

#AdrenalinAwesomeAt20



Celebrating **20 years** of
Empowering Talent

TWENTIETH ANNUAL REPORT 2021-22

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Adrenalin eSystems Limited

Registered Office : Carex Centre, 244 Anna Salai, Chennai - 600 006, INDIA
Corporate Office : 6th floor, NxT LvL Building, Intellect Design Arena, Plot No. 3/G3,
SIPCOT IT Park, Siruseri, Chennai – 600130 | Tel : 91-44-39882345

BOARD OF DIRECTORS

Mr. ARUN JAIN

Chairman

Mr. N SRINIVASA BHARATHY

Managing Director & CEO

Mr. SRIDHAR GANESH

Director

Mr. BALAJI GANESH

Director

Mr. S. V. RAMANAN

Director

Dr. ASHOK KORWAR

Independent Director

Mr. KUMARAN MANI

Independent Director

KEY MANAGERIAL PERSONNEL

Mr. K. S. SUBRAMANIAN

Chief Financial Officer

Ms. KARISHMA SRICHAND HOTWANI

Company Secretary

(Till 12/08/2022)

Mrs. APARNA MADHU

Company Secretary

(From 13/08/2022)

MANAGEMENT TEAM

Mr. ASIF R. MOHAMMED

– Business Head - Middle East & Africa, & Chief Delivery Officer

Mr. K. RAVICHANDRAN

– Chief Product Officer

Mr. J. H. THIRUMALANATH

– Business Head- South Asia

Mr. S. R. SARAVANAKKUMAR

– Business Head- Asia Pacific

STATUTORY AUDITORS

M/s. GURU & RAM LLP

Chartered Accountants

MMPDA Towers, 2nd Floor, New No.184, Royapettah High Road,

Krishnapuram, Chennai – 600014, Tamil Nadu, India

BANKERS

HDFC Bank Limited, Nelson Manickam Road, Chennai, 600029

REGISTRAR & TRANSFER AGENT

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)

Plot No. 31-32, Karvy Selenium, Tower B, Gachibowli, Financial District,

Nanakramguda, Hyderabad – 500032, Telangana, India | Ph. No: 040-6716 1529

REGISTERED OFFICE OF THE COMPANY

No. 244, Carex Centre, Anna Salai, Chennai – 600006, Tamil Nadu, India.

CORPORATE OFFICE

6th Floor, East Wing, NxT LvL Building, Navalur, Plot No. 3/G3,

SIPCOT IT Park, Siruseri, Chennai – 600130, Tamil Nadu, India

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Letter to Shareholders

Dear Shareholders,

Greetings!

As we complete 20 years of being in business this year, I begin this letter with utmost gratitude combined with pride for your company and its dedicated associates throughout India and abroad. Keeping in mind the devastating effects of the 2nd Covid wave across many of our markets combined with the Great Resignation wave in the first half of FY22, your company was able to get back in the second half of the year and achieve better results in terms of Operating revenues through improved new customer acquisitions especially for the new “Adrenalin Max” product.

Despite the setback the business faced in the first half of FY22, the leadership and the associates of your company with single minded focus ensured that we finished the year on a much better note! I would like to congratulate all the associates who worked to ensure business goals were being met even amidst personal emergencies and the large-scale confusion that prevailed due to unpredictable localised lockdowns across many markets.

Despite the setback the business faced in the first half of FY22, the leadership and the associates of your company with single minded focus ensured that we finished the year on a much better note!

As the year progressed, we were able to win more deals across geographies. During the year FY22 we were able to win seventy-eight logos with a significant number of these logos (seventy-five of them) on our Max offering. Apart from this, we were also able to ‘go live’ with 64 customers and migrated Twenty-seven of our existing customers to Max during the year. It is significant to note that our South Asia business showed excellent traction and grew by almost 70% in their new logo acquisition numbers (sixty-five new logos in FY22 compared to thirty-eight in FY21).

*The singular focus of steering the business towards sustained profitable growth, **has led to many key initiatives being taken up to align the various aspects of the business to the market conditions***

On the financial front, we concluded FY22 with a revenue of Rs. 48.57 Crores, a marginal increase on 48.13Cr of the previous year. The loss / deferment of orders due to COVID affected our top line. However, I am glad to inform you that our Annual Recurring Revenues grew to Rs32.14 Cr an increase of 10.6% over the previous year and this will hold us in good stead as we look to scale the company to greater heights.

The singular focus of steering the business towards sustained profitable growth, has led to many key initiatives

being taken up to align the various aspects of the business to the market conditions, and the leadership team as well as the associates are now well aligned to scale the company's business in the next few years leveraging our strengths.

I would like to conclude by expressing my warm gratitude to Mr Sridhar Ganesh, the former MD & CEO for the smooth handover mid-way during the year. I would also like to thank all our customers and partners for their continued support and to all our Associates without whose enthusiastic efforts we wouldn't be where we are. I also extend my gratitude to the Board of Directors and all our stakeholders for supporting all of us in this journey.

With warmest regards,

Srinivasa Bharathy N
Managing Director & CEO



Board's Report 2021 - 2022

BOARD'S REPORT 2021-2022

Dear Members,

The Board of Directors takes pleasure in presenting the Twentieth Board's Report of your Company, Adrenalin eSystems Limited, together with the audited financial statements for the year ended March 31, 2022.

1. Financial Highlights

(Rs. In Lakhs)

Particulars	For the Financial Year ended				
	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18
Total Income	4,857.39	4,813.20	5,387.15	5,496.81	4,243.51
Profit/(Loss) before Depreciation, Amortization and Interest	(115.79)	463.14	333.93	719.11	176.80
LESS: Depreciation and amortization	444.99	326.09	197.38	16.23	29.70
Less: Interest	48.63	31.61	25.06	2.71	3.93
Profit/(Loss) Before Tax	(609.43)	105.44	111.49	700.17	143.17
Taxes including deferred tax	22.39	(18.76)	(52.06)	(194.08)	(37.21)
Add: Other Comprehensive Income (net of tax)	2.02	(1.77)	-	-	-
Profit/(Loss) After Tax	(585.01)	84.91	59.43	506.09	105.96

2. State of Company's Affairs and Future Outlook Market Scenario & Company's Performance

Your company would like to share its joy and pride on having been a reliable, dependable, and pioneering organization in the Global HR Tech domain for the last 20 years. Your company continues to partner with many organizations in the chosen geographies in their HR Digital Transformation journey.

For the Financial Year ended March 31, 2022, the company's operating revenue stood at Rs. 4857.39 Lacs as against 4813.20 lakhs for the previous year. The impact of the deadly 2nd wave of Coronavirus and the subsequent lockdowns in many markets during the year had its effect during the first half of the year. The markets started reviving during second half of the year, and your company was able to catch up on the revenues during these two quarters and finish the year with revenues that were marginally higher than the previous year. The IT industry also saw the effects of "The Great Resignation" and your company also witnessed a surge in employee

attrition which on one hand impacted revenue-linked deliverables and on the other hand increased costs since key employee retention took high priority.

Your Company has incurred a Loss After Tax of Rs. 585.01 Lacs as against Profit after Tax of Rs. 84.91 Lacs in the previous year due to flat revenue with the overseas markets performing below the previous year due to COVID & increase in the administration expenses.

In spite of the various setbacks due to the pandemic scenario, your company was able to win 75 New Logos for the MAX version of the product and also migrated more than 27 existing customers from the older version to our new MAX On-the-Cloud. As of Mar 31, 2022 we have more than 100 customers with around 1,20,000 users now on the MAX On-the-Cloud version.

Finally, with the recovery that is seen in the markets, the need for HR tech systems growing, your company

is actively engaged in the release of new peripheral modules and have augmented resources in the revenue generation functions. Your directors are confident that your company will grow much faster in the coming years, and we are hopeful of a much better performance in the FY2022-23.

3. Consequences of COVID-19

As we all know, the COVID-19 pandemic has been wreaked havoc across the globe since March 2020 and the last FY was no exception. Continuing to keep the safety and well-being of employees, the company had to adopt a Work from Home model most of the year and transition to a hybrid model in the latter part of the year. However, the Company has remained steadfast in its focus on Customer Delight and ensured that no customer suffered due to the non-availability of our support services during these hard times too! Delivery and Support services to our customers continued to all customers despite the situation and many customers have appreciated your company for the same. As the markets open and normalcy is restored, we do expect higher order inflows more particularly from the overseas market.

4. Change in nature of business, if any

There has been no change in the nature of business of your Company during the year ended March 31, 2022.

5. Dividend and Reserves

The Company does not propose any dividend for the year ended March 31, 2022.

6. Share Capital

There has been no change in the Share Capital during the year ended March 31, 2022.

7. Employee Stock Option Scheme

The shareholders at the EGM held on October 08, 2015, have approved transferring the unexercised vesting options, under the previous schemes to the new scheme ESOP 2015 with the same terms and conditions. As per the ESOP 2015 scheme the unexercised shares have lapsed in this FY 22

Particulars	ESOP 2015
Approved in the General Meeting (08.10.2015)	13,47,000
Opening Balance as on 01.04.2021	1,36,230
Exercised during the year	-
Lapsed during the year	1,36,230
Closing Balance as on 31.03.2022	-

8. Board Meetings, Board of Directors, Key Managerial Personnel

a) Board Meetings

During the year ended March 31, 2022, four (4) Board Meetings were duly held with the gap intervening between 2 consecutive meetings not exceeding the limit prescribed by the Companies Act, 2013. Details of the meetings are as follows:

Name of Directors	June 24, 2021	September 21, 2021	November 19, 2021	February 18, 2022	Total Meetings Attended
Mr. Arun Jain	Present	Present	Present	Present	4/4
Mr. N. Srinivasa Bharathy	N/A	N/A	Present	Present	2/2
Mr. Sridhar Ganesh	Present	Present	Present	Present	4/4
Mr. Balaji Ganesh	Present	Present	Present	Present	4/4
Mr. Seshadri Venkata Ramanan	Present	Present	Present	Present	4/4
Mr. Ashok Narayan Korwar	Absent	Absent	Present	Present	2/4
Mr. Kumaran Mani	Present	Present	Present	Present	4/4

b) Board of Directors

The Board of Directors is appropriately constituted as per the requirements of Companies Act, 2013 and rules made thereunder. Following are the changes that occurred in the Board during the year ended March 31, 2022:

In the Board Meeting dated June 24, 2021, Mr. Sridhar Ganesh (DIN: 01681018) was re-appointed as the Managing Director and Chief Executive Officer (MD & CEO) for a period of 9 months from July 01, 2021 to March 31, 2022;

In the Board Meeting dated September 21, 2021, Mr. Navaneethakrishnan Srinivasa Bharathy (DIN: 03601418) was appointed as an Additional Director, not liable to retire by rotation, with immediate effect to hold office till the 20th Annual General Meeting to be held in the year 2022. Subject to the approval of shareholders in the 20th AGM, his appointment is to be regularized as a Director;

In the Board Meeting dated September 21, 2021, Mr. Sridhar Ganesh (DIN: 01681018) relinquished the office of MD & CEO from the close of business hours on October 13, 2021 and his designation was changed to Non-executive Director, liable to retire by rotation, with effect from October 14, 2021;

In the Board Meeting dated September 21, 2021, Mr. Navaneethakrishnan Srinivasa Bharathy (DIN: 03601418) was appointed as the MD & CEO for a term of 3 (three) years, commencing from October 14, 2021 till October 13, 2024.

Re-appointment

In the ensuing 20th Annual General Meeting, Mr. Seshadri Venkata Ramanan, Director, (DIN: 08567842) is liable to retire by rotation and seeks re-appointment.

