

## **BOARD OF DIRECTORS**

**Mr. ARUN JAIN** Chairman

Mr. S. V. RAMANAN

Director

Mr. N SRINIVASA BHARATHY

Managing Director & CEO

Mr. ARVIND KUMAR MISHRA

**Independent Director** 

Mr. KUMARAN MANI

Independent Director (till 05/07/2025)

## **KEY MANAGERIAL PERSONNEL**

Mr. K. S. SUBRAMANIAN Chief Financial Officer Ms. APRAJITA SINGH
Company Secretary & Legal

## **MANAGEMENT TEAM**

Mr. ASIF R MOHAMMED

Mr. SANJAY RAMDAS KAMATH

Mr. DAVID MADHAN

Mr. ANANTHARAMAN PATAMBI

Mr. SMITHIN DAS KUNDOLY

Mr. RAMALINGAM M

Mr. BALAMALAI RANGANATHAN M

Mr. KUMAR MADHAVAN

Chief Customer Experience Officer

Senior Vice President & Business Head - SASIA Senior Vice President & Business Head - MEA Senior Vice President & Business Head - APAC

Senior Vice President

Senior Vice President - Operations & Transformation

Senior Vice President - Product Experience Senior Vice President - Product Experience

## STATUTORY AUDITORS

M/s. R.G.N Price & Co. Chartered Accountants 'Akshaya Shanti' 1<sup>st</sup> Floor, 25 & 27 Anna Salai, Chennai - 600002

## **BANKERS**

ICICI Bank Limited
HDFC Bank Limited
HSBC Middle East Limited

## **REGISTRAR & TRANSFER AGENT**

KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally NA Hyderabad Rangareddy Dist. 500032 IN I Ph No. 91 40 6716 2222, 7961 1000.

## 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

## **Letter to Shareholders**

### Dear Shareholders,

Greetings!

Your company had an eventful financial year 2024-2025 and I would like to thank all the dedicated associates, customers, partners and other stakeholders throughout the globe for having helped your company continue its position of being a pioneer in the HR tech industry from India.

With the addition of new leadership talent across Product and Customer Experience, as well as, on-boarding of experienced associates in key market facing roles, your company was able to achieve better results in terms of Operating revenues through improved new customer acquisitions for our flagship SaaS offering – Adrenalin Max.

I would like to congratulate all the associates and partners who tirelessly worked to ensure our revenues grew with new customers while retaining key existing customers

During the year FY25, we were able to win 54 logos, with a much higher average contract value since the company shifted its focus into medium / larger enterprise accounts. Despite challenges, our delivery team enabled 61 customers 'go live' with our solution and migrated 53 customers from older versions to Max during the year. It is significant to note the business showed good pipeline conversions in all the key geographies where we have a footprint. The overseas business won 13 new logos this year retaining the momentum in the Middle East as well as APAC regions. We also won a marque deal from one of the largest banks in the GCC region.

On the financial front, we concluded FY25 with a revenue of Rs. 77.95 Cr vs Rs. 63.85 Cr in the previous year, an increase of about 22%. I am also happy to inform you that our ARR increased by 33% over the previous year and this will help us with bringing good revenue stability and predictability over the next few years.

During the year, your company has continued to invest substantial amount in enhancing the user experience as well as functionality to make it appealing to all generations of users and to customers in the target industry verticals. We have also been investing on the development of the underlying technology platform that enables seamless integrations with the other enterprise business software used by customers.

We also invested a significant portion of our budgets in building brand visibility and reputation through various social media campaigns and key conferences and events. The combined effect of these investments will be seen in the coming years.

I would like to also place on record the support and encouragement received from the Chairman as well as the Board of Directors on various critical decisions taken during the year.

I would also like to thank all our customers and partners and all our Associates who have continued to place trust in your company and have contributed to its growth this year.

With Best Regards,

N. Srinivasa Bharathy, Managing Director & CEO.

**Directors' Report** 

## **DIRECTORS' REPORT**

## Dear Members,

We are pleased to present the 23rd Annual Report of our business and operations for the year ended March 31, 2025, of Adrenalin eSystems Limited ("The Company"),

## FINANCIAL PERFORMANCE:

The Audited Financial Statements of the Company as on 31st March 2025 are prepared in accordance with the relevant applicable IND AS and provisions of the Companies Act, 2013 ("Act"). The summarized financial highlights are depicted below:

Particulars - in Rs Lacs	Consolidated	Stand	dalone	
	For the year ended 31-March- 2025	For the year ended 31-March- 2025	For the year ended 31-March- 2024	
Total Income	7913.51	7856.95	6,615.20	
Profit/(Loss) before Depreciation,				
Amortization, and Interest	(232.72)	(214.13)	(161.41)	
Less: Depreciation and amortization	558.24	550.92	566.73	
Less: Interest	98.75	94.78	122.92	
Profit/(Loss) Before Tax	(889.71)	(859.83)	(851.06)	
Less: Taxes including deferred tax	-	-	(233.59)	
and tax written off related to earlier				
years			W AND	
Re-measurement gains / (loss) on	(15.41)	(15.82)	0.41	
defined benefit plans (Net of tax)	///	A	7 / 1	
Total Comprehensive Income	(905.12)	(875.65)	(1,084.24)	

## 1. KEY DEVELOPMENTS:

During this financial year, your company has undertaken the following initiatives, the benefits of which will be seen in the ensuing years.

#### **ADRENALIN MAX 2.0**

In FY 2024–25, We strengthened our platform with deep AI integration, modernization initiatives, and experience-led enhancements across key People Experience functions.

#### **CANDIDATE EXPERIENCE**

- We reimagined the candidate journey with the launch of Microsite 2.0, providing a richer and more interactive interface.
- Enhanced BGV (Background Verification) integrations were introduced to streamline prejoining checks.
- Offer preview flows were rolled out to provide candidates with greater clarity and transparency during the hiring process.

#### TALENT EXPERIENCE

- The revamped Performance Management System (PMS) user experience received strong client acclaim.
- We delivered key talent features including Succession Planning and PMS-LMS integration to support development and learning.
- The onboarding experience was improved to ensure a smoother transition for new hires.
- Our internal Learning & Certification platform, featuring structured courses and digital badges, is set to roll out in the coming months.

### **EMPLOYEE EXPERIENCE**

- MAX Pulse, our latest social platform, was launched to boost employee engagement and recognition.
- Operational upgrades such as weekly work alerts, alumni microsites, attendance workflows, and shift planning tools were introduced to enhance daily employee interactions.
- Employee Self-Service (ESS) capabilities were expanded across India, MEA, and the Philippines to support self-managed work processes.
- The company is also preparing to launch MAX Market, which will provide seamless integration of third-party add-on solutions via a curated marketplace.
- We expanded our ecosystem with integrations including Clear Tax and MakeMyTrip.
- We addressed statutory updates across Malaysia, Philippines, Qatar, and India, ensuring compliance across regions.
- New features such as anonymous surveys, policy consent management, and mid-year confirmations were introduced to support governance and employee policy compliance.

