions	1,380.02	3,141.14
Total	19,814.60	9,208.27
Less : Inter Segment Revenue		-300.00
Net Sales / Income from Operations	19,814.60	8,908.27
Segment Results		
Technology Solutions	1,965.15	661.22
Water Resource Management Solutions	99.11	543.25
Total	2,064.25	1,204.46
Less : Interest	(64.49)	(84.36)
Other Un-allocable Expenditure net off	(185.19)	(120.68)
Un-allocable income	158.15	149.58
Total Profit Before Tax	1,972.72	1,149.01
Capital Employed		
(Segment Assets - Segment Liability)		
Technology Solutions	5,035.92	3,071.33
Water Resource Management Solutions	3,503.68	4,283.63
Unallocated Segment	1,974.17	1,392.11
	10,513.77	8,747.06

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

40 Related Party Disclosure

(i) List of Related Parties

Name	Relationship
Raman Subba Rao MR	Managing Director
C. Raghu	Whole Time Director & CFO
D.K. Arun	Whole Time Director
Sheshadri Y S	Director & CEO
Pushparaj Shetty	Director
Nagashree Hegde (Retired on 02.08.2024)	Company Secretary & Compliance Officer
Ambikeshwari M A (Appointed on 03.09.2024)	Company Secretary & Compliance Officer
Bhavya	Relative of Key Managerial Personnel
Kalpana K N	Relative of Key Managerial Personnel
Kamala M R	Relative of Key Managerial Personnel
Kanaada M R	Relative of Key Managerial Personnel
Rajeswari C	Relative of Key Managerial Personnel
Saraswathi Raghu	Relative of Key Managerial Personnel
Shylaja Arun	Relative of Key Managerial Personnel
iBOTOMate Private Limited	Entities in which key managerial personnel are interested

(ii) Related Party Transactions

Particulars	Relationship	As at March 31, 2026	As at March 31, 2025
Remuneration			
Raman Subba Rao MR	Managing Director	99.99	62.40
C. Raghu	Whole Time Director & CFO	105.80	64.20
D.K. Arun	Whole Time Director	106.80	64.20
Sheshadri Y S	Director & CEO	126.80	78.20
Pushparaj Shetty	Director	105.00	62.40
Nagashree Hegde (Retired on 02.08.2024)	Company Secretary & Compliance Officer	-	3.58
Ambikeshwari M A (Appointed on 03.09.2024)	Company Secretary & Compliance Officer	12.69	8.55
Reimbursement of Travel & Other Expenses:			
C. Raghu	Whole Time Director & CFO	32.22	21.82
D.K. Arun	Whole Time Director	31.46	25.07
Sheshadri Y S	Director & CEO	18.96	13.19
Pushparaj Shetty	Director	1.15	1.19
Raman Subba Rao MR	Managing Director	31.45	17.05
Preference Dividend			
Bhavya	Relative of Key Managerial Personnel	0.30	0.60
Kalpana K N	Relative of Key Managerial Personnel	0.17	0.33
Kamala M R	Relative of Key Managerial Personnel	0.15	0.30
Kanaada M R	Relative of Key Managerial Personnel	0.15	0.30
Rajeswari C	Relative of Key Managerial Personnel	0.15	0.30
Saraswathi Raghu	Relative of Key Managerial Personnel	0.32	0.63
Shylaja Arun	Relative of Key Managerial Personnel	0.32	0.63
Redemption of Preference Shares			
Bhavya	Relative of Key Managerial Personnel	3.00	3.00
Kalpana K N	Relative of Key Managerial Personnel	1.65	1.65
Kamala M R	Relative of Key Managerial Personnel	1.50	1.50

Particulars	Relationship	As at March 31, 2026	As at March 31, 2025
Kanaada M R	Relative of Key Managerial Personnel	1.50	1.50
Rajeswari C	Relative of Key Managerial Personnel	1.50	1.50
Saraswathi Raghu	Relative of Key Managerial Personnel	3.15	3.15
Shylaja Arun	Relative of Key Managerial Personnel	3.15	3.15
Sale of Services			
iBOTomate Private Limited	Entities in which key managerial personnel are interested	249.17	153.40
Consultancy Charges			
Kanaada M R	Relative of Key Managerial Personnel	17.38	11.46

(iii) Related Party Balances

Particulars	Relationship	As at March 31, 2026	As at March 31, 2025
Reimbursement of Travel & Other Expenses			
Raman Subba Rao MR	Managing Director	0.07	(1.41)
C. Raghu	Whole Time Director & CFO	-0.60	(2.90)
D.K. Arun	Whole Time Director	1.56	2.21
Sheshadri Y S	Director & CEO	-2.80	(3.82)
Pushparaj Shetty	Director	-	
Trade receivable			
iBOTomate Private Limited	Entities in which key managerial personnel are interested	254.31	108.00
Consultancy Charges			
Kanaada M R	Relative of Key Managerial Personnel	-0.83	(2.47)