Independent Directors

Mr. Ashok Narayan Korwar has been re-appointed as an Independent Director and is holding office for his second term, for a period of 5 years from April 01, 2018 till March 31, 2023.

Mr. Kumaran Mani has been appointed as an Independent Director and is holding office for his first term, for a period of 5 years from September 19, 2018 till September 18, 2023.

The Company has received necessary declarations from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as laid down in Section 149(6) of the Act

c) Key Managerial Personnel

Mr. Sridhar Ganesh (DIN: 01681018) relinquished the office of Managing Director and Chief Executive Officer (MD & CEO) from the close of business hours on October 13, 2021 and to fill this vacancy, Mr. Navaneethakrishnan Srinivasa Bharathy (DIN: 03601418) was appointed as the MD & CEO for a term of 3 (three) years, commencing from October 14, 2021 till October 13, 2024.

As on March 31, 2022, following have been the Key Managerial Personnel of the Company:

- **Mr. Navaneethakrishnan Srinivasa Bharathy**, Managing Director & Chief Executive Officer;
- **Mr. K S Subramanian**, Chief Financial Officer; and
- **Ms. Karishma Shrichand Hotwani**, Company Secretary.

9. Committees of the Board

The Board has three (3) committees duly constituted as follows and there has been no change in the same during the year ended March 31, 2022:

1. Audit Committee;
2. Nomination & Remuneration Committee;
3. Corporate Social Responsibility Committee.

All the three committees constitute of the following three (3) Directors as members:

1. **Mr. Ashok Korwar**, Independent Director;
2. **Mr. Kumaran Mani**, Independent Director;
3. **Mr. S V Ramanan**, Non-executive Director.

10. Board Evaluation

As required under the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance and that of its committees and individual directors. The manner in which such performance evaluation was carried out is as under:

- The performance evaluation framework is in place. The performance of the Board was evaluated on

the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

- The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.
- The Board, and the Nomination and Remuneration Committee reviewed the performance of Individual Directors on the basis of criteria such as exercise of responsibilities in a bona fide manner in the interest of the Company, striving to attend meetings of the Board of Directors / Committees of which he is a member / general meetings, participating constructively and actively in the meetings of the Board / committees of the Board, etc.
- In a separate meeting of independent directors, performance of Non-Independent Directors, performance of the Chairman of the Company and the performance of the Board as a whole was evaluated.

11. Director's Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013 the Directors of your Company confirm that:

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed, along with the proper explanation relating to material departures;
- b) The Directors have selected such accounting policies, applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Loss of the company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a "going concern basis";
- e) The Directors have laid down internal financial controls to be followed by the Company and that

such internal financial controls are adequate and are operating effectively;

- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable.

12. Particulars of Loan, Guarantee and Investments under Section 186 of the Companies Act, 2013

During the year under review, the company has not invested or given any loans or guarantees under the provisions of Section 186 of the Companies Act, 2013.

13. Particulars of Contracts or Arrangements with Related Parties

All the related party transactions entered into, during the financial year under review, have been at arm's length basis and in the ordinary course of business. There have been no materially significant related party transactions which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee for their approval. Necessary disclosures as required under the accounting standards (IND AS -24) have been made in the notes to financial statements. Related party transactions entered into during the year are detailed in **Form AOC-2** attached to this report as **Annexure A**.

14. Copy of Annual Return

Pursuant to provisions of Section 92 (3) and 134 (3) (a), a copy of the Annual Return in Form MGT-7 has been placed on the website of the company for your reference. You may please access the same at the below link <https://www.myadrenalin.com/annual-returns/>

15. Material Changes affecting the Financial Position of the Company

There have been no material changes and commitments affecting the financial position of the company between the end of the financial year to which the financial statements relate and the date of this report.

16. Conservation of Energy, Technological Absorption & Foreign Exchange Earnings/Outgo

- a) **Conservation of Energy:** The operations of the Company are not energy intensive.

b) Technology Absorption, Research & Development (R&D)

The company has progressed along with the defined Product Road Map for release of new versions and also fixes in order to adapt to the ever changing market requirements. The company continues to use the latest technologies for improving the productivity and quality of its services and product.

c) Foreign Exchange Earnings / Outgo:

The Foreign Exchange earned in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflows during the year are detailed below:

Rs in Lakhs

Particulars	2021-22	2020-21
Earnings in Foreign Exchange		
Software Exports and others	Rs.2,176.06	Rs.2,382.31
Forex Outflow		
1. Capital Goods	-	-
2. Other than Capital Goods	Rs.679.75	Rs.687.28

17. Subsidiaries, associate companies or joint ventures

The Company does not have any subsidiaries, associate companies or joint ventures. However, your company is an associate company, under section 2 (6) of the Companies Act, 2013, of Intellect Design Arena Limited and Polaris Banyan Holding Private Limited.

18. Risk Management Policy

The company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the company. These procedures are also reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, event, financial, human, environment and statutory compliance.

19. Details of adequacy of Internal Financial Controls

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

During the year under review, such controls have been tested and no material weaknesses in the design or operation has been observed.

20. Deposits under Chapter V of the Companies Act, 2013

Details relating to deposits, covered under Chapter V of the Act, are as follows:

- a) accepted during the year - NIL
- b) remained unpaid or unclaimed as at the end of the year - NA
- c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved - NA
- d) the details of deposits which are not in compliance with the requirements of Chapter V - NA

21. Corporate Social Responsibility

Pursuant to section 135 of Companies Act, 2013, read with Schedule VII, the Company has contributed an amount of Rs. 6,11,000/- (Rupees Six Lakhs Eleven Thousand Only) towards its Corporate Social Responsibility during the year under review.

22. Significant and material orders passed by the regulators or courts or tribunals

During the year under review, there have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

23. Sexual Harassment of Women at Work place (Prevention, Prohibition & Redressal) Act, 2013

The Company is committed to provide a safe and conducive work environment to its employees. The company has duly constituted an Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Work place (Prevention, Prohibition & Redressal) Act, 2013 to redress the complaints received regarding sexual harassment. The following is the summary of the complaints during the year under review:

- a) No. of complaints filed during the year: NIL
- b) No. of complaints disposed during the year: NIL
- c) No. of complaints pending as on end of the financial year: NIL

24. Statutory Auditors

M/s Guru & Ram LLP, Chartered Accountants (FRN: 009723/S200039), had been appointed as the Statutory Auditors in the 15th AGM of the Company to hold office till the conclusion of the Twentieth Annual General Meeting (20th AGM) to be held in the 2022. The Auditor's have completed their term successfully. The Audit Committee and the Board in its meeting held on 20/05/2022 have recommended the appointment of M/s R.G.N Price & Co., Chartered Accountants (FRN: 002785S), as the Statutory Auditors of the Company for a period of 5 consecutive years commencing from the conclusion of Twentieth Annual General Meeting (20th AGM) till the conclusion of Twenty-fifth Annual General Meeting (25th AGM) to be held in 2027, Subject to the approval of shareholders in the 20th AGM, at a remuneration as may be mutually agreed.

25. Audit Report, Auditor's Qualifications, Reported Frauds, if any, and Board's Comments thereon

The Auditors have placed the Auditors' Report on the financial statements for the year ended March 31, 2022. There are no qualifications or adverse remarks in the Auditor's Report for the year under review.

There have been no frauds reported by auditors under section 143 (12) during the year.

26. Secretarial Standards

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and enforced by the Ministry of Corporate Affairs.

27. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013, secretarial audit is not applicable to the company.

28. Acknowledgement

Your Directors take this opportunity to express the gratitude to all investors, customers, vendors, employees, bankers, Regulatory and Government authorities and business associates for their cooperation, encouragement and continued support extended to the Company. Your Directors also wish to place on record their appreciation to the Associates and every member of Adrenalin family for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance at all levels.

For and on behalf of the Board of Directors

Adrenalin eSystems Limited

Arun Jain

Chairman

DIN: 00580919

N Srinivasa Bharathy

Managing Director and Chief Executive Officer

DIN: 03601418

Date: May 20, 2022

Place: Chennai

Annexure A
Form No. AOC-2
EXTRACT OF ANNUAL RETURN
For the financial year ended March 31, 2022

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain 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 arrangements or transactions at arm's length basis:

a)	Name(s) of the related party and nature of relationship	: Intellect Design Arena Limited, India – Parent Organization
b)	Duration of the contracts/arrangements/transactions	: NA
c)	Nature of contracts/arrangements/ transactions	: IT/ITES Services
d)	Salient terms of the contracts/arrangements/ transactions including the value, if any	: NA
e)	Date(s) of approval by the Board, if any	: June 24, 2021
f)	Amount paid as advances, if any	: NA

a)	Name(s) of the related party and nature of relationship	: Intellect Design Arena Philippines Inc – Group Company
b)	Duration of the contracts/arrangements/ transactions	: NA
c)	Nature of contracts/arrangements/ transactions	: IT/ITES Services
d)	Salient terms of the contracts/arrangements / transactions including the value, if any	: NA
e)	Date(s) of approval by the Board, if any	: June 24, 2021
f)	Amount paid as advances, if any	: NA

a)	Name(s) of the related party and nature of relationship	:	Maveric Systems Limited, India – Group Company
b)	Duration of the contracts/arrangements/transactions	:	NA
c)	Nature of contracts/arrangements/transactions	:	IT/ITES Services
d)	Salient terms of the contracts/arrangements/ transactions including the value, if any	:	NA
e)	Date(s) of approval by the Board, if any	:	June 24, 2021
f)	Amount paid as advances, if any	:	NA

For and on behalf of the Board of Directors
Adrenalin eSystems Limited

Arun Jain

Chairman

DIN: 00580919

N Srinivasa Bharathy

Managing Director and Chief Executive Officer

DIN: 03601418

Date: May 20, 2022

Place: Chennai

Annexure B

Annual Report on Corporate Social Responsibility (CSR) Activities

Pursuant to Section 135 of the Act & Rules made thereunder

1. Brief Outline on CSR Policy of the Company

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder, the Company has framed its CSR Policy to carry out its CSR activities in accordance with Schedule VII of the Act. Social Responsibility is deeply ingrained in the culture of your Company. We engage with society beyond business as we believe that good business needs to create higher impact in building a better future for communities around the globe. Our theme is "IGNITE YOUNG MINDS" and "CAN DO" spirit across the country. Your Company has always endeavored to conduct its business responsibly, mindful of its social accountability, respecting applicable laws, regulations and with regard for human dignity.