#### PLATFORM & AI EXPERIENCE

- #NAVI, our flagship AI-powered HR platform, was launched with contextual stations, lines, and hubs that embed AI Agents directly into HR workflows.
- This marked a pivotal shift with deep AI integration, including 13 live AI digital experts such as Bill Verifier, JD Generator, CV Tone Analyzer, Smart Goal Generator, and Exit Feedback Analyzer.
- We introduced our own home-grown AI Copilot, integrated with Freshdesk, to improve Customer Success response times by auto-suggesting ticket resolutions within minutes.
- A total of 39 APIs were published to support scalable and connected data management.
- Our AI models now support 13 languages, further enhancing global accessibility and inclusivity.

Together, these innovations position Adrenalin for a smarter, more connected, and scalable future.

#### **MARKET EXPANSION:**

Your company has opened a wholly owned subsidiary in the **United Arab Emirates** and the same is operational from this financial year. The company has also expanded in the Southeast Asian market of **Malaysia** and in the gulf region of **Qatar**.

#### **MARKETING**

In FY 2024–25, marketing efforts were focused on strengthening brand visibility, driving qualified pipeline through events and campaigns, and enhancing credibility via analyst and media engagements.

### **BRAND & MARCOM**

- We participated in 21 events globally, spanning South Asia, the Middle East, Africa, and APAC, which helped reinforce our presence in target regions. Our media presence grew significantly, with 37 articles published across digital and print platforms. This was further supported by the launch of a dedicated PR/Media section on our website to house and highlight our media coverage.
- LinkedIn campaigns were scaled across regions, resulting in stronger brand recall and a steady flow of inbound enquiries. The New Year Calendar initiative received positive feedback, and our podcast series, launched in collaboration with NHRD and NIPM, helped deepen thought leadership. Our CEO was also honoured with an award for contributions to the HR community, enhancing brand credibility.
- A major highlight of the year was the launch of #NAVI, which was inaugurated by the Tamil
  Nadu IT Minister. The launch was supported by a promotional video and a series of targeted
  digital campaigns to drive awareness and adoption.

## PERFORMANCE MARKETING

- Offline events and digital campaign activities led to significant increase in enquiries. This reflects both the reach and conversion strength of our demand generation programs.
- Partner-led marketing played a significant role. Joint go-to-market campaigns with partners in Africa helped increase visibility and brand traction.

### **ANALYSTS RELATIONS**

 Adrenalin was recognized as a representative vendor for HCM by Gartner, marking a significant validation of our product capabilities. In addition, we engaged in multiple highimpact sessions with both Gartner and IDC to align market positioning and enhance analyst confidence.

## **CLOUD AND INFORMATION TECHNOLOGY**

In FY 2024–25, we reinforced our commitment to security, compliance, and system reliability.

- We achieved key certifications including ISO 27001, SOC 1 Type 1, and SOC 2 Type 2, and conducted Vulnerability Assessment and Penetration Testing (VAPT) to ensure a robust security posture.
- System uptime was consistently maintained at **99.8%**, supported by **CDN-enabled sure routing** for optimized performance.
- We upheld a **Recovery Point Objective (RPO)** of 30 minutes, ensuring minimal data loss in case of disruptions.
- Strict access controls were enforced through **Privileged Access Management (PAM)**, while availability and capacity monitoring ensured proactive infrastructure management.
- Additionally, we launched **Sprinto**, our centralized compliance and trust center portal, enhancing transparency and governance.

#### 2. PERFORMANCE HIGHLIGHTS OF THE COMPANY - STANDALONE:

#### 2.1 Revenue:

### **Revenue from operations**

Operational revenue for the year ended 31st March 2025 grew by 22% over the previous year. This increase is mainly due to upselling / cross selling and migration of customers to SaaS model.

During the year, the Company strategically focused on acquiring medium to large enterprises, resulting in a significant increase in the average deal size, which led to an increase in revenue. The Company continues to perform well in the Middle East region, securing a few marquee clients. The MEA market remained promising throughout the year, with notable revenue growth from existing customers.

Subscription revenue grew by 21%, while license income, largely driven by upsells, increased by an impressive 115%. Annual Maintenance Contracts (AMC) saw a marginal increase of 4%, in line with the Company's strategic shift towards SaaS.

We added **54 new logos** during the year. Although the number of new customer acquisitions was limited, the **Annual Contract Value (ACV)** and the **average deal size** have increased significantly, reflecting our deliberate focus on **mid- and large-sized enterprises**, which align better with our product offering.

#### 2.2 Other Income:

With the redemption of funds for expansion purposes and other operational expenses the other income has reduced during the year as compared to the previous year.

## 2.3 Operating & Administrative Expenses:

Employee cost has increased mainly on account of new hires. Operating and administrative expenses have increased (other than provisions) mainly on Infrastructure costs, Travelling and Professional charges.

A notable rise in infrastructure expenses, primarily driven by investments in cloud infrastructure for client onboarding and data storage, reflects a forward-looking approach to support future scalability.

Meanwhile, stable spending on travel, third-party services, and professional fees indicates disciplined cost control and consistent operational management.

## 2.4 Depreciation & Amortization Expenses:

Our depreciation and amortization expenses decreased by 2.79% from Rs. 566.73 Lacs in Financial Year 2023-24 to Rs.550.91 Lacs in Financial Year 2024-25.

## 2.5 Finance Costs:

Finance costs decreased by ₹28.16 lakhs during FY 2024–25, primarily due to the closure of the overdraft facility, resulting in lower interest expenses and improved financial efficiency.

### 2.6. Result of the operations:

The company reported a Standalone loss of ₹ 875.65 lakhs for the FY 2024–25, compared to ₹1084.24 lakhs in the previous year.

#### 3 MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments from the end of the financial year till the date of this report.

#### 4 RESERVES:

The Company does not propose transferring any amount to the Reserves.

## 5 DIVIDEND:

In view of the Losses, the Company does not propose any Dividend for the year 2024-2025.

#### 6 DEPOSITS:

During the year under review, your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013, read with rules made there under.

### 7 SUBSIDIARY COMPANIES AND ITS FINANCIAL PERFORMANCE:

Your company has 1 (One) direct wholly owned foreign subsidiary as of 31st March 2025. There are no associate companies or joint ventures. However, the company is an associate under section 2(6) of The Companies Act, 2013, of Intellect Design Arena Limited and Polaris Banyan Holding Private Limited.

#### 8 SHARE CAPITAL:

As of 31st March 2025, the company's paid-up capital stands at ₹3,312.27 lakhs. There have been no changes, additions, or reductions in the share capital during the year, and no alterations have been made to the authorized share capital. During the year, the company in its EGM held on 20-03-2025 has passed a unanimous resolution to Issue Equity Shares on Preferential basis to one of its Promoter and Promoter Controlled Entity.

# 9 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The operations of the company are not energy intensive. The Lessor has taken adequate steps on the conservation of energy.