41 Ratio analysis

Particulars	Numerator/Denominator	As at March 31, 2026	As at March 31, 2025	Change in %
(a) Current Ratio	Current Assets	2.87	3.40	-15.63%
	Current Liabilities			
(b) Debt-Equity Ratio	Total Debts	NA	NA	NA
	Shareholder's Equity			
(b) Debt Service Coverage Ratio	Earning available for Debt Service	NA	NA	NA
	Debt Service			
(c) Return on Equity Ratio	Profit after tax-Preference Dividend	12.87%	11.00%	17.02%
	Average Shareholder's Equity			
(d) Inventory turnover ratio	COGS	1.50	1.16	29.56%
	Average Inventories			
(e) Trade receivables turnover ratio	Total Turnover	2.67	1.34	99.04%
	Average Trade Receivable			
(f) Trade payables turnover ratio	Total Purchases	4.95	2.07	139.01%
	Average Trade Payable			
(g) Net capital turnover ratio	Total Turnover	3.00	1.13	164.83%
	Closing Working Capital			
(h) Net profit ratio	Net Profit	7.49%	9.31%	-19.55%
	Total Turnover			
(i) Return on Capital employed	Earning before interest and taxes	18.60%	13.07%	42.35%
	Capital Employed			
(i) Return on investment	Return on Investment	6.85%	5.00%	36.93%
	Total Investment			

Reason for Variance in the Ratio

The significant variance in the ratios exceeding 25% is primarily attributable to the acquisition of a 51% stake in a foreign subsidiary in April 2025. Consequently, the financial results and relevant assets and liabilities of the subsidiary have been consolidated in the financial statements for FY 2025-26, resulting in changes in turnover, working capital, profitability and capital employed compared with the previous year. Changes in the operating and working-capital cycles of the acquired subsidiary also contributed to the movement in the respective ratios.

1. **Inventory Turnover Ratio** - Increase mainly due to consolidation of the subsidiary's operations, resulting in changes in COGS and inventory levels.
2. **Trade Receivables Turnover Ratio** - Increase mainly due to consolidation of the subsidiary's revenue and trade receivables
3. **Trade Payables Turnover Ratio** - Increase mainly due to consolidation of the subsidiary's purchases and trade payables, along with changes in the payment cycle.
4. **Net Capital Turnover Ratio** - Increase mainly due to consolidation of the subsidiary's turnover and working capital.
5. **Return on Capital Employed** - Increase mainly due to consolidation of the subsidiary's earnings and capital employed.
6. **Return on Investment** - The improved returns generated from the investment contributed to the increase in the ratio.

42 CSR Expenditure

Particulars	(Amount in ₹ Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Amount required to be spent by the company during the year	24.10	20.06
Amount of expenditure incurred	24.10	20.00
Shortfall at the end of the year	-	0.06
Total of previous years shortfall	-	-
Movement in the provision	-	-

Reason for shortfall

During the Previous financial year ₹0.06 Lakhs, which were unspent at the end of the year, were later remitted to the PM CARES Fund on 22nd May 2025.

Nature of CSR activities

Animal Welfare, Education. conservation of natural resources and maintaining quality of soil

43 Backup of Books of accounts and Audit trail

Backup of books of account: As per MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per these Rules, the companies are required to maintain back-up of books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create backup of accounts on servers physically located in India on a daily basis. The Company maintains its books of account, along with other relevant books and papers in electronic format. The back-up of the books of account occurs daily in servers physically located in India.

Audit trail: Based on the requirements of proviso to Rule 3(i) of the Companies (Accounts) Rules, 2014 applicable from 01 April 2023 and reporting under Rule 11(g) of the companies (Audit and Auditors) Rules, 2014, the Company has preserved audit trail as per the statutory requirements for the year ended 31 March 2026. 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, 2026

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

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 Wilful Defaulter

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

46 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 disclosures as required by Schedule III (Amended) to the Companies Act, 2013 are presented in each of the standalone financial statements.

- 47 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

48 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.

49 Goodwill on consolidation

Goodwill on consolidation represents the excess of the consideration paid for acquiring control over the holding company's share of the fair value/net identifiable assets of the subsidiary at the acquisition date. It is recognised and subsequently accounted for in accordance with the applicable Accounting Standards.

50 Impairment of assets

No impairment of assets was recognised by the Company during the financial year 2025-26.

51 Impact of Labour Codes

On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, ('Labour Codes') which consolidate twenty-nine existing labour laws into a unified framework governing employee benefits during employment and post-employment. The Labour Codes, amongst other things introduces changes, including a uniform definition of wages and enhanced benefits relating to leave. The Company has assessed the financial implications of these changes which has resulted in increase in gratuity liability arising out of past service cost by ₹ 255.95 Lakhs . Considering the impact arising out of an enactment of the new legislation is an event of non-recurring nature, the Company has presented this incremental amount as "Impact of Labour Codes" under "Exceptional Item" in the Consolidated Statement of Profit and Loss for the year ended March 31, 2026. The Company continues to monitor the developments pertaining to Labour Codes and will evaluate impact if any on the measurement of the employee benefits liability and the same is disclosed in Notes No 30 "Exceptional Items".

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2026

52 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

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

Chartered Accountants
Firm Registration Number: 004255S

Udupi Vikram
Partner
Membership Number: 227984

Bengaluru
29 May 2026

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

Raman Subbarao M R
Managing Director
DIN: 00176920
Bengaluru
29 May 2026

Raghu C
Whole-time Director & CFO
DIN: 01065269
Bengaluru
29 May 2026

Sheshadri Y S
Director & CEO
DIN: 03367545
Bengaluru
29 May 2026

Ambikeshwari M A
Company Secretary
M. No.: A67639
Bengaluru
29 May 2026



CANARYS AUTOMATIONS LIMITED

CIN: L31101KA1991PLC012096

Registered Office: No. 566 & 567, 2nd Floor, 30th Main,
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