The CSR committee is entrusted with the responsibility for carrying out the CSR activity of the Company. Your Company spends, in every financial year, at least two percent (2%) of the average net profits made during the three immediately preceding financial years. We positively impact and influence our associates and business partners in fostering a sense of social commitment for their stakeholders. The Company focuses mainly on the following thrust areas -

- i. Education;
- ii. Rural development projects;
- iii. Any other activity as may be approved by the CSR committee on a case to case basis

2. Composition of CSR Committee:

Sl. No.	Name of Directors	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i	Mr. Ashok Korwar	Independent Director	1	1
ii	Mr. Kumaran Mani	Independent Director	1	1
iii	Mr. S V Ramanan	Non-executive Director	1	1

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

The Company's CSR policy is placed on its website and the web-link for the same is <https://www.myadrenalin.com/corporate-social-responsibility/>

4. Details of Impact Assessment of CSR projects: Not Applicable

5. Details of the amount available for set off and amount required for set off for the financial year: Not Applicable

6. Average Net Profit of the Company as per Section 135(5): Rs. 3,05,11,151/- (Rupees Three Crores Five Lakhs Eleven Thousand One Hundred and Fifty-One Only)

7. (a) Two percent of average net profit of the Company as per section 135(5): Rs. 6,10,223/- (Rupees Six Lakhs Ten Thousand Two Hundred and Twenty-Three Only)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

8. (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 6,10,223/- (Rupees Six Lakhs Ten Thousand Two Hundred and Twenty-Three Only)

9. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent in the year under review	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 6,11,000/-	N/A	N/A	N/A	N/A	N/A

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation through Implementation agency	
				State	District			Name	CSR Registration Number
1	The Company is undertaking its CSR activity through Ullas Trust which qualifies as CSR activity under Schedule VII of the Act	Promotion of Education	Yes	CSR initiatives during the year have been taken up in below 6 states - Delhi NCR, J&K, Haryana, Maharashtra, Tamil Nadu, and Telangana.		6,11,000/-	No	Ullas Trust	CSR00008388

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable:
Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):- Rs.6,11,000/-

(g) Excess amount for set off, if any: NIL

10. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):
Not Applicable

11. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

12. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) of the Act: Not Applicable

For and on behalf of the Board of Directors
Adrenalin eSystems Limited

Arun Jain
Chairman
DIN: 00580919

N Srinivasa Bharathy
Managing Director and Chief Executive Officer
DIN: 03601418

Date: May 20, 2022, Place: Chennai

Auditors' Report 2021 - 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Adrenalin eSystems Limited

Report on the Audit of the Stand-alone financial statements

Opinion

We have audited the standalone financial statements of Adrenalin eSystems Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), standalone Statement of changes in Equity and standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the 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 ("Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2022, Loss, Other total Comprehensive Income, Changes in Equity and Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SA) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management and Discussion Analysis, Board's Report to the Shareholders including Annexures to Board's report but does not include the standalone Financial Statements and our Auditor's Report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Standalone financial statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 scepticism 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 override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the standalone financial statements.
 - (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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account for the purpose of preparation of the financial statements.
 - (d) In our opinion, the aforesaid stand-alone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GURU & RAM LLP,

Chartered Accountants Firm

Regn. No.009723S/S200039

L BHADRI

Partner

Membership No.026463

UDIN: 21026463AAAADA6720

Place: Chennai

Date: 20-05-2022

**Annexure A to Independent Auditor's Report of Even Date
On the Standalone Financial Statements of Adrenalin eSystems Limited**

- (i) a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.
- b) All Property, Plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given by the management, there are no immovable property held by the company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b), (c), (d), (e), and (f) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given under the provisions of section 185 and 186 of the Companies Act 2013, are not applicable to the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) a) According to the information and explanations given to us, undisputed statutory dues including provident fund, income-tax, goods & service tax, employees' state insurance, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to customs duty and excise duty are not applicable to the Company and no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods & service tax, duty of custom, duty of excise, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of income tax, goods & service tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given by the management, the company has no transactions recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961.

- (ix)
 - a) In our opinion and according to the information and explanations given by the management, the Company has not defaulted repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
 - b) In our opinion the company is not a declared wilful defaulter by any bank or financial institution or other lender.
 - c) According to the information provided to us by the management, the term loan were applied for the purpose for which the loan was obtained.
 - d) In our opinion the company has raised funds on short term basis and not utilized it for long term purposes.
 - e) According to the information and explanations given by the management, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - f) In our opinion the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.
- (x)
 - a) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments.
 - b) According to the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or convertible debentures.
- (xi)
 - a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
 - b) According to the information and explanations given by the management, no reports under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 with the Central Government as prescribed in rule 13 of the Companies (Audit and Auditors) Rules, 2014.
 - c) According to the information and explanations given by the management, there were no whistle blower complaints received during the year by the company.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company does not have the requirement to maintain internal audit system to commensurate with the size and nature of business accordingly the provisions of para 3(xiv) does not apply.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi)
 - a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
 - b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India
 - c) According to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the reserve bank of India.

- d) According to the information and explanations given to us, there is no CIC as a part of the Group.
- (xvii) According to the information and explanations given by the management, the Company has incurred cash loss in the financial year but not in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year hence the consideration of issues, objections or concerns raised by the outgoing auditors does not arise.
- (xix) According to the information and explanations given by the management, on the basis of financial ratios, ageing and expected dates of realization of financial asset and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the board of directors and management plans, no material uncertainty exists as on the date of the audit report and the company is 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.
- (xx) In our opinion and according to the information and explanations given by the management, there has been no circumstances where the company has transferred any unspent amount to a fund specified in Schedule VII to the companies Act within a period of six months of the expiry of financial year.
- (xxi) According to the information and explanations given to us, the qualifications or adverse remarks in the Companies (Auditor's Report) Order(CARO) reports of the companies included in the consolidated financial statements is not applicable to the company.

For GURU & RAM LLP,

Chartered Accountants Firm

Regn. No.009723S/S200039

L BHADRI

Partner

Membership No.026463

UDIN: 21026463AAAADA6720

Place: Chennai

Date: 20-05-2022

**Annexure B to the Independent Auditor's Report of Even Date
On the Standalone Financial Statements of Adrenalin eSystems Limited**

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 Adrenalin eSystems Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Managements Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures

of the company are being made only in accordance with authorisations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For GURU & RAM LLP,

Chartered Accountants Firm
Regn. No.009723S/S200039

L BHADRI

Partner
Membership No.026463
UDIN: 21026463AAAADA6720
Place: Chennai
Date: 20-05-2022

Balance Sheet &
Profit and Loss Account
2021 - 2022

Adrenalin eSystems Limited
Balance Sheet as at 31st March 2022

Amount in Indian Rupees

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non current Assets			
a) Property, Plant and Equipment	4	31,54,842	17,63,462
b) Intangible assets	4	11,36,05,114	11,95,60,969
c) Deferred Tax Asset	5(i)	62,01,852	39,62,292
Total Non current Assets		12,29,61,808	12,52,86,723
Current Assets			
a) Financial Assets			
Investments	6	8,05,43,677	5,03,90,416
Trade receivables	7	15,63,56,112	22,34,08,660
Cash and cash equivalents	8	7,44,06,500	6,77,62,550
Loans	9	24,47,253	20,24,324
b) Current Tax Assets (Net)	10	15,58,75,385	11,16,10,978
c) Other Current Assets	11	3,66,86,391	3,00,61,548
Total Current Assets		50,63,15,318	48,52,58,475
TOTAL ASSETS		62,92,77,126	61,05,45,198
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	12	33,10,28,845	33,10,28,845
b) Other equity	13	53,54,968	6,38,56,013
Total Equity		33,63,83,813	39,48,84,858
Liabilities			
Non-current Liabilities			
a) Financial liabilities			
Borrowings	14	7,02,00,033	4,46,99,071
b) Deferred Tax Liability	5(ii)	-	-
c) Provisions	15(i)	2,11,88,435	2,48,23,925
Total Non current liabilities		9,13,88,468	6,95,22,996
Current Liabilities			
a) Financial liabilities			
Borrowings (Cash Credit)		1,43,37,625	-
Trade Payables	16	5,38,75,538	3,95,71,708
b) Provisions	15(ii)	51,81,413	13,09,160
c) Other Current Liabilities	17	12,81,10,269	10,52,56,477
Total Current liabilities		20,15,04,845	14,61,37,345
TOTAL EQUITY AND LIABILITIES		62,92,77,126	61,05,45,198

The accompanying notes are an integral part of the Financial Statements
As per our report of even date attached

FOR GURU & RAM LLP

Chartered Accountants
Firm Regn No. 009723S/S200039

For and on behalf of
Adrenalin eSystems Limited

L Bhadri
Partner
Membership No. 026463

Arun Jain
Chairman
DIN: 00580919

N Srinivasa Bharathy
Managing Director & CEO
DIN: 03601418

K S Subramanian
Chief Financial
Officer

Karishma S Hotwani
Company Secretary

Date: 20-05-2022
Place: Chennai

Adrenalin eSystems Limited

Statement of Profit and Loss for the Year Ended March 31st, 2022

Amount in Indian Rupees

	Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
I.	Revenue from operations		48,02,46,380	47,01,89,072
II.	Other Income	18	54,92,661	1,11,31,113
III.	Total Income (I+II)		48,57,39,041	48,13,20,185
IV.	Expenses			
	Employee Benefit Expenses	19	33,61,85,097	34,27,63,976
	Finance cost	20	48,63,506	31,60,544
	Depreciation and Amortisation Expenses	21	4,44,99,676	3,26,09,204
	Administrative & Other Expenses	22	16,11,33,761	9,22,41,898
	Total Expenses		54,66,82,039	47,07,75,622
V	Profit/(Loss) before exceptional items and tax (III-IV)		-6,09,42,998	1,05,44,563
VI	Exceptional Items		-	-
VII.	Profit/(Loss) Before Tax (V - VI)		-6,09,42,998	1,05,44,563
VIII.	Tax Expense:			
	a) Current Tax		-	(5,45,323)
	b) Deferred Tax		22,39,560	(13,30,329)
	c) Prior year tax		-	-
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)		(5,87,03,438)	86,68,911
X	Profit/(Loss) for the period		(5,87,03,438)	86,68,911
XI	Other Comprehensive Income (net of tax)			
	i) Items that will not be reclassified to profit and loss			
	Income tax relating to items that will not be classified to profit and loss			
	ii) Items that will be reclassified subsequently to profit and loss		2,02,392	-1,77,556
	Income tax relating to items that will be classified to profit and loss			
	Total other Comprehensive Income (i) + (ii)		2,02,392	-1,77,556
XII	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(5,85,01,046)	84,91,355
	(Comprising Profit/(Loss) and Other Comprehensive Income for the year)			
XIII	Earning per equity share:			
	Basic		(0.88)	0.13
	Diluted		(0.88)	0.13

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

As per our report of even date attached

Subject to our report of even date
FOR **GURU & RAM LLP**
Chartered Accountants
Firm Regn No. 009723S/S200039

For and on behalf of
Adrenalin eSystems Limited

L Bhadri
Partner
Membership No. 026463

Arun Jain
Chairman
DIN: 00580919

N Srinivasa Bharathy
Managing Director & CEO
DIN: 03601418

K S Subramanian
Chief Financial
Officer

Karishma S Hotwani
Company Secretary

Place : Chennai
Date : 20-05-2022

Adrenalin eSystems Limited

Cash Flow Statement for the Year ended March 31st, 2022

Amount in Indian Rupees

Particulars	FY 2021-22	FY 2020-21
Profit before tax	-6,07,40,606	1,03,67,008
Adjusted to reconcile profits/(loss) for the period to the net cash flows		
a) Depreciation & Amortisation	4,44,99,676	3,26,09,204
b) Interest Cost	48,63,506	31,60,544
c) Interest Income	-54,92,661	-1,04,68,266
Operating profit / (loss) before working capital changes -	-1,68,70,086	3,56,68,490
Decrease / (Increase) in trade receivables	6,70,52,547	6,27,19,432
Decrease / (Increase) in Loans & Advances	-4,22,929	5,47,242
Decrease / (Increase) in Other Current Assets	-66,24,842	8,78,52,880
(Decrease) / Increase in Trade Payable	1,43,03,830	-5,90,56,769
(Decrease) / Increase in Other Payables	2,30,90,559	-1,96,13,021
A. Cash from Operating activity	8,05,29,079	10,81,18,255
Income tax paid (Net of Refunds)	-4,42,64,407	-1,97,39,748
Net Cash from Operating Activity	3,62,64,671	8,83,78,506
B. Cash flow from Investing Activity		
Investment in Tangible & Intangible Assets	-3,99,35,202	-4,44,53,328
Net Cash from Investing Activity	-3,99,35,202	-4,44,53,328
C. Cash flow from Financing Activity		
(Investment) / Withdrawal in / from Mutual Funds	-3,01,53,261	-5,03,90,416
Interest Paid	-48,63,506	-31,60,544
Interest Received	54,92,661	1,04,68,266
(Repayment) / Increase in Long term borrowings	2,55,00,962	1,81,62,430
(Repayment) / Increase in Short term borrowings	1,43,37,625	-1,48,84,917
Net Cash flow from Financing Activity	1,03,14,481	-3,98,05,181
Net increase / (decrease) in cash and cash equivalents	66,43,950	41,19,998
Cash and Cash equivalents at the beginning of the year	6,77,62,550	6,36,42,551
Cash & Cash equivalent at the end of the year	7,44,06,500	6,77,62,550