The Foreign Currency transactions are accounted for at the rate prevailing on the date of the transactions. The details on foreign currency earnings and outgo is given below:

Particulars	2024-2025 (Rs. In Lakhs)	2023-2024(Rs. In Lakhs)
Earnings	3150.60	2608.00
Outgo	1344.70	903.52

### **DIRECTORS' 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 financial statement, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they 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 as at 31st March, 2025 and of the loss of the Company for the year ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) they have prepared the annual financial statement on a "going concern basis";
- e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) they have devised a proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

# 10 BOARD MEETINGS, BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL & COMMITTEES OF DIRECTORS

## a) Board Meetings:

During the year ended March 31, 2025, Eight (8) 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 Date of Meetings	Mr. Arun Jain	Mr. N. Srinivasa Bharathy	Mr. S V Ramanan	Mr. Arvind Kumar Mishra	Mr. Kumaran Mani
31-05-2024	Present	Present	Present	Present	Present
21-06-2024	Present	Present	Present	Present	Present
17-07-2024	Absent	Present	Present	Absent	Present
21-08-2024	Present	Present	Present	Present	Present
25-10-2024	Absent	Present	Present	Present	Present
11-11-2024	Present	Present	Present	Present	Present
13-02-2025	Absent	Present	Present	Present	Present
20-03-2025	Absent	Present	Present	Present	Present
Total Meetings Attended	5/8	8/8	8/8	7/8	8/8

## b) Directors And Key Managerial Personnel:

The Board of Directors is appropriately constituted as per the requirements of the Companies Act, 2013 and rules made thereunder.

As of March 31, 2025, the Company has 5 Directors, which includes 2 Independent Directors, 2 Non- Executive & Non-Independent Directors and 1 Executive Managing Director.

The following personnel are the updated list of KMPs as per the definition under Section 2(51) and Section 203 of the Act:

- Mr. N. Srinivasa Bharathy: Managing Director & Chief Executive Officer.
- Mr. K.S. Subramanian: Chief Financial Officer.
- Ms. Aprajita Singh: Company Secretary & Legal

## c) Changes in Executive Directors, Non-Executive Directors & Key Managerial Personnel:

The following are the changes that occurred in the Board & KMP during the year ended March 31, 2025.

### **Re-appointment:**

In terms of Section 152 (6) of the Companies Act, 2013, one third of the directors other than independent directors are liable to retire by rotation at the Annual General Meeting of the company. In the ensuing 23rd Annual General Meeting, Mr. Arun Jain (DIN: 00580919), Non-Executive Non-Independent Director, is liable to retire by rotation.

#### **Resignation:**

- Mr. Sridhar Ganesh (DIN: 01681018) resigned from the Board of Directors of the company effective from 14th of June 2024.
- Mrs. Aparna Madhu (ACS 49224) resigned as Company Secretary of the Company effective from 31st May 2024.

### **Independent Directors**

- Mr. Arvind Kumar Mishra had been appointed as an Independent Director and is holding office for his first term, for a period of 5 years from May 08, 2023, till May 07, 2028.
- Mr. Kumaran Mani has been appointed as an Independent Director and holding office for his second term has resigned from the Board effective 5<sup>th</sup> July 2025.

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. Further, no Independent Director has been debarred by any order/judgement of any regular in force.

#### **Committees of Board:**

The Company has the following Board Committees:

- 1. Audit Committee (2 Independent Directors and 1 Non-executive Director)
- 2. Nomination & Remuneration Committee (2 Independent Directors and 1 Non-executive Director)
- 3. Corporate Social Responsibility Committee (2 Independent Directors and 1 Non- executive Director)

### 11 EMPLOYEE STOCK OPTION SCHEME:

The shareholders at the EGM held on 16th September 2022 have approved to introduce, offer, issue and allot Restricted Stock Units under the new Adrenalin Stock Option Plan, 2022 (ASOP 2022). The maximum number of Restricted Stock Units granted to eligible employees under the RSU plan shall not exceed 60,00,000 options convertibles into equivalent number of Equity Shares of Rs. 5/- (Rupees Five) each.

The table below gives the cumulative movement of the shares granted under ESOP:

Particulars	2023-24	2024-25
Pool Size	6,000,000	6,000,000
Outstanding at the beginning of the year	1,782,400	1,784,600
Add: Grants during the year	379,000	342,600
Total Options Grants as at the year end	2,161,400	2,127,200
Cancelled during the year	337,200	264,800
Exercised during the year	39,600	
Closing Balance of Grants as at the year end	1,784,600	1,862,400

#### 12 BOARD EVALUATION

As required under the provisions of Section 134 (3) (p) 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 performance evaluation framework is in place. Mr. D B Modak, Director of Axar Digital Services Pvt Ltd was appointed to evaluate the performance of the Directors and made a presentation to the Board summarizing the views and suggestions made by the individual Directors and the Board. 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, Remuneration and Compensation Committee reviewed the performance of Individual Directors on the basis of criteria such as exercise of responsibilities in a Bonafide manner in the interest of the Company, striving to attend meetings of the Board of Directors / Committees of which he/she is a member / general meeting, participating constructively and actively in the meetings of the Board / committees of the Board, etc.

#### 13 POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The remuneration policy of the Company has been so structured as to match the market trends of the IT industry. The Board, in consultation with the Nomination and Remuneration & Compensation Committee, decides the remuneration policy for Directors. The Company has made adequate disclosures to the members on the remuneration paid to the Directors from time to time. Remuneration / Performance Pay payable to Directors is determined by the contributions made by the respective Directors for the growth of the Company.

There has been no change in the policy since the last fiscal year. We affirm that the remuneration paid to the Directors are as per the terms laid out in the remuneration policy of the Company.

## 14 INTERNAL FINANCIAL CONTROL (IFC) SYSTEM AND THEIR ADEQUACY:

The Directors are responsible for laying down internal financial controls to be followed by the company and ensuring that such internal financial controls are adequate and operate effectively. As per Section 134(5) (e) of the Companies Act, 2013, the Director's Responsibility Statement shall state the same.

Your Company has put in place the required internal control systems and processes commensurate with its size and scale of operations. During the year under review your Company carried out a separate audit on IFC and no major discrepancy has observed.

#### **15 RISK MANAGEMENT:**

Risk Management is a continuous and developing process which runs throughout the Organization's strategy and the implementation of that strategy. The Risk Management helps the organization to proactively manage uncertainties in the internal and external environment and to limit the negative impacts and benefit on the opportunities. The process includes risk identification, risk evaluation, risk prioritization, risk mitigation, risk monitoring & review.

#### 16 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.

## **17 AUDITORS:**

## **Statutory Auditors:**

R.G.N. Price & Co, (FRN No:002785S) Chartered Accountant firm, were appointed as the auditors of the company in the 20th Annual General Meeting to hold the office for the period of 5 consecutive years i.e. from the Financial Year 2022-23 to 2027-2028 till the conclusion of the 25th Annual General Meeting.

#### **Secretarial Auditors:**

Secretarial Audit is not applicable to the company as per the provisions of Section 204 of The Companies Act, 2013.

#### 18 CORPORATE SOCIAL RESPONSIBILITY

Pursuant to section 135 of Companies Act, 2013, read with Schedule VII, the Company has contributed an amount of Rs. 3,00,000/- (Rupees Three Lakhs Only) towards Corporate Social Responsibility during the year under review. Annual Report on Corporate Social Responsibility (CSR) Activities has been attached in Annexure-B

### 19 AUDIT COMMITTEE RECOMMENDATIONS

During the year, all the recommendations of the Audit Committee were accepted by the Board. The Composition of the Audit Committee is in accordance with the Companies Act, 2013.

### **20 ANNUAL RETURN:**

The Annual Return of the Company is available on the website of the Company, www.myadrenalin.com.

### 21 VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has established a whistle-blower policy and a mechanism for Directors and employees to report their concerns. The details of the same is explained in the Corporate Governance Report.

## 22 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the financial year, there were no Loans, Guarantees given or security provided pursuant to Section 186 of the Companies Act, 2013 and the relevant provision as applicable has been compiled with. During the year, the company has made an investment in a wholly owned overseas subsidiary in the United Arab Emirates.

# 23 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

### 24 PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

As per the requirement of the provisions of the sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, our Company has constituted Internal Complaints Committees at its Corporate office as per requirement of the Act which are responsible for redressal of complaints relating to sexual harassment against woman at workplace. During the year under review, there were no complaints pertaining to sexual harassment against women.

## 25 RISK MITIGATION THROUGH INSURANCE:

*The following insurance coverage is taken to mitigate risks:* 

 Professional Liability Insurance - To safeguard against any loss arising of an error, negligent act or omission which would result in failure in performing the professional services or duties for others.

- **Directors & Officers Liability Insurance** To safeguard against any loss arising out of a wrongful act made by the Directors, Officers, and Employees of the organization with reference to the Company's business operations and activities.
- **Commercial General Liability Insurance** To safeguard against Third Party bodily injury or property damage arising out of our business operations.
- **Standard Fire & Special Perils Insurance** To protect the Company's Assets (movable & immovable Assets) from the risk of Fire or Perils.
- **Cyber Liability Insurance-** To safeguard against any loss arising out of a security breach and or privacy breach that would result in sensitive or unauthorised data or information being lost or compromised.
- **Crime Insurance** To safeguard against any loss of property, money or securities arising out of fraudulent activities committed by the employee or in collusion with others.

# 26 AUDIT REPORT, QUALIFICATIONS, REPORTING OF FRAUD, IF ANY, BOARD COMMENTS THEREON:

The Auditors have placed the Auditors' Report on the Financial Statements for the year ended 31st March 2025. There are no qualifications or adverse remarks in the Auditors' report for the year under review.

During the year under review, there were no instances of fraud as required to be reported by the Statutory Auditors of the Company.

### **27 ACKNOWLEDGEMENT:**

The Board places on record its appreciation for the cooperation and support received from the Investors, Customers, Vendors, Banks, Regulatory, Government authorities and every other business associate for their continued support. The board also wishes to place on record their appreciation of the contribution made by every member of the Adrenalin family.

DIN: 03601418

By order of the Board,

For Adrenalin eSystems Limited

Arun Jain Chairman DIN: 00580919

Date: 4<sup>th</sup> July 2025 Place: Chennai N. Srinivasa Bharathy
Managing Director & Chief Executive Officer

## Annexure 1 Form No.

## **AOC-1**

## For the financial year ended March 31, 2025

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

Statement containing salient features of the financial statement of Subsidiaries as on March 31, 2025

PART "A": Subsidiaries (01)

Name of the Subsidiary	Adrenalin eSystems LLC
Reporting Period	April-March
Reporting Currency	AED
Exchange Rate	23.27
Capital	69.81
Reserves	(29.48)
Total Assets	395.50
Total Liabilities	395.50
Investment other than Investment in Subsidiary	
Turnover before Tax	125.08
Profit before Tax	-29.88
Provision for Tax	
Profit after Tax	-29.88
Other Comprehensive income	0.40
Total Comprehensive income	-29.48
Proposed Dividend	Nil
% of Holding	100%

## Notes:

- 1. The Figures are given in Indian Rupees (INR Rs Lacs). Figures are translated from the foreign currencies in the accounts of the subsidiary companies, based on the applicable exchange rates for the year March 31, 2025.
- 2. The information provided above is based on the IND AS of the subsidiaries for the financial year ended March 31, 2025

By order of the Board,

For Adrenalin eSystems Limited

Arun Jain Chairman DIN: 00580919

Date: 4<sup>th</sup> July 2025 Place: Chennai N. Srinivasa Bharathy

Managing Director & Chief Executive Officer

DIN: 03601418

## Annexure 2 Form No.

## **AOC-2**

## For the financial year ended March 31, 2025

[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 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.

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

2. Details of material contracts or arrangements or transactions on an arm's length basis:

A.

a)	Name(s) of the related party and nature of	:	Intellect Design Arena Limited,
	relationship		India - (Controlling Entity)
b)	Duration of the contracts'/arrangements/ transactions	:	Contract will continue till either party terminates the contract
c)	Nature of contracts/arrangements/ transactions		Rental for the premises and Value Added Reseller.
d)	Salient terms of the contracts/arrangements /transactions including the value, if any	:	Transactions in the normal course of business
e)	Date(s) of approval by the Board, if any	:	31-05-2024
f)	Amount paid as advances, if any	:	NIL

В.

a)	Name(s) of the related party and nature of relationship	:	Intellect Design Arena Philippines Inc. (Subsidiary of the Controlling entity)
b)	Duration of the contracts'/arrangements/ transactions	:	Contract will continue till either party terminates the contract
c)	Nature of contracts/arrangements/ transactions	:	Value Added Reseller and Cost Sharing for premises and personnel.
d)	Salient terms of the contracts/arrangements /transactions including the value, if any	:	Transactions in the normal course of business
e)	Date(s) of approval by the Board, if any	:	31-05-2024
f)	Amount paid as advances, if any	:	NIL

**C**..

a)	Name(s) of the related party and nature of relationship	:	M/s Intellect Design Arena FZ- LLC, Dubai.
b)	Duration of the contracts'/arrangements/ transactions	:	Contract will continue till either party terminates the contract
c)	Nature of contracts/arrangements/ transactions	:	Value Added Reseller.
d)	Salient terms of the contracts/arrangements /transactions including the value, if any	:	Transactions in the normal course of business
e)	Date(s) of approval by the Board, if any	:	31-05-2024
f)	Amount paid as advances, if any	:	NIL

a)	Name(s) of the related party and nature of relationship	:	M/s Intellect Design Arena SDN BHD, Malaysia.
b)	Duration of the contracts'/arrangements/ transactions	:	Contract will continue till either party terminates the contract
c)	Nature of contracts/arrangements/ transactions		Value Added Reseller and Cost Sharing for premises and personnel
d)	Salient terms of the contracts/arrangements /transactions including the value, if any	:	Transactions in the normal course of business
e)	Date(s) of approval by the Board, if any	:	31-05-2024
f)	Amount paid as advances, if any	:	NIL

D.

a)	Name(s) of the related party and nature of relationship	:	M/s Polaris Banyan Holdings Private Limited
b)	Duration of the contracts'/arrangements/ transactions	:	Contract will continue till either party terminates the contract
c)	Nature of contracts/arrangements/ transactions	**	Preferential Issue of Equity Shares u/s 42 & 62 C of the Companies Act, 2013.  Rental of Premises.  Loan taken from Polaris Banyan
d)	Salient terms of the contracts/arrangements / transactions including the value, if any	:	Transactions in the normal course of business
e)	Date(s) of approval by the Board, if any	:	Various dates
f)	Amount paid as advances, if any	:	NIL

E

a)	Name(s) of the related party and nature of relationship	:	M/s. Adrenalin eSystems LLC (Dubai- Wholly owned Subsidiary)
b)	Duration of the contract's /arrangements / transactions	:	Contract will continue till either party terminates the contract
c)	Nature of contracts/arrangements/ transactions		Wholly Owned Subsidiary
d)	Salient terms of the contracts /arrangements /transactions including the value, if any		Transactions in the normal course of Business.
e)	Date(s) of approval by the Board, if any	:	31-05-2024
f)	Amount paid as advances, if any	:	NIL