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

Subject to our report of even date
FOR **GURU & RAM LLP**
Chartered Accountants
Firm Regn No. 009723S/S200039

For and on behalf of
Adrenalin eSystems Limited

L Bhadri
Partner
Membership No. 026463

Arun Jain
Chairman
DIN: 00580919

N Srinivasa Bharathy
Managing Director & CEO
DIN: 03601418

K S Subramanian
Chief Financial
Officer

Karishma S Hotwani
Company Secretary

Date: 20-05-2022
Place: Chennai

ADRENALIN eSYSTEMS LIMITED

Notes to Balance Sheet and Profit & Loss Statement

Note 1 : Company Overview

Adrenalin eSystems Limited is an unlisted public limited company bearing CIN Number: U72200TN2002PLC048860, incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is situated at No.244, Carex Centre, Anna Salai, Chennai 600 006 and corporate office is located at 6th Floor, East Wing, NxT LVL Building, Intellect, Plot No.3/G3, Sipcot IT Park, Siruseri, Chennai 600 130. The Company is predominantly operating in South Asia, Middle East, Africa and Asia Pacific geographies. Company is having its branch offices at Dubai located at Dubai Airport Free Zone Authority, Dubai, United Arab Emirates and at Philippines located at 10th Floor Philamlife Tower, 8767, Paseo De Roxas, Makati City 1226, Philippines.

Adrenalin is committed to make a difference by providing a transformational digital HR solution to organizations. Adrenalin's customers continued satisfaction and support further bolsters the Company's commitment to continuously develop a cutting-edge technological solution which will help HR play more strategic role in their organizations. The Adrenalin Software is delivered on-premise as well as offered as a service hosted on cloud.

Note 2: Significant Accounting Policies and Estimates

i) Basis of preparation of financial statements

Basis of Accounting:

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial assets and financial liabilities which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The accounting policies have been applied consistently over all the periods presented in these financial statements

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). The company has adopted Ind AS for the first time in the Financial Year 2017-18, and the adoption was carried out in accordance with Ind AS 101 First Time Adoption of Ind AS.

Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

CURRENT/NON CURRENT CLASSIFICATION:

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

A. An asset is current when it is (a) expected to be realized or intended to be sold or consumed in the normal operating cycle; or (b) held primarily for the purpose of trading; or (c) expected to be realised within twelve months after the reporting period; or (d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

- B. All other assets are classified as non-current.
- C. A liability is current when (a) it is expected to be settled in the normal operating cycle; or
(b) it is held primarily for the purpose of trading; or (c) it is due to be settled within twelve months after the reporting period; or (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- D. All other liabilities are classified as non-current.
- E. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.
- F. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

ii) **Revenue recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and can be reliably measured, regardless of the timing of receipt of payment. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company. Taxes and duties are collected by the Company to be deposited with the government and not received by the Company on its account accordingly, it is excluded from revenue.

Sale of Goods/ Services

Sales from licensing of software products is recognised immediately on sale of licensed software, based on purchase order placed or contract entered with the customers. Revenues are booked net of Goods and Services Tax. All trade discounts are netted off in the Revenues.

Revenues from the software implementation is recognised, upon completion of the work along the milestones, agreed and specified in the PO/ Contract.

In composite Purchase Orders/ Contracts entered, where the revenues from Software license and Implementation are inseparable, the revenues are recognised, upon completion of the work along the milestones agreed in the PO/ Contract.

Revenues from software support services, viz. technical support, development support, technical consultancy etc. are recognised on Time and Material basis, based on contracts entered/ Letter of Intents/ Purchase Orders.

Dividend Income

Dividend Income is recognised when the Company's right to receive the same is established, which is generally when shareholders approve the dividend.

Interest Income

Interest income is recognized using effective interest method.

iii) **Foreign Currency Transactions**

These financial statements are presented in Indian rupees. Transactions in foreign currency are recorded at the exchange rate, which closely approximates the exchange rate prevailing on the date of the transaction.

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency, which closely approximates the spot rate prevailing on the date of the transaction. Current Assets and Liabilities in Foreign Currencies are translated at the rate of exchange as at the Balance Sheet date. All resulting gains/losses of foreign exchange transactions during the year are recognised in the Statement of Profit and Loss.

iv) **Tangible Assets**

a. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management.

b. Depreciation and Amortization

Depreciation on each part of an item of property, plant and equipment is provided based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful life of items of property, plant and equipment is mentioned below:

Particulars	Estimated Life (in years)
Computer Accessories and Network	3
Office Equipment	5
Furniture and Fixtures	10

The Company currently amortizes the software product development expenses over a period of 48 Months, from the date of marketing of the software product.

c. Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

d. Impairment

Property, Plant and Equipment

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

v) **Financial Assets**

Initial recognition

The Company recognizes financial assets in its Balance Sheet when it becomes a party to the contractual provisions of the instrument. As per Ind AS 109,

- (a) for financial assets or financial liabilities not subsequently measured at fair value through profit or loss, the company recognizes financial assets and financial liabilities at initial recognition at fair value plus or minus the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liabilities.
- (b) For financial assets or liabilities classified as at fair value through profit or loss, the company recognizes financial assets and financial liabilities at initial recognition at fair value and the transaction cost are recognised in profit or loss immediately on initial recognition.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is evidenced by a quoted price in an active market for an identical asset (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets (i.e. Level 2 input).

Subsequent measurement

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i) The Company's business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i) Financial assets measured at amortized cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii) Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the statement of profit and loss.

Impairment

An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Impairment applies to all assets except the following:

1. Inventories (as per Ind AS 2 Inventories)
2. Financial assets that are within the scope of Ind AS 39 Financial Instruments.
3. Non-current Assets classified as held for sale in accordance with Ind AS 105 Non-current Assets held for Sale and Discontinued Operations.

Therefore, it is not applicable in our financials.

b. Financial liabilities

Initial recognition

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. As per Ind AS 109 the company recognizes financial assets and financial liabilities at initial recognition at fair value plus or minus, for financial assets or financial liabilities not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liabilities. For financial assets or liabilities classified as at fair value through profit or loss, transaction cost are recognised in profit or loss immediately on initial recognition.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

Subsequent measurement

Financial liabilities are subsequently carried at amortized cost. The interest expense on the amount outstanding at the beginning of the period is recognized and included under finance cost in the statement of profit & loss for the relevant period.

c. Derecognition of Financial Instruments

The company derecognizes a financial asset when the contractual rights to the cash flow from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability or a part of it is derecognized from the company's Balance sheet when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial asset in its entirety, the difference between (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in profit or loss.

vi) Provisions, Contingencies and Commitments

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

vii) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with bank and Fixed deposits.

viii) Income Tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961, which includes any amendments passed by the Government from time to time

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The company offsets current tax assets and current tax liabilities, where it has legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle

the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

ix) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

x) Employee Benefits

Provident Fund

The Company makes a defined contribution to the Provident Fund for the benefit of the employees. Both the employee and company make monthly contribution to the Regional Provident Fund equal to a specified percentage of the covered Employee's Salary. The Company has no further obligations under the plan beyond the monthly contribution.

Gratuity

Company's liability on account of Gratuity is charged to Profit and Loss account on the basis of Actuarial Valuation. The company currently disburses Gratuity as per Gratuity Act 1972

xi) Employee Stock Options

The option price is determined in accordance with the Employee stock option scheme, approved by the shareholders. "Option discount" if any, on the Employee stock options is amortized and charged to the Statement of Profit and Loss over the vesting period. Such charge in the Statement of Profit and Loss is computed for the options vested or/ and exercised with reference to the date of annual accounts preparation (31st march every year) and shown as "Employee Stock Compensation expense".

xii) Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

xiii) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the Asset or Liability or
- in the absence of a principal market, in the most advantageous market for the Asset or Liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
 Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - inputs that are unobservable for the asset or liability.

xiv) Key accounting estimates

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant effect on the amounts recognised in the financial statements are described below:

Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset..

Fair Value measurements of Financial Instruments

The fair values of financial assets and financial liabilities recorded in the Balance Sheet is measured based on quoted prices in active markets.

xv) Foreign Exchange Earnings & Outgo

Rs. In Lacs

Particulars	2021-2022	2020-2021
Earnings in Foreign Exchange		
Software Exports and Others	2176.06	2382.31
Forex Outflow:		
Capital Goods	Nil	Nil
Other than Capital Goods	679.75	687.28

xvi) Capital Commitments & Contingent liabilities

- a) Capital Commitments outstanding as on 31.03.2022 was Rs. Nil (On 31.03.2021 – NIL)
- b) Guarantees Outstanding as on 31.03.2022 was Rs. Nil (On 31.03.2021 – NIL).

xvii) Provision for Taxation has been adjusted against the Tax Deducted at Source and the net amount has been reported in the Note 10

Figures for the previous year re-grouped to conform to the current year's presentation.

xviii) Following are the related parties where control exists:

	:	Intellect Design Arena Limited
Associates	:	Polaris Banyan Holding Private Limited
	:	Sonali Intellect Limited, Bangladesh
	:	Maveric Systems Limited
As per Indian Accounting Standards	:	Intellect Design Arena Philippines Inc
	:	Mr. Sridhar Ganesh, MD & CEO till 13-10-2021
	:	Mr. N. Srinivasa Bharathy, MD & CEO from 14-10-2021
	:	Mr. K S Subramanian, Chief Financial Officer
Key Managerial Persons		Mr. Ms. Karishma Shrichand Hotwani, Legal and Company Secretary

Note 3: Related Party Transactions					
	All Rs. in lakhs				
	Associates				
Particulars	Intellect Design Arena Limited	Intellect Design Arena Philippines Inc	Polaris Banyan Holding Private Limited	Maveric Systems Limited	Sonali Intellect Limited
Balances due to /from Related Parties					
Share Capital - Equity to the company	Nil	Nil	Nil	Nil	Nil
Unsecured Loans to the company	Nil	Nil	Nil	Nil	Nil
Interest on Unsecured Loans	Nil	Nil	Nil	Nil	Nil
Trade Debts Receivable by the company	119.52	156.75	Nil	Nil	Nil
Trade Debts Payable by the company	254.39	28.54	Nil	27.75	Nil
Software Development Service Income to the company	125.78	541.88	Nil	55.07	Nil
Reimbursement of the Expenses by company	217.43	135.23	Nil	Nil	Nil
Reimbursement Expenses to company	Nil	Nil	Nil	Nil	Nil

KEY MANAGERIAL PERSONNEL

1. Mr. Sridhar Ganesh – Managing Director & CEO
2. Mr. Srinivasa Bharathy – Managing Director & CEO from 14-10-2021
3. Mr. K S Subramanian – Chief Financial Officer
4. Ms. Karishma Shrichand Hotwani -Legal and Company Secretary

Particulars	Amount (Rs. in Lakhs)
Remuneration of Key Managerial Personnel(s)	212.22

24. Post Employment Benefits

i) Defined Contribution Plans

Retirement benefits in the form of provident fund and superannuation fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to these funds as an expense, when an employee renders the related service.

ii) Defined Benefit Plans

The Company operates a defined benefit gratuity plan. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary, using the projected unit credit method. The liability for gratuity is funded annually to a gratuity funds maintained with the Life Insurance Corporation.