F.

a)	Name(s) of the related party and nature of relationship	:	Arun Jain, Promoter- Chairman
b)	Duration of the contracts/arrangements/ transactions	:	Contract will continue till either party terminates the contract
c)	Nature of contracts/arrangements/ transactions		Preferential Issue of Equity Shares u/s 42 & 62 C of the Companies Act, 2013
d)	Salient terms of the contracts/arrangements / transactions including the value, if any	:	Transaction in the normal course of business.
e)	Date(s) of approval by the Board, if any	:	20-03-2025
f)	Amount paid as advances, if any	:	NIL

## By order of the Board,

For Adrenalin eSystems Limited

Arun Jain

Chairman

DIN: 00580919

Date: 4<sup>th</sup> July 2025 Place: Chennai N. Srinivasa Bharathy

Managing Director & Chief Executive Officer

DIN: 03601418

#### Annexure B

## Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Act & Rules made thereunder]

### 1. Brief outline of 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 endeavoured 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 -

- a. Education.
- b. Rural development projects.
- c. 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	Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i.	Mr. Arvind Kumar Mishra	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): Not Applicable
- 7. a) Two percent of average net profit of the Company as per section 135 (5): Not Applicable

- b) Surplus arising out of the CSR projects or program or activities of the previous financial years: Nil
- c) Amount required to be set off for the financial year, if any: Nil
- d) Total CSR obligation for the financial year (7a+7b-7c): Not Applicable

## 8. a) CSR amount spent or unspent for the financial year: Spent Voluntarily

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	Amount	Date of transfer
Rs. 3,00,000/-	NA	NA	NA	NA	NA

- 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:

Ī	1.	2.	3.	4.	5		6.	7.	1	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 implement ation Direct {Yes/No)	Mode of Implementation through implementing agency	
•					State	District			Name	CSR Registr- ation Number
	l.	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 initiati the year h taken up in states – D J&K, Ha Maharash Nadu, and '	n below 6 elhi NCR, aryana, tra, Tamil	3,00,000/	No	Ullas Trust	CSR0000 8388

- 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. 3,00,000/-
- g) Excess amount for set off, if any: NIL
- 9. 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
- 10. 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
- 11. 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

By order of the Board,

For Adrenalin eSystems Limited

Arun Jain Chairman DIN: 00580919

Date: 4<sup>th</sup> July 2025 Place: Chennai N. Srinivasa BharathyManaging Director & Chief Executive OfficerDIN: 03601418

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2025

### INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF ADRENALIN eSYSTEMS LIMITED

## Report on the Audit of the Consolidated Financial Statements

## **Opinion**

We have audited the consolidated financial statements of **Adrenalin eSystems Limited** (the "parent"), along with its subsidiary (the Parent and its subsidiary together referred to as "the Group"), which includes the Consolidated Balance Sheet as at 31st March 2025 and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the 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 consolidated state of affairs of the group as at 31st March 2025 and its loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

## **Basis for Opinion**

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

## **Material Uncertainty related to Going Concern**

We draw attention to Note 2 to the Consolidated Financial Statements which describes that the Group has incurred net loss (after other comprehensive income) of Rs.905.12 lakhs during the year ended March 31, 2025, and as of that date, the Company's accumulated losses was Rs. 4,383.69 lakhs which have resulted in an erosion of its net worth to the extent of 90% as at the balance sheet date. These conditions and other matters set forth in the aforesaid note, indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Considering the capital infusion amounting to Rs 1,319.92 lakhs subsequent to the balance sheet date and the Management's business projections along with cost reduction measures and other factors as described in the aforesaid note, the Management is of the view that the going concern basis of accounting is appropriate for preparation of the Consolidated Financial Statements.

Our opinion is not modified in respect of the above matter.

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

The parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

## Management's Responsibilities for the Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and cash flows of the group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to
  design audit procedures that are appropriate in the circumstances. Under section
  143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the
  Company has adequate internal financial controls system in place and the operating
  effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the parent 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 Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Group in so far as it appears from our examination of those books; except for the matters stated in paragraph 1(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the parent, taken on record by the Board of Directors, none of the directors of the parent is disqualified as on March 31, 2025, 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - The Consolidated financial statements disclose the impact of pending litigations on its financial position in its financial statements - Refer note no 33 to the Consolidated financial statements.
    - ii. The Group does not have long-term contracts for which there are no material foreseeable losses.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
- (a) The Management has represented that, to the best of its knowledge and belief, iv. no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of its subsidiaries, from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e),
- v. The Company has not declared or paid dividend during the year and hence, requirement to comply with section 123 of the Act is not applicable.

as provided under (a) and (b) above, contain any material misstatement.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except at the database level where the same has not been enabled throughout the year

Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with except in respect of a payroll software handled by a third party service provider where the SOC 2 report of an Independent Auditor provided to us did not cover assertions relating to tampering

of the audit trail feature in respect of the said software. In the absence of the above, we are unable to comment whether there were any instances of audit trail being tampered with in the said software.

Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention except for the software used for maintaining leave balances and attendance records where the records are retained at a database level only for one year.

Place: Chennai

Date: 04th July 2025

For R.G.N. Price & Co. Chartered Accountants FR No. 002785S

K. Venkatakrishnan

Partner

Membership No.208591

UDIN: 25208591BMOGT07002

### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements section of our report to the Members of **Adrenalin eSystems Limited** of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 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, 2025 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

## **Management's Responsibility for Internal Financial Controls**

The Management of the Parent 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

## **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the Consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to the Consolidated financial statements 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 judgement, 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 with reference to the Consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion** 

In our opinion, to the best of our information and according to the explanations given to us, the Parent has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the criteria for internal financial control over financial reporting 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

ICAI.

Place: Chennai

Date: 04th July 2025

For R.G.N. Price & Co. Chartered Accountants FR No. 002785S

K. Venkatakrishnan

Partner

Membership No.208591

UDIN: 25208591BMOGTO7002

## Adrenalin eSystems Limited Consolidated Balance Sheet

(All Figures are in INR Lacs, unless specifically stated otherwise)

	Note No	Total As at
Particulars		31st March 2025
ASSETS		
NON-CURRENT ASSETS		
a) Property, plant and equipment b) Right-of-use assets c) Intangible Assets - Software Product d) Software Product - under development e) Financial Assets	4a 4b 4c 4d	104.44 209.04 947.65 129.86
(i) Investments (ii) Loans and Deposits	5 6	20.20 20.36
(iii) Non-Current Bank Balances	7	20.30
f) Income tax assets (net)	8	744.73
g) Deferred tax assets (net)	9	124.49
		121.17
CURRENT ASSETS		
a) Financial assets (i) Investments (ii) Trade receivables (iii) Cash and Cash equivalents (iv) Other financial assets b) Other current assets	11 12 13 14 15	231.17 983.40 562.99 534.27 173.52
	13	
TOTAL		4,786.12
EQUITY AND LIABILITIES		
EQUITY		
a) Share Capital	17	3,312.27
b) Other Equity	18	(2,841.65)
Total Equity		470.62
LIABILITIES		
NON-CURRENT LIABILITIES		
a) Financial Liabilities (i) Borrowings (ii) Lease Liabilities (iii) Provisions	19 20 21	311.47 119.75 238.29
CURRENT LIABILITIES		
a) Financial Liabilities (i) Borrowings (ii) Lease Liabilities (iii) Trade payables	22 23 16	115.11
Total outstanding dues of micro enterprises and small enterprises	10	143.22
Total outstanding dues of creditors other than micro enterprises and small enterprises b) Other Financial Liabilities c) Other Current Liabilities	24 25	377.53 496.76 2,423.09
d) Provisions	26	90.28
TOTAL		4,786.12

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statement. This is the Consolidated Balance Sheet referred to in our report of even date

For R.G.N. Price and Co.