Re-measurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net balance of defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss in the line item "Employee Benefits Expense":

- Service cost including current service cost, past service cost, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

iii) Other Long Term Employee Benefits

Other long term employee benefits comprise of compensated absences/leaves. The actuarial valuation is done as per projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

iv) For the purpose of presentation of defined benefit plans and other long term benefits, the allocation between current and non-current provisions has been made as determined by an actuary.

v) The Company has made provision in the Accounts for Gratuity based on Actuarial valuation. The particulars under the Ind AS 19 "Employee Benefits" furnished below are those which are relevant and available to the Company for this year.

- (a) Contributions to Defined Contribution Plan, recognised as expense for the year are as under:

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Provident Fund	88,38,871	81,60,247
Superannuation Fund	1,35,204	1,18,464
Total	89,74,075	82,78,711

(b) Contributions to Defined Benefit Plans are as under:

(1) Net amount recognised in the statement of Profit & Loss for year ended 31st March, 2022

Particulars	31 st March 2022	31 st March 2021
Current Service cost	24,44,216	26,63,282
Interest cost	10,20,089	11,71,735
Expected return on plan assets	0	0
Net amount recognised	34,64,305	38,35,017
Actual return on Plan Assets	0	0

(2) Net amount recognised in the Other Comprehensive Income for year ended 31st March, 2022

Particulars	31 st March 2022	31 st March 2021
Actuarial (Gains) / Losses	2,02,392	(1,77,556)
Return on plan assets, excluding amount recognised in net interest expense	0	0
Net amount recognised	2,02,392	(1,77,556)

(3) Net amount recognised in the Balance Sheet for year ended 31st March, 2022

Particulars	31 st March 2022	31 st March 2021
i) Details of Provision for Gratuity		
Present value of defined obligation	2,03,75,227	1,95,85,753
Fair value of plan assets	(45,15,811)	0
Surplus/(deficit) of funds	0	0
Net asset/ (liability)	(1,58,59,416)	(1,95,85,753)
ii) Change in Present Value of the defined benefit obligation	-	-
Defined benefit obligation as at the beginning of period	1,95,85,753	1,92,58,949
Acquisition Adjustment	-	-
Service cost	24,44,216	26,63,282
Interest cost	11,54,957	11,71,735
Actuarial loss/(gain) - Due to change in Financial Assumptions	(12,06,854)	4,26,323
Actuarial loss/(gain) - Due to experience	15,88,677	(6,03,879)
Benefits paid	(31,91,522)	(33,30,657)

Defined benefit obligation as at end of the period	2,03,75,227	1,95,85,753
iii) Change in Fair Value of Plan Assets	-	-
Fair value of plan assets as at the beginning of period	-	-
Acquisition Adjustment	-	-
Expected return on plan assets	-	-
Contributions by employer	75,27,902	33,30,657
Actuarial (loss)/gain	-	-
Benefits paid	(31,91,522)	(33,30,657)
Fair value of plan assets as at end of the period	45,15,811	-
iv) The major categories of plan assets as a percentage of fair value of total plan assets are as follows:	-	-
Policy of Insurance	100%	100%

(4) The principal actuarial assumption used as at 31st March, 2022 are as follows:

Particulars	31 st March 2022	31 st March 2021
Discount Rate	7.13%	6.42%
Rate of increase in Compensation Levels (Refer Note (a) below)	6.00%	6.00%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Attrition rate	12.00%	12.00%

- (a) The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (b) Current and non-current classification is done based on actuarial valuation certificate.

Subject to our report of even date

FOR **GURU & RAM LLP**
Chartered Accountants
Firm Regn No. 009723S/S200039

For and on behalf of
Adrenalin eSystems Limited

L Bhadri
Partner
Membership No. 026463

Arun Jain
Chairman
DIN: 00580919

N Srinivasa Bharathy
Managing Director

K S Subramanian
Chief Financial
Officer

Karishma S Hotwani
Company Secretary

Place : Chennai
Date: 20-05-2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

A EQUITY SHARE CAPITAL

i. Movements in Authorised equity share capital

Particulars	No. of Shares	Rs
As at 1st April 2020	7,00,00,000	35,00,00,000
Increase during the year	-	-
As at 31st March 2021	7,00,00,000	35,00,00,000
Increase during the year	-	-
As at 31st March, 2022	7,00,00,000	35,00,00,000

ii. Movements in Issued, Subscribed & Fully paid up equity share capital

Particulars	No. of Shares	Equity share capital (par value)
As at 1st April 2020	6,62,05,769	33,10,28,845
Increase during the year	-	-
As at 31st March 2021	6,62,05,769	33,10,28,845
Increase during the year	-	-
As at 31st March, 2022	6,62,05,769	33,10,28,845

B. OTHER EQUITY

Particulars	Other Equity				
	Reserve and surplus		Other Comprehensive income		
	Securities Premium Reserve	Retained Earnings			Total
Balance at 1st April 2021	15,64,96,660	(9,26,40,648)	-	-	6,38,56,012
Changes in accounting policy/prior year errors	-	-	-	-	-
Restated Balance at 1st April 2022	15,64,96,660	(9,26,40,648)	-	-	6,38,56,012
Addition on account of issue of shares/warrants	-	-	-	-	-
Profit/(Loss) for the year	-	(5,85,01,046)	-	-	(5,85,01,046)
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income for the year	15,64,96,660	(15,11,41,694)	-	-	(53,54,965)
Balance at 31st March 2022	15,64,96,660	(15,11,41,694)	-	-	(53,54,965)

Particulars	Other Equity				
	Reserve and surplus		Other Comprehensive Income		
	Security Premium Reserve	Retained Earnings			Total
Balance at 1st April 2020	15,64,96,660	(10,11,32,003)	-	-	5,53,64,657
Changes in accounting policy/prior year errors	-	-	-	-	-
Restated Balance at 1st April 2021	15,64,96,660	(10,11,32,003)	-	-	5,53,64,657
Addition on account of issue of shares/warrants	-	-	-	-	-
Profit for the year	-	84,91,355	-	-	84,91,355
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income for the year	15,64,96,660	(9,26,40,648)	-	-	6,38,56,012
Balance at 31st March 2021	15,64,96,660	(9,26,40,648)	-	-	6,38,56,012

ADRENALIN eSYSTEMS LIMITED
Fixed Asset Schedule as at 31st March 2022

Particulars	Furniture & Fixures	Office equipment	Computers & Accessories	Software - Product Development	Capital Work in Progress	Total
For the year 2021-22						
Gross Value at 1st April, 2021	22,48,737	30,42,872	3,39,06,386	2,36,131,013	-	27,53,29,008
Addition	-	-	38,29,648	3,61,05,554	-	3,99,35,202
Disposals	-	-	-	-	-	-
As at 31st March 2022	22,48,737	30,42,872	3,77,36,034	27,22,36,567	-	31,52,64,210
Accumulated Depreciation						
As at 1st April, 2021	21,31,603	24,79,796	3,28,23,133	11,65,70,045	-	15,40,04,577
Depreciation during the year	1,10,901	59,188	22,68,179	4,20,61,408	-	4,44,99,676
Disposals	-	-	-	-	-	-
Writedown / Impairment Loss	-	-	-	-	-	-
As at 31st March 2022	22,42,504	25,38,984	3,50,91,312	15,86,31,453	-	19,85,04,253
Net carrying amount as at 31st March 2022	6,233	5,03,888	26,44,722	11,36,05,114	-	11,67,59,956
Net carrying amount as at 31st March 2021	1,17,134	5,63,075	10,83,253	11,95,60,969	-	12,13,24,431

ADRENALIN eSYSTEMS LIMITED
Schedules to Balance Sheet as at 31-03-2022

in Rs Ps

Note No.		As at 31.03.2022	As at 31.03.2021
6	INVESTMENTS		
	SBI Liquid fund - Growth	-	1,00,26,515
	HDFC Liquid Fund - Regular Plan - Growth	-	1,00,28,235
	ICICI Prudential Liquid fund - Growth	-	1,00,25,692
	LIC Liquid Fund - Regular plan - Growth	-	2,03,09,974
	HDFC Corporate Bond Fund - Regular Plan - Growth	-	-
	Nippon India Banking & PSU Debt Fund	50,79,798	-
	ICICI Prudential Short Term Fund - Growth Option	1,01,16,643	-
	ABSL Short Term Fund -Growth-Regular Plan	1,01,59,714	-
	Canara Robeco Emerging Equities	48,83,764	-
	UTI Flexi Cap Fund	46,48,406	-
	Tata Arbitrage Fund - Regular plan - Growth	2,03,22,172	-
	ABSL Arbitrage Fund - Growth	1,01,70,075	-
	HDFC Multi Cap Fund	49,82,880	-
	Kotak Equity Arbitrage Fund - Growth	1,01,80,225	-
		8,05,43,677	5,03,90,416
7	TRADE RECEIVABLES		
	(Unsecured, Considered good)		
	Debts Outstanding for a period exceeding Six Months		
	- Considered Good	6,69,12,530	11,14,40,247
	- Considered Doubtful	-	-
	TOTAL	6,69,12,530	11,14,40,247
	Others - Considered Good	8,94,43,582	11,19,68,412
	TOTAL	15,63,56,113	22,34,08,659
	Less: Provision for Doubtful Debts	-	-
		15,63,56,113	22,34,08,659

8	CASH AND CASH EQUIVALENTS		
	Cash on hand	67,160	2,25,020
	Balances with Scheduled Banks	14,15,374	7,13,457
	Fixed Deposit (Margin Against Cash Credit facility)	6,84,08,154	6,51,30,902
	Balance in ICICI Prudential - Gratuity Fund	45,15,811	16,93,170
		7,44,06,500	6,77,62,550
9	LOANS & ADVANCES		
	Advances & Deposit	17,53,653	20,24,324
	Employee Travel Advances	6,93,600	-
		24,47,253	20,24,324
10	CURRENT ASSETS		
	Tax Deducted at Source	8,27,09,702	5,82,84,751
	Withholding Taxes	7,88,11,006	5,89,71,550
	Less: Provision for Taxation	(56,45,323)	(56,45,323)
		15,58,75,385	11,16,10,978
11	OTHER CURRENT ASSETS		
	Projects-in-Progress	2,68,24,353	2,56,56,418
	Prepaid Expenses	69,73,702	10,22,554
	Others	28,88,335	33,82,576
		3,66,86,391	3,00,61,548

ADRENALIN eSYSTEMS LIMITED
Schedules to Balance Sheet as at 31-03-2022

in Rs.