**Chartered Accountants** 

ICAI Firm Registration Number: 002785S

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

K VenkatakrishnanArun JainPartnerChairmanMembership No. 208591DIN: 00580919

N Srinivasa Bharathy Managing Director and CEO DIN: 03601418

Place: Chennai Date: 4th July 2025

K.S. Subramanian Chief Financial Officer **Aprajita Singh** Company Secretary & Legal

## Adrenalin eSystems Limited

### **Consolidated Statement of Profit and Loss**

(All Figures are in INR Lacs, unless specifically stated otherwise)

	Note No	Total
Particulars		31st March 2025
INCOME		
Revenue from Operations	27	7,828.90
Other Income	28	84.61
	20	
TOTAL INCOME		7,913.51
EXPENSES		
Employee Benefit Expenses	29	4,981.01
Finance Cost	30	98.75
Depreciation and Amortization Expense	31	558.24
Other Expenses	32	3,165.22
TOTAL EXPENSES		8,803.22
PROFIT BEFORE TAX		(889.71)
Tax Expenses		
- Current Tax		
- Tax related to earlier periods - written off		_
- Deferred Tax		
PROFIT FOR THE PERIOD		(889.71)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans		(21.14)
Income Tax effect of the above	10	5.32
Items that will be reclassified subsequently to profit or loss		
Other Comprehensive Income / (loss) for the year, net of tax		(15.41)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(905.12)
EARNINGS PER SHARE - Rs Ps	35	
Equity shares at Face Value of Rs. 5 each/-		
Basic		(1.34)
Diluted		(1.34)
Diluteu		(1.54)

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements  $% \left( x\right) =\left( x\right) +\left( x\right) +\left($ 

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For R.G.N. Price and Co.

**Chartered Accountants** ICAI Firm Registration Number: 002785S For and on behalf of the Board of Directors of

Adrenalin eSystems Limited

K Venkatakrishnan Partner Membership No. 208591

Arun Jain Chairman DIN: 00580919 N Srinivasa Bharathy Managing Director and CEO DIN: 03601418

Place: Chennai Date: 4th July 2025 K.S. Subramanian

**Aprajita Singh** 

Chief Financial Officer Company Secretary & Legal

## Adrenalin eSystems Limited

### **Consolidated Cash Flow Statement**

(All Figures are in INR Lacs, unless specifically stated otherwise)

Particulars	For the year ended 31st March 2025
1 at ticulars	31st March 2023
Profit before tax	(889.71)
Adj to reconcile profits for the period to the net cash flows	
a) Depreciation & Amortization	558.24
b) Interest Cost	98.75
c) Interest in Income from Deposits	(15.36)
d) Interest received on Income Tax Refunds	(15.55)
e) (Gain) / Loss on revaluation of current investments (net)	(53.08)
f) Adjustments to Other Comprehensive Income	(21.14)
g) Employee Stock option expenses	4.00
h) Provision towards withholding tax	458.66
i) Lease modification	1.25
Operating profit / (loss) before working capital changes	
Decrease / (Increase) in Trade receivables	(34.31)
Decrease/(Increase) in financial assets and other assets	(427.15)
Increase/(Decrease) in financial liabilities, other liabilities and	487.24
provisions	
Cash from Operating activity	151.84
Income tax (Net of Refunds)	17.43
Withholding Taxes	(206.81)
Net Cash from Operating Activity	(37.54)
B. Cash flow from Investing Activity	
Investment in Tangible & Intangible Assets	(625.58)
(Purchase) / Sale proceeds of Investments (net)	687.87
Deposits (made) / withdrawn during the year (net)	961.79
Interest received on Deposits	15.36
Net Cash from Investing Activity	1,039.45
C. Cash flow from Financing Activity	
(Repayment) / Increase in Long term borrowings	311.47
(Repayment) / Increase in Short term borrowings	(539.63)
Interest Paid	(71.63)
Lease Liability	(141.03)
Net Cash from Financing Activity	(440.83)
Net increase / (decrease) in cash and cash equivalents	561.08
Cash and Cash equivalents at the beginning of the year	
	1.92
Cash & Cash equivalent at the end of the year	563.00
2) The Consolidated Cash Flow Statement has been prepared under the indirect method a	

a) The Consolidated Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting standard (Ind AS) 7 "Statement of Cash flows" specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

- b) Figures have been regrouped/ rearranged wherever necessary.
- c) Summary of significant accounting policies Refer note no  $3\,$

The accompanying notes are an integral part of the financial statements

This is the Consolidated Cash Flow Statement referred to in our report of even date

**For R.G.N. Price and Co.** Chartered Accountants

Membership No. 208591

ICAI Firm Registration Number: 002785S

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

K Venkatakrishnan Partner

**Arun Jain** Chairman DIN: 00580919 N Srinivasa Bharathy Managing Director and CEO DIN: 03601418

Place: Chennai Date: 4th July 2025 K.S. Subramanian Chief Financial Officer Aprajita Singh Company Secretary & Legal

### **Consolidated Statement of Changes in Equity**

(All Figures are in INR Lacs, unless specifically stated otherwise)

#### **Equity Share Capital**

Particulars	Amount
Balance as on 1st April 2024	3,312.27
Changes during the period	
Balance as on 31st March 2025	3,312.27

#### b. Other Equity

For the period ended March 31, 2025

	Reserves & Surplus					
Particulars	Securities Premium	Retained Earnings	Share Option Outstanding A/c	Other Comprehensive Income	Foreign Currency translation reserve	Total
As at April 1, 2024	1,564.97	(3,493.98)	7.74	(19.67)		(1,940.94)
Provision towards share based payments for the year			4.00	-		4.00
Loss for the year Remeasurement of the net defined benefit (liability) / asset, net of tax		(889.71) -	1	(15.82)	0.81	(888.89) (15.82)
As at March 31, 2025	1,564.97	(4,383.69)	11.74	(35.49)	0.81	(2,841.65)

The accompanying notes are an integral part of the financial statements

This is the Consolidated Statement of changes in equity referred to in our report of even date

For R.G.N. Price and Co. Chartered Accountants

ICAI Firm Registration Number: 002785S

**K Venkatakrishnan** Partner

Membership No: 208591

Place: Chennai Date: 4th July 2025

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

**Arun Jain** Chairman

DIN: 00580919

N Srinivasa Bharathy Managing Director and CEO

DIN: 03601418

**K.S. Subramanian** Chief Financial Officer **Aprajita Singh** Company Secretary & Legal

#### ADRENALIN eSYSTEMS LIMITED

### **Note 1: Corporate Information:**

Adrenalin eSystems Limited is an Unlisted Public Limited Group Company bearing CIN Number: U72200TN2002PLC048860, incorporated under the provisions of Companies Act,1956. The Registered office of the Group 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, C/o Intellect Design Arena Limited, Plot No.3/G3, SIPCOT IT Park, Siruseri, Chennai 600 130. The group is predominantly operating in South Asia, Middle East, Africa and Asia Pacific geographies. Group is having its subsidiary in Dubai located at G045, Ground Floor, Techno Hub 1, Dubai Silicon Oasis, Dubai, United Arab Emirates and Branch offices at Philippines located at 10th Floor Philamlife Tower, 8767, Paseo De Roxas, Makati City 1226, Philippines and

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 group'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-premises as well as offered as a service hosted on cloud.