Note No.		As at 31.03.2022	As at 31.03.2021
12	Equity		
	Share Capital	33,10,28,845	33,10,28,845
		33,10,28,845	33,10,28,845
13	Reserves & Surplus		
	Share Premium Account	15,64,96,660	15,64,96,660
	Unappropriated Earnings	(9,26,40,647)	(10,11,32,003)
	Add: Profit after Tax	(5,85,01,046)	84,91,356
	Total	53,54,967	6,38,56,013
14	BORROWINGS		
	Long term borrowings		
	(Foreign Currency Term Loan Facility from HDFC Bank - Secured by way of Book Debts)	7,02,00,032	3,59,51,673
(ia)	Working Capital Term Loan (ECLGS - Rank Pari Passu with the existing Limits)	-	87,47,398
	Short term borrowings		
	Cash credit limit with HDFC (secured on Fixed Deposit)	1,43,37,625	-
		8,45,37,657	4,46,99,071
15	PROVISIONS		
(i)	Non-current Liabilities		
	Provision for Employee Benefits	2,11,88,435	2,48,23,925
(ii)	Current Liabilities		
	Provision for Employee Benefits	51,81,413	13,09,160
		2,63,69,848	2,61,33,085
16	TRADE PAYABLES		
	Sundry Creditors	4,61,39,538	3,14,67,658
	Outstanding Liabilities	77,36,000	81,04,051
		5,38,75,538	3,95,71,709
17	OTHER CURRENT LIABILITIES		
	Employee Benefits	2,22,02,084	3,70,74,956
	Statutory Payments	83,01,315	1,07,54,846
	Deferred Revenue	9,76,06,869	5,74,26,675
		12,81,10,268	10,52,56,477

ADRENALIN eSYSTEMS LIMITED
Schedules to Balance Sheet as at 31-03-2022

Note No.		As at 31-03-2022	As at 31-03-2021
18	OTHER INCOME		
	Interest Income	41,73,245	1,04,68,266
	Others	13,19,416	6,62,847
		54,92,661	1,11,31,113
19	EMPLOYEE BENEFIT EXPENSES		
	Salaries & Performance Driven Pay	31,54,96,190	32,64,16,811
	Contribution to Provident and Other funds	1,35,56,656	1,24,40,463
	Staff Welfare	71,32,251	39,06,702
		33,61,85,097	34,27,63,976
20	FINANCE CHARGES		
	Bank Charges	48,63,506	31,60,544
		48,63,506	31,60,544
21	DEPRECIATION/AMORTISATION		
	Depreciation & Amortisation	4,44,99,676	3,26,09,204
		4,44,99,676	3,26,09,204
22	ADMIN & OTHER EXPENSES		
	Professional Charges	77,49,242	61,09,584
	Third Party Tools / Services	2,07,23,315	1,38,31,708
	Outsourcing Cost	32,77,202	31,41,290
	Partner commission	29,77,803	31,89,547
	Travelling and Conveyance	52,99,657	57,78,404
	Communication Expenses	19,98,514	16,41,751
	Rent and Maintenance	1,75,24,407	1,66,46,876
	Infrastructure Expense	3,65,90,583	3,40,14,501
	Printing & Stationery	1,59,725	1,09,142
	Marketing Expense	1,25,98,310	84,96,089
	Auditor's Remuneration		-
	For Audit Fee	2,50,000	2,00,000
	For Income tax	-	1,00,000
	For Other Services	-	-
	Provision for CSR	6,11,000	6,36,600
	Bad and Doubtful Debts written off	4,47,88,821	-
	Foreign Exchange Fluctuation	4,86,347	(48,29,217)
	Other Admin Expenses	57,68,836	31,20,622
	Director Sitting Fees	3,30,000	55,000
		16,11,33,761	9,22,41,898

NOTICE OF 20th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING (20TH AGM) OF ADRENALIN ESYSTEMS LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 16, 2022 AT 04.00 P.M IST BY WAY OF VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:

Ordinary Business

1. Adoption of Audited Financial Statements of the Company, Board's Report and Auditors' Report thereon for the financial year ended March 31, 2022

To consider and if thought fit, pass the following resolution, with or without modifications, as an Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements of the Company, Board's Report and Auditors' Report thereon for the financial year ended March 31, 2022 laid before this meeting, be and are hereby considered, approved and adopted."

2. Appointment of a Director in the place of Mr. Seshadri Venkata Ramanan (DIN: 08567842), who retires by rotation and being eligible, offers himself for re-appointment

To consider and if thought fit, pass the following resolution, with or without modifications, as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of section 152 any other applicable provisions of the Companies Act, 2013 and rules made thereunder, Mr. Seshadri Venkata Ramanan (DIN: 08567842), who retires by rotation at this meeting, and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. Appointment of M/s R.G.N Price & Co., Chartered Accountants (FRN: 002785S), as the Statutory Auditors of the Company for a period of 5 consecutive years commencing from the conclusion of Twentieth Annual General Meeting (20th AGM) till the conclusion of Twenty-fifth Annual General Meeting (25th AGM) to be held in 2027 and the fixing of their remuneration

To consider and if thought fit, pass the following resolution, with or without modifications, as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139, 141, 142 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, M/s R.G.N Price & Co., Chartered Accountants (FRN: 002785S), be and are hereby appointed as the Statutory Auditors of the Company for a period of 5 consecutive years commencing from the conclusion of Twentieth Annual General Meeting (20th AGM) till the conclusion of Twenty-fifth Annual General Meeting (25th AGM) to be held in 2027 at a remuneration of Rs. 5,00,000/- (Rupees Five Lakhs only), which may be changed with mutual agreement from time to time."

Special Business

4. Regularization of Mr. Navaneethkrishnan Srinivasa Bharathy (DIN: 03601418) as Director of the Company, who was appointed as the Additional Director with effect from September 21, 2021

To consider and if thought fit, pass the following resolution, with or without modifications, as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 152 and any other applicable provisions of Companies Act, 2013, and rules made thereunder, Mr. Navaneethakrishnan Srinivasa Bharathy (DIN: 03601418), who was appointed by the Board of Directors, as per the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company with effect from September 21, 2021 under section 161(1) of the Act, and who holds office up to the date of the Twentieth Annual General Meeting, and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a him under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Director, not liable to retire by rotation.”

5. Ratification of appointment of Mr. Navaneethakrishnan Srinivasa Bharathy (DIN: 03601418) as the Managing Director & Chief Executive Officer of the Company

To consider and if thought fit, pass the following resolution, with or without modifications, as an *Ordinary Resolution*:

“RESOLVED THAT pursuant to the provisions of section 152, 196, 197, 203, read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder, based on the approval of the Board of Directors, as per the recommendation of the Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to ratify the appointment of Mr. Navaneethakrishnan Srinivasa Bharathy (DIN: 03601418) as the Managing Director & Chief Executive Officer of the Company for a term of 3 (three) years, commencing from October 14, 2021 till October 13, 2024, with the terms & conditions detailed as under:

• **Remuneration –**

A. Fixed Pay: Mr. Navaneethakrishnan Srinivasa Bharathy shall be entitled to a fixed pay of Rs. 88,00,000/- (Rupees Eighty Eight Lakhs only) per annum, including Provident Fund and Gratuity.

B. Performance Bonus: He shall be entitled to receive “Performance Bonus” of Rs. 20,00,000/- (Rupees Twenty Lakhs only) per annum, subject to achieving the targets as per the scheme of the company. For the period commencing from October 14, 2021 to March 31, 2022, performance bonus shall be calculated on pro rata basis. The Performance Bonus for the year 2021-2022 shall be paid only in the year 2022-2023, after necessary tax deductions, on approval of the NRC and the Board.

C. Reimbursement: Company shall reimburse all properly documented expenses reasonably related to the performance of duties in accordance with Company’s Personnel & Travel Policy.

ii. Non-disclosure of Proprietary or Confidential Information and Confidential communication :

He shall recognize and acknowledge the marketing plans, business plans, strategy, the names and address of Company’s customers, the names and address of the Supplier’s trade secrets and other confidential information concerning the business or affairs of the company constitute a valuable, proprietary, special and unique asset of Company’s business and in no circumstance shall reveal the information to any person other than as required by law or in the normal course of business to authorized personnel.

iii. General Service:

During the term of agreement, he shall:

- Observe Company’s policies and standards of conduct, as well as customary standards of business conduct, including any standards prescribed by law or regulation;

- Perform duties in a manner that preserves and protects Company's business reputation; and
- Do all things and render such services as may be necessary or beneficial in carrying out any of the foregoing.

iv. Restricted Activity : During the terms of the agreement, he shall not engage in any business activities or ventures outside of the business activities of Company without the express prior written consent of the Board.

v. Termination : Notwithstanding anything herein to the contrary, this agreement may be terminated either by the company (by act of its Board) or by him, at any time, without cause, provided that parties desirous of terminating this agreement shall give to the other party, a prior written notice of 3 months of such termination.

RESOLVED FURTHER THAT aggregate of the remuneration payable to Mr. Navaneethkrishnan Srinivasa Bharathy as detailed above shall be subject to the overall ceilings laid down under Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

RESOLVED FURTHER THAT notwithstanding anything contained herein above stated, where, in any financial year during the tenure of his appointment, the Company incurs a loss or its profits are inadequate, the remuneration payable to Mr. Navaneethkrishnan Srinivasa Bharathy shall be governed by and subject to the ceilings provided in the provisions of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the appointment and/or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013."

RESOLVED FURTHER THAT any of the Directors or Company Secretary of the Company, be and are hereby authorised jointly and/or severally to sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

6. Approval for increasing the Authorized Share Capital of the Company and alteration of Capital Clause in the Memorandum of Association of the Company

To consider and if thought fit, pass the following resolution, with or without modifications, as a *Ordinary Resolution*:

RESOLVED THAT pursuant to the provisions of Section 61(1)(a), Section 64(1)(a) and any other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant rules framed thereunder and in accordance with the applicable provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs. 35,00,00,000/- (Rupees Thirty-Five Crores only), divided into 7,00,00,000 (Seven Crore) equity shares of Rs. 5/- (Rupees Five only) each to Rs 40,00,00,000/- (Rupees Forty Crores only), divided into 8,00,00,000 (Eight Crore) equity shares of Rs. 5/- (Rupees Five only) each by the creation of additional 1,00,00,000 (One Crore) equity shares of Rs. 5/- (Rupees Five only) each, ranking pari passu in all respects with the existing equity shares of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and any other applicable provisions of the Companies Act, 2013 and the relevant rules framed thereunder, the consent of the members of the Company be and is hereby accorded for substituting the Clause V, i.e. Capital Clause, of the Memorandum of Association of the Company with the following clause.

'V. The Authorized Share Capital of the Company is Rs 40,00,00,000/- (Rupees Forty Crores only), divided into 8,00,00,000 (Eight Crore) equity shares of Rs. 5/- (Rupees Five only) each.'

RESOLVED FURTHER THAT the new equity shares shall rank pari-passu with the existing equity shares of the Company."

7. Special Resolution to amend the Articles of Association subsequent to increase in Authorised Share Capital of the Company

To consider and if thought fit, pass the following resolution, with or without modifications, as a *Special Resolution*:

RESOLVED FURTHER THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 and the relevant rules framed thereunder, consent of the members of the Company be and is hereby accorded for substituting the Clause 3, i.e. Share Capital, of the Articles of Association of the Company with the following clause:

'3. The Authorized Share Capital of the Company is Rs 40,00,00,000/- (Rupees Forty Crores only), divided into 8,00,00,000 (Eight Crore) equity shares of Rs. 5/- (Rupees Five only) each with power to increase, reduce and subdivide the Share Capital of the Company and to divide the same into various classes of shares and attach thereto such preferential/ deferred, special rights and privileges as may be determined by the Company in accordance with the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT any Board of Directors or Company Secretary of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, and file necessary forms with the Registrar of Companies to give effect to the above resolution.

RESOLVED FURTHER THAT any Board of Directors or Company Secretary of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, and file necessary forms with the Registrar of Companies to give effect to the above resolution.

8. Introduction of the new ASOP 2022 Scheme of the Company

To consider and if thought fit, pass the following resolution, with or without modifications, as a *Special Resolution*:

RESOLVED THAT the Employee Stock Option Scheme of the Company namely ADRENALIN STOCK OPTION PLAN 2022 ("ASOP 2022") framed under the provisions of Section 62 (1) (b) of the Companies Act 2013 and Rule 12 of the Companies (Share Capital and Debentures) Rules 2014 and as amended from time to time as approved and recommended by the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) be and is hereby approved and the Board is hereby authorized on behalf of the Company to grant from time to time RSUs to apply for equity shares and securities convertible into equity shares to eligible Employees of the Company (including Directors of the Company, whether whole time Director or not but excluding Independent Directors), provided that the number of RSUs that can be granted as reduced by the RSUs lapsed, surrendered, or cancelled shall not exceed 60,00,000 (Sixty Lakhs only) convertible into equivalent number of Equity Shares of Rs.5/- (Rupees Five) each, subject to any increase or decrease in the number of RSUs of ASOP 2022 due to any Corporate Action(s) such as issue of Bonus Shares, Split or Consolidation of Shares of the Company. the salient features of which are furnished in the Explanatory Statement to this Notice and to grant RSUs, to such person(s) who are in the permanent employment of the Company, whether working in India or out of India, and to the Directors of the Company whether whole time or not, and to such persons as may be from time to time be allowed to be eligible for the benefits of the RSUs under applicable laws

and regulations prevailing from time to time (all such persons are hereinafter collectively referred to as "Eligible Employees") except those who are promoters or belong to the promoter group, at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ASOP 2022 Scheme

RESOLVED FURTHER THAT these RSUs shall be granted at Fair Value as on the date of Grant.

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve and bring into effect ASOP 2022 on such terms and conditions as contained in the Explanatory Statement to this item in the notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ASOP 2022 in accordance with any guidelines or regulations that may be issued, from time to time, by any appropriate authority unless such variation(s), modification(s) or alteration(s) is detrimental to the interests of the employees including but not limited to, amendments with respect to the vesting period and schedule, number of RSUs, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ASOP 2022, without any form of further reference, confirmation, approvals or sanctions from the members of the company, to the extent permissible by the Companies Act 2013 and the Companies (Share Capital and Debenture) Rules 2014 and other relevant regulations in force.

RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares allotted pursuant to the aforesaid resolution shall in all respect rank pari-passu interse, as also with the then existing equity shares of the Company.

"RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issue, bonus issues, sale of division and any other form of corporate restructuring and in case of merger, de-merger, amalgamation, the Board be and is hereby authorized to make reasonable adjustments to the number of RSUs granted or the exercise price or both as it may consider appropriate."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may deem necessary, expedient, proper or desirable for such purpose, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard at any stage without the Board being required to seek any further consent or approval of the Members of the Company."

"RESOLVED FURTHER THAT the Board shall have the powers to re-price the RSUs which are not exercised, whether or not they have been vested, which shall be applicable to all RSUs granted on a specified grant date and not detrimental to the interests of the Eligible Employees.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors, or Chairman of the Company with a power to further delegate the same to any executives/officers of the company to do all such acts and deeds, matters and things as also execute documents, writings, and other papers as may be necessary in this regard."

By Order of the Board

For **Adrenalin eSystems Limited**

Aparna Madhu

Company Secretary and Legal

Date: 25/08/2022

Place: Chennai

Notes:**Meeting through Video Conferencing**

1. In view of continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its Circular dated 5th May, 2022 read together with circulars dated January 13, 2021, April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars"), permitted holding the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars and provisions of the Companies Act, 2013 ('the Act'), the AGM of the Company is being held through VC / OAVM.
2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM, is annexed hereto.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the AGM and vote on his/her behalf and the proxy need not be a member of the Company. However, as this AGM is being held through VC / OAVM, the facility for appointment of proxies shall not be available to the members and hence, Proxy Form and Attendance Slip are not annexed hereto.
4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Inspection of Statutory Registers

6. Members seeking to inspect the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, may please write to aparna.m@myadrenalin.com.

Voting at the AGM

7. Pursuant to MCA circulars, where less than 50 members are present, the Chairman of the meeting may decide to conduct a vote by show of hands, unless demand for poll is made by any member pursuant to section 109 of the Act.
8. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the company, will be entitled to vote at the AGM..

Queries / Clarifications

9. Members seeking any information or clarification regarding the Financial Statements of FY 2021-2022 or any other matters to be placed at the AGM, may please send their queries to the Company at least 7 days prior to the date of AGM, by writing to aparna.m@myadrenalin.com. The same shall be suitably addressed at the AGM.

Communication through Electronic Mode

10. In compliance with the MCA Circulars, the Annual Report 2021-2022, along with the Notice of the 20th AGM, is being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

11. For receiving all communication (including Annual Report) from the Company electronically, members holding shares in physical mode and who have not registered/ updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching copy of the share certificate and self- attested copy of PAN card at aparna.m@myadrenalin.com.
12. Members whose shareholding is in electronic mode are requested to notify any change in address or bank account or email addresses to their respective depository participant(s).

Statutory requirements to be complied with by the Members

13. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
14. Pursuant to Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, every unlisted public company shall facilitate dematerialisation of all its existing securities and issue the securities only in dematerialised form. Every holder of securities of an unlisted public company, who intends to transfer such securities shall get such securities dematerialised before the transfer. Consequently, all the members, holding shares in physical form, are requested to convert their shares in dematerialized form at the earliest.

INSTRUCTIONS FOR PARTICIPATION THROUGH VIDEO CONFERENCING:

1. Please click on the below link to join the AGM through Microsoft Teams
HYPERLINK "<https://teams.microsoft.com/l/meetup-join/19%3ameeting>"
Click here to join the meeting
2. Please enter the below credentials -
Meeting ID: 493 091 305 155
Passcode: LBBPze
3. Members can participate in the AGM through their desktops / smartphones / laptops etc. However, for better experience and smooth participation, it is advisable to join the meeting through desktops / laptops with high-speed internet connectivity.
4. Please note that participants connecting from mobile devices or tablets, or through laptops via mobile hotspot may experience audio / video loss due to fluctuation in their respective networks. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any of the aforementioned glitches.
5. For any technical assistance in joining the AGM, you may please contact CS Aparna Madhu at aparna.m@myadrenalin.com

By Order of the Board

For **Adrenalin eSystems Limited**

Aparna Madhu

Company Secretary and Legal

Date: 25/08/2022

Place: Chennai

Explanatory Statement pertaining to the Special Business pursuant to Section 102 of the Companies Act, 2013 ("Act")

4. Regularization of Mr. Navaneethakrishnan Srinivasa Bharathy (DIN: 03601418) as Director of the Company, who was appointed as the Additional Director with effect from September 21, 2021

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, in its meeting held on September 21, 2021, appointed Mr. Navaneethakrishnan Srinivasa Bharathy (DIN: 03601418) as the Additional Director of the Company under section 161(1) of the Companies Act, 2013, with effect from September 21, 2021 to hold such office till the 20th AGM.

Brief Resume of Mr. Srinivasa Bharathy

Mr. Srinivasa Bharathy is a business leader with an entrepreneurial flair and comes with more than 30 years of experience ranging from Business Strategy Consulting, Enterprise Software Product Management, Product Marketing & Sales from across multiple industry sectors.

He is an Engineering graduate from NITK, Surathkal and an Executive MBA from OUBS, British Open University, UK; apart from being a Wharton Certified Digital Marketing Professional.

He has held senior positions in Sales, Business Development, Marketing, Product Marketing, Product Management and Implementation in various global enterprises like Whirlpool, TVS Group, iSOFT, Ramco Systems and has an excellent 360-degree understanding of the software products business.

The Board, considering his experience and insights in the Enterprise software product space, consider that his appointment will be beneficial for the growth of the organization, and so, place before the Company, the recommendation of his appointment as the Director of the company.

No director, key managerial personnel, or their relatives except Mr. Navaneethakrishnan Srinivasa Bharathy, to whom the resolution relates, is interested in or concerned with the resolution in agenda no. 4. The Board, thus, recommends the resolution set forth in agenda no. 4 for the approval of members by way of *Ordinary Resolution*.

5. Ratification of appointment of Mr. Navaneethakrishnan Srinivasa Bharathy (DIN: 03601418) as the Managing Director & Chief Executive Officer of the Company

Mr. Sridhar Ganesh (DIN: 01681018), who was appointed as the Managing Director and Chief Executive Officer (MD & CEO) of the Company in the 19th Annual General Meeting to hold such office till March 31, 2022, relinquished his office from the close of business hours on October 13, 2021. In order to fill in the vacancy, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, in its meeting held on September 21, 2021, appointed Mr. Navaneethakrishnan Srinivasa Bharathy (DIN: 03601418) as the MD & CEO of the Company for a term of 3 (three) years, commencing from October 14, 2021 till October 13, 2024, with the terms & conditions detailed as under:

I. Remuneration –

A. Fixed Pay: Mr. Navaneethakrishnan Srinivasa Bharathy shall be entitled to a fixed pay of Rs. 88,00,000/- (Rupees Eighty Eight Lakhs only) per annum, including Provident Fund and Gratuity.

B. Performance Bonus: He shall be entitled to receive "Performance Bonus" of Rs. 20,00,000/- (Rupees Twenty Lakhs only) per annum, subject to achieving the targets as per the scheme of the company. For the period commencing from October 14, 2021 to March 31, 2022, performance bonus shall be calculated on pro rata basis. The Performance Bonus for the year 2021-2022 shall be paid only in the year 2022-2023, after necessary tax deductions, on approval of the NRC and the Board.

C. Reimbursement: Company shall reimburse all properly documented expenses reasonably related to the performance of duties in accordance with Company's Personnel & Travel Policy..

ii. Non-disclosure of Proprietary or Confidential Information and Confidential communication : He shall recognize and acknowledge the marketing plans, business plans, strategy, the names and address of Company's customers, the names and address of the Supplier's trade secrets and other confidential information concerning the business or affairs of the company constitute a valuable, proprietary, special and unique asset of Company's business and in no circumstance shall reveal the information to any person other than as required by law or in the normal course of business to authorized personnel.

iii. General Service -

During the term of agreement, Mr. N Srinavasa Bharathy shall:

- Observe Company's policies and standards of conduct, as well as customary standards of business conduct, including any standards prescribed by law or regulation;
- Perform duties in a manner that preserves and protects Company's business reputation and;
- Do all things and render such services as may be necessary or beneficial in carrying out any of the foregoing.

iv. Restricted Activity:

During the terms of the agreement, he shall not engage in any business activities or ventures outside of the business activities of Company without the express prior written consent of the Board.

v. Termination

Notwithstanding anything herein to the contrary, this agreement may be terminated either by the company (by act of its Board) or by him, at any time, without cause, provided that parties desirous of terminating this agreement shall give to the other party, a prior written notice of 3 months of such termination.

vi. Conclusion

In the opinion of the Board, Mr. Srinivasa Bharathy's presence on the Board as MD & CEO is highly beneficial for the Company's growth and prosperity. His expertise and insights are valuable at operational and strategic levels. Further, he possesses integrity and relevant proficiency, which bring tremendous value to the Board and to the Company.

Statement pursuant to Section II of Part II of Schedule V of Companies Act, 2013, is annexed herewith as **Annexure A**.

Mr. Srinivasa Bharathy satisfies the eligibility for being appointed as the Director pursuant to the provisions of the Act and Rules made thereunder for the time being in force, to the extent applicable to the Company. The Company has received from him all necessary statutory disclosures and declarations under section 164 and 184 of the Act.

No director, key managerial personnel, or their relatives except Mr. Navaneethakrishnan Srinivasa Bharathy, to whom the resolution relates, is interested in or concerned with the resolution in agenda no. 5. The Board, thus, recommends the resolution set forth in agenda no. 5 for the approval of members by way of *Ordinary Resolution*.