### 2. Basis of preparation of financial statements

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared under the historical cost convention basis, on the accrual basis of accounting except for certain financial assets and financial liabilities which have been measured at fair value at the end of each reporting period, as stated in the accounting policies set out below.

### Note:

The Group has incurred a net loss (after other comprehensive income) of Rs 905.12 lakhs for the year ended 31st March 2025 and accumulated losses of Rs. 4,383.69 lakhs constituting (90%) of the paid-up equity share capital and securities premium as of that date. The expenses incurred by the Group in building up manpower, marketing infrastructure and technology is expected to contribute to increase in revenue in the coming years. This along with cost control initiatives being implemented by the Management is expected to improve the overall profitability of the Group. Further, the company has also been supported by loan of Rs 3 Crores during the year and Capital Infusion of Rs 13.20 Crores during May 2025 by its Promoters and an entity controlled by one of the promoters to manage its business requirements. Based on all the above, the management is of the view that the Group will be able to achieve profitable operations and raise funds as and when necessary, in order to meet its liabilities as they fall due. Accordingly, these financial statements have been prepared on the basis that the Group will continue as a going concern for the foreseeable future.

The financial statements are prepared on a going concern basis using the accrual concept except for the cash flow information. The accounting policies have been applied consistently over all the periods presented in these financial statements.

The financial statements are presented in INR (its functional currency) and all values are rounded to the nearest Lacs, except where otherwise indicated.

### 3. Significant Accounting Policies

### a) Use of estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements 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 year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note 45. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of 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 consolidated financial statements.

### b) Current versus Non-Current Classifications:

The Group presents assets and liabilities in the balance sheet based on current/ noncurrent classification. An asset has been classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability has been classified as current when it satisfies any of the following criteria.

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading; due to be settled within twelve months after the reporting date; or
- The Group does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

#### c) Fair value measurement:

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:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability &
- c) The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

### d) Use of Estimates & Judgements:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements 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 year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these standalone financial statements have been disclosed in Note 45. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of 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.

#### e) Cash and Cash Equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash in hand and deposits with banks in current accounts that are readily convertible into known amounts of cash and which are subject to insignificant risks of change in value.

### f) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

#### g) Property Plant & Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

### h) Depreciation and Amortization

Depreciation on each part of an item of property, plant and equipment is provided on Straight Line method 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

### i) Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The amortization of software development and intellectual property costs is allocated on a straight-line basis over the best estimate of its useful life after the product is ready for use. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortization period and the amortization method are reviewed at each year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. The estimated useful life of the intangible assets is in the range of 3 to 5 Years.

### j) Research and Development Cost:

Research costs are expensed as incurred. Development expenditure incurred on an individual new project is recognized as an intangible asset when the Group can demonstrate all the following:

- 1. The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- 2. Its intention to complete and its ability and intention to use or sell the asset
- 3. How the asset will generate future economic benefits
- 4. The availability of resources to complete the asset.
- 5. The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

### k) Impairment of Intangible Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the cash generating units to which the individual assets are allocated.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets or cash generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### l) Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the entity expects to receive in exchange for those products or services. Arrangements with customers for software related services are either on a fixed-price, fixed-bid or on a time-and material basis.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer.

Annual Maintenance Services revenue is recognized over the period in which the services are rendered.

Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied.

Revenue accrued not billed represents earnings on ongoing fixed-price, fixed -bid and time and material contracts over amounts invoiced to customers. Billings in excess of revenues represents amounts billed in case of ongoing fixed bid, fixed price and time and material contracts wherein amounts have been billed in accordance with the billing cycle and efforts would be incurred subsequent to the balance sheet date.

Revenue from fixed-price, fixed-bid contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. The Group recognizes revenue based on relevant input or output measures based on nature of performance obligation being rendered. Revenue from customization and implementation services are recognized based on the above.

The entity presents revenues net of indirect taxes in its statement of Profit and loss.

### m) Other Income

Interest income from deposits are recognized in the Profit and Loss account on accrual basis.

Interest income other than deposits are recognized on receipt basis and are recognized in the Profit & Loss account.

Profit on sale of units of mutual funds is recognized at the time of redemption and is determined as the difference between the redemption price and the carrying value

Dividend income is recognized when the right to receive dividend is established by the reporting date.

### n) Foreign Currency Transactions:

### **Initial Recognition**

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

#### Measurement as at Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Group outstanding at the Balance Sheet date are restated at year end exchange rates.

Group does not carry any non-monetary items in foreign currency in its Balance Sheet.

### **Treatment of Exchange Differences**

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Group are recognized as income or expense in the Statement of Profit and Loss.

#### o) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### a. Right of Use Assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment. Right-of-use assets mainly consists of buildings, having a lease term of 5 years.

#### b. Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in financial liabilities (see Note 20 and 23).

#### c. Short Term Lease

The Group applies the short-term lease recognition exemption to its short-term leases of Buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense in the profit and loss account.

### p) Employee Benefits

#### a. Provident Fund

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Group make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employee's salary. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Group has no further obligations under the plan beyond its monthly contributions.

### b. Gratuity

The Group provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period. Re-measurement, comprising of actuarial gain or loss and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are

recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The defined benefit obligation recognized in the balance sheet represents the present value of the Defined Benefit Obligation less the Fair Value of Plan Assets out of which the obligations are expected to be settled and adjusted for unrecognized past service cost, if any. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

### c. Compensation Absences

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

### q) Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current Tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group. The carrying amount of MAT is reviewed at each reporting date and the asset is written down to the extent the Group does not have convincing evidence that it will pay normal income tax during the specified period.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except for taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward

of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the Statement of profit and loss is recognized outside Statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

### r) Provisions & Contingencies

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

### s) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

# t) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to the equity shareholders of the Group by weighted average number of equities shares issued during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

#### u) Employee Stock Option

Stock options are granted to the employees under the stock option scheme, the costs of stock options granted to the employees (equity-settled awards) of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date.

The grant date is the date on which the Group and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves/stock options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense

recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

### v) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### w) Business Combination

Business Combination Business combinations have been accounted as per the acquisition method prescribed in Ind AS 103. When a business combination is achieved in stages, any previously held equity interest in the acquired is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit and loss or other comprehensive income, as appropriate. The excess of

### (i) Sum of:

- the consideration transferred
- the amount of any non-controlling interests in the acquired entity and
- the acquisition-date fair value of any previously held equity interest in the acquired entity over

ii) The acquisition-date fair value of the net identifiable assets acquired is recognized as "Goodwill" else as "Gain on bargain purchase".