6 & 7. Approval for increasing the Authorized Share Capital of the Company

The existing Authorized Share Capital of the Company is Rs. 35,00,00,000/- (Rupees Thirty-Five Crores only), divided into 7,00,00,000 (Seven Crore) equity shares of Rs. 5/- (Rupees Five only) each.

In order to scale the business further, it is proposed to increase the Authorized Share Capital of the Company to Rs. 40,00,00,000/- (Rupees Forty Crores only), divided into 8,00,00,000 (Eight Crore) equity shares of Rs. 5/- (Rupees Five only) each.

No director, key managerial personnel, or their relatives are interested in or concerned with the resolution in agenda no. 6 & 7. The Board, thus, recommends the resolution set forth in agenda no. 6 & 7 for the approval of members by way of *Special Resolution*.

8. Introduction of the new ASOP 2022 Scheme of the Company

The Primary objective of the ASOP 2022 scheme is to bring about “aspirational” alignment of associates with the company’s long-term goals while at the same time enabling the company to reward, attract and retain the best available talent in the company.

Introduction of the new ASOP 2022 Scheme of the Company

The Primary objective of the ASOP 2022 scheme is to bring about “aspirational” alignment of associates with the company’s long-term goals while at the same time enabling the company to reward, attract and retain the best available talent in the company.

Salient features of ASOP 2022 Scheme:

1. Purposes of the Plan. The purposes of this Plan are:

- Align Aspirations of Associates with Company’s long term goals;
- Attract, retain and motivate talented and critical employees;
- Encourage employees to align individual performance with Company objectives;
- Reward employee performance with ownership in proportion to their contribution;

2. Shares Subject to the Plan.

(a) The total number of stock options to be granted

The maximum number of Restricted Stock Units granted to eligible employees under the RSU plan shall not exceed 60,00,000 RSUs convertible into equivalent number of Equity Shares of Rs. 5/- (Rupees Five) each be and is hereby approved subject to requisite approval of the members. (b) identification of classes of employees entitled to participate in the Employees Stock Option Scheme

a) The persons eligible to participate in the Plan are as follows:

- i) Employees, other than (A) any Employee who is a Promoter or belongs to the Promoter Group or holds 2% or more of the outstanding Shares, or (B) except with the prior approval of the Reserve Bank of India, employees who are the citizens of Bangladesh, Pakistan or Sri Lanka; and
- ii) Directors or directors of any holding company or Subsidiary, other than (A) any Independent Directors or (B) Director(s) who either themselves or through a relative or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Shares

(c) The appraisal process for determining the eligibility of employees to the Employees Stock Option Scheme

The Nomination and Remuneration Committee either by itself or through a committee formed by it shall determine the eligibility criteria for the employees and the Directors (including whole-time Directors) under ASOP 2022 based on evaluation of the employees/Directors on various parameters, such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential, etc., and such other factors as may be deemed appropriate.

(d) The requirements of vesting and period of vesting

The Administrator will, in its discretion, set the Vesting criteria which may be based on the Participant's period of Service and/or the attainment of specified performance objectives or any other criteria as deemed fit. After the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any Vesting restrictions for such Restricted Stock Units. The minimum Vesting Period of a Restricted Stock Unit Award shall not be less than a period of 12 months unless such other shorter period is approved by the Administrator, provided such other period is in compliance with the SEBI Regulations in effect from time to time. In addition, the Vesting of the Award will accelerate in full upon the Participant's death or Disability during the period of Service to the extent required under the SEBI Regulations.

(e) The maximum period within which the options shall be vested

The maximum period within which the options shall be vested is 60 months unless such other shorter period is approved by the administrator.

(f) The exercise price or the formula for arriving at the same

Each Restricted Stock Unit Award shall entitle the Participant to receive the Shares underlying such Award following Vesting and payment of the Exercise Price. The Exercise Price shall be determined by the Administrator, provided that such price shall not be less than the par value of the Shares. The Exercise Price must be paid at such time and in such manner as set forth in the Award Agreement.

(g) The exercise period and process of exercise

- Exercise of Restricted Stock Units. After Vesting, a Participant shall have a limited period of time as set forth in the Award Agreement within which to exercise the Award. On the expiry of any such Exercise Period, any Restricted Stock Units which have not been exercised will lapse and cease to be valid for any purpose. Alternatively, the Administrator may provide that the Award shall be automatically exercised upon Vesting subject to payment of the Exercise Price and other terms as set forth in the Award Agreement.
- Termination. Outstanding unvested Restricted Stock Units shall automatically terminate without any payment if the performance goals or Service Vesting or any other laid out requirements established for those Awards are not attained or satisfied
- Form and Timing of Settlement. Settlement of vested Restricted Stock Units will be made as soon as practicable after the date(s) set forth in the Award Agreement. To the extent permitted by Applicable Laws and the Administrator, the Participant may elect for vested Restricted Stock Units be paid in equity shares or depository shares.

(h) The Lock-in period, if any

There is no lock in period

(i) The maximum number of options to be granted per employee and in aggregate;

a) Share Reserve. Subject to the provisions of Section 11 of the Plan, the maximum aggregate number of Shares that may be awarded under the Plan is 7.5% of the equity capital of the Company (the "Share Reserve").

b) Per Person Limitations. The following per person limitations shall apply:

i) The maximum number of Shares subject to Awards granted to a Participant shall not exceed 1% of the total paid-up equity capital of the Company during the tenure of the Plan.

ii) The maximum number of Shares and Depository Shares subject to Awards granted to a Participant who is not a resident of India in the aggregate shall not exceed 5% of the total paid up capital of the Company during the tenure of the Plan.

c) Lapsed Awards. Shares subject to Awards granted under the Plan shall be available for subsequent award and issuance under the Plan to the extent such Awards expire, terminate or are cancelled for any reason prior to the issuance of the Shares. Shares that have actually been issued under the Plan under any Award will in no event be returned to the Plan and will not become available for future distribution under the Plan. To the extent an Award is settled in cash rather than Shares, then the number of Shares available for issuance under the Plan shall not be reduced by the number of Shares subject to such Award. If Shares are withheld to pay the applicable Taxes, the number of Shares available for issuance under the Plan shall be reduced by the net number of Shares issued after giving effect to such withholding.

d) Share Issuance. Any Shares to be issued under the Plan shall be issued by the Company according to the Applicable Laws and regulations formulated from time to time.

(j) The method which the company shall use to value its options.

Since the RSU is issued at the Face Value, the company has not carried out any separate valuation of its shares.

(k) The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct;

In the event of an eligible employee's services being discontinued on account of resignation, termination, or otherwise for misconduct, the Options granted to him both vested and unvested as on that date shall lapse

(l) The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee

If the services of an Option Grantee are discontinued at the will (voluntary) of such Grantee or by the Company, then, such Grantee may Exercise the Options which are vested in him as on the date of communication of discontinuation of services, within 30 days from the last working day, failing which such Options shall lapse

3. Administration of the Plan.

a) Administration The Plan shall be administered by the Nomination and Remuneration & Compensation Committee.

b) **Powers of the Administrator.** The Administrator will have the authority, in its discretion:

- i) to select the eligible persons to whom Awards may be granted hereunder;
 - ii) to determine the terms and conditions, including Exercise Price, of any Award granted hereunder, provided such terms and conditions are not inconsistent with the terms of the Plan;
 - iii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;
 - iv) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws;
 - v) to modify or amend each Award (subject to the provision of the Plan);
 - vi) to authorize any person to execute on behalf of the Company any instrument required to effect grant of an Award previously granted by the Administrator;
 - vii) to allow a Participant to defer the receipt of the delivery of Shares that would otherwise be due to such Participant under an Award pursuant to such procedures as the Administrator may determine;
 - viii) to allow an outstanding Award denominated in equity shares to be settled in depository shares;
 - ix) to frame suitable policies and systems to ensure that there is no violation of any laws and
 - x) to make all other determinations deemed necessary or advisable for administering the Plan.
- c) Effect of Administrator's Decision.** The Administrator's decisions, determinations, and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Other Points

I. Shareholder Rights. A Participant shall not have any of the rights of a shareholder with respect to Shares covered by an Award until the Participant becomes the holder of record of such Shares.

II. Transferability of Awards. An Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator, in accordance with Applicable Laws, makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

III. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's Service relationship with the Company, nor will they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

IV. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination of granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

V. Effective Date and Term of Plan. This Plan became effective on the date of its adoption by the Board on August 09, 2022, pursuant to the approval of the Company's shareholders obtained in the Annual General Meeting held on September 16, 2022. The Plan will continue in effect from the date of such initial adoption, unless terminated according to the provisions of the Plan.

11. Amendment and Termination of the Plan.

a) Amendment and Termination. Subject to Applicable Laws, the Administrator may at any time amend, alter, suspend or terminate the Plan.

b) Shareholders' Approval. The Company will obtain shareholder approval by way of special resolution in a general meeting of the Company for any amendment to the Plan to the extent necessary and desirable to comply with Applicable Laws.

c) Effect of Amendment or Termination. No amendment, alteration, suspension, or termination of the Plan will impair the rights of any Participant unless agreed to by the Participant. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

12. Shares will not be transferred to a Participant pursuant to the exercise of an Award unless the exercise of such Award and the delivery of such Shares will comply with Applicable Laws.

By Order of the Board

For **Adrenalin eSystems Limited**

Aparna Madhu

Company Secretary and Legal

Date: 25/08/2022

Place: Chennai

ANNEXURE - A

Statement pursuant to Section II of Part II of Schedule V of Companies Act, 2013

I.	General Information	
1)	Nature of Industry	IT Software Solutions
2	Date of commencement of business	May 07, 2002
3	Financial performance	Please refer Board's Report 2021-2022 – Clause 1
4	Foreign investments or collaborations	NA
II.	Information About The Appointee	
1)	Background details	Mr. Srinivasa Bharathy has held senior positions in Sales, Business Development, Marketing, Product Marketing, Product Management and Implementation in various global enterprises like Whirlpool, TVS Group, iSOFT, Ramco Systems and has an excellent 360-degree understanding of the software products business.
2)	Recognition or awards	University rank holder in Engineering
3)	Job profile and his suitability	The job profile involves providing leadership, strategic analysis, direction to the business and striving for new opportunities in the market.
4)	Remuneration proposed	Please refer Explanatory Statement above.
5)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	Considering the responsibility shouldered by him, proposed remuneration is commensurate with the industry standards and Board level positions held in similar sized and similarly positioned businesses.
6)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other directors.	NA
III.	Other Information:	
1)	Reasons of loss or inadequate profits	The inadequacy in the profit of the company is due to the adversity caused by the COVID 19 pandemic wave 2 across global markets. Uncertainties due to global lock down situations had affected the business especially in the first half of the year.

2)	Steps taken or proposed to be taken for improvement	<p>Your company has taken several measures for the improvement of the revenue despite being a COVID affected year, namely -</p> <ul style="list-style-type: none"> • Improving the UI/UX in Max based on customer feedback. • Geographical expansion in the MEA and APAC markets with release of geo specific product packaging. • Improving customer onboarding cycles through special focus on customer experience. • Adoption of a modular approach to Max enabling easy interoperability with other best of breed software. • Investing in creating an effective partner ecosystem in new territories
3)	Expected increase in productivity and profits in measurable terms	<p>Leveraging the 20 years of experience the company has been in the market, the company is confident of multifold jump in revenues in the next 3-5 years. All initiatives being implemented in the company are aligned towards this singular focus of scaling the company for sustained profitable growth in the medium to long term.</p>

By Order of the Board

For **Adrenalin eSystems Limited**

Aparna Madhu

Company Secretary and Legal

Date: 25/08/2022

Place: Chennai



Adrenalin eSystems Limited

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