Any "Gain on a bargain purchase" is recognised in other comprehensive income and accumulated in equity as Capital Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognised directly in equity as Capital Reserve. Transaction costs in connection with a business combination are expensed as incurred.

#### **Basis of Consolidation**

The consolidated financial statement of the subsidiaries has been prepared on the following basis: The consolidated financial statements incorporate the financial statements of the group and the entities controlled by the group.

Control is achieved when the group has the power over the investee and is exposed or has right to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The consolidated financial statement of the group combines the financial statement of the parent and its subsidiaries line by line by adding together the like items of the assets, liabilities, income and expenses.

All the intra group assets, liabilities, income, expenses, unrealised profits/losses on intra group transaction are eliminated on consolidation. Subsidiaries are consolidated from the effective date the control commences and ceases when the control is lost.

If the parent loses control over the subsidiary, the parent:

- (i) Derecognises
- (a) the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost; and
- (b) the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them).
- (ii) Recognises
- (a) the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control
- (b) if the transaction, event or circumstances that resulted in the loss of control involves a distribution of shares of the subsidiary to owners in their capacity as owners, that distribution; and
- (c) any investment retained in the former subsidiary at its fair value at the date when control is lost. Reclassifies to the Statement of Profit and Loss or transfer directly to retained earnings if required by other Ind ASs, the amounts recognised in other comprehensive income in relation to the subsidiary. Recognises any resulting difference as a gain or loss in profit or loss attributable to the parent.

#### A. Financial Assets:

### i. Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

### ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Debt instruments at amortized cost
- b) Debt instruments at fair value through other comprehensive income (FVTOCI)
- c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- d) Equity instruments measured at fair value through other comprehensive income FVTOCI

#### Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

#### **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

• The objective of the business model is achieved both by collecting contractual cash flows and selling the

financial assets, and

• The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value.

Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L.

On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### **Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

However, the Group may transfer the cumulative gain or loss within equity.

### iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the

asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### iv. Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and bank balance.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

#### Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the

business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

### B. Financial Liability:

### i. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

### ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

After initial recognition, trade and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### NOTE 45: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the Grouping disclosures. 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.

### a. Judgements

In the process of applying the Group's accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the Standalone Financial Statements.

### b. Estimates & Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### 1) Impairment of Non-Financial Assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on projected sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The Group capitalizes intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

### 2) Share Based Payments

The Group initially measures the cost of Equity-settled transactions with employees using a black scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 31.

#### 3) Defined Benefit Plan (Gratuity)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining

the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations and sensitivity analysis are given in Note 30.

#### Taxes

Current Tax for the current year is computed as per the provisions of the Income Tax Act. 1961

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### 5) Leases

Determining the lease term of contracts with renewal and termination options - Group as lessee:

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow.

Refer Note 42 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

## Notes to Consolidated Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

# 4(a). PROPERTY, PLANT AND EQUIPMENT

Particulars	Computers	Furniture & Fittings	Office Equipment's	Total
Gross Block				
As at March 31, 2024	102.75	20.40	6.41	129.56
Addition	47.01	47.02	1.74	95.77
Deletion	-			-
As at March 31, 2025	149.76	67.42	8.15	225.33
Accumulated Depreciation				
As at March 31, 2024	57.07	20.24	5.89	83.20
For the year Adjustments Deletions	30.08	7.08 (0.08) -	0.61 - -	37.77 (0.08) -
As at March 31, 2025	87.15	27.24	6.50	120.89
Net Book Value				
As at March 31, 2025	62.61	40.18	1.65	104.44

# Notes to Consolidated Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

# 4(b). RIGHT OF USE OF ASSETS

Particulars	Office Premises
Gross Block	
As at March 31, 2024	546.30
Additions	
Deletions	21.50
As at March 31, 2025	524.80

Accumulated Depreciation	
As at March 31, 2024	199.95
For the year	115.81
Deletions	
As at March 31, 2025	315.76

Net Book Value	
As at March 31, 2025	209.04

# Notes to Consolidated Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

# 4(c). INTANGIBLE ASSETS

Particulars	Software Product	Total	
Gross Block			
As at March 31, 2024	2,100.69	2,100.69	
Addition	399.95	399.95	
Deletion	(976.53)	(976.53)	
As at March 31, 2025	1,524.11	1,524.11	
Accumulated Amortization As at March 31, 2024	1,148.34	1,148.34	
For the year	404.65	404.65	
Deletion	(976.53)	(976.53)	
As at March 31, 2025	576.46	576.46	
Net Book Value			
As at March 31, 2025	947.65	947.65	

# Notes to Consolidated Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

# 4(d). SOFTWARE PRODUCT - UNDER DEVELOPMENT

Particulars	Software Product - Under development
As at March 31, 2024	-
Additions	129.86
Capitalisation	
As at March 31, 2025	129.86

Net Book Value	
As at March 31, 2025	129.86

# Notes to Consolidated Financial Statement for the period ended 31st March 2025

Note No 5: Investments

Particulars		s at arch 2025
Investments (Carried at fair value through profit or loss)	Units	Amount
Investment in Fixed Deposit  Fixed Deposit with ICICI Bank Limited		20.20
Total		20.20

### Notes to Consolidated Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

		Total
Note No	Particulars	As at 31st March 2025
6	Loans & Deposits	
	Income tax appeal fees	10.77
	Rent Deposit	3.50
	Security Deposit at Fair Value	6.09
	Total	20.36

Note No	Particulars	As at 31st March 2025
7	Non-Current Bank Balances	
	Margin Money Deposits	
	Total	•

Note No	articulars As at 31st March	
8	Income Tax Assets (Net)	
	Tax Deducted at Source	336.01
	Withholding Tax	1,066.43
	Less: Provision for Withholding Tax	(657.71)
	Total	744.73

Note No	Particulars	As at 31st March 2025
9	Deferred Tax Assets / (Liability)	
	Items contributing to Deferred tax Asset	
	Difference between Depreciation as per books of accounts	72.49
7	Impact of expenditure charged to the statement of profit but allowed for tax purposes on payment basis	45.66
	Lease Liabilities	93.51
	Total	211.66
	Items contributing to Deferred tax Liability	
	Right of use of Assets	(87.17)
	Total Deferred Tax Asset	124.49
	Reconciliation of deferred tax asset (net)	ABV $A1$
	Opening balance as of 1 April	124.49
	Net Deferred Tax income/(expense) during the period Other Comprehensive Income	
	Closing Balance	124.49

The company has brought forward losses amounting to Rs.4384 Lacs. Considering prudence, the company has not created further deferred tax assets on the same.

# Notes to Consolidated Financial Statement for the period ended 31st March 2025

Note No 10: Income tax & Deferred Tax recognized in statement of Profit and loss

Particulars	As at
Y AND STREET	31st March 2025
Income tax expense:	
AND ADDRESS OF THE PARTY OF THE	
Current Period	-
Tax related to earlier years written off	-
Deferred tax expense	-
Origination and reversal of temporary differences	
Income tax expense	
Other Comprehensive Income:	
Re-measurement gains/ (losses) on defined benefit plans	5.32
Income tax recognized in Other comprehensive Income	5.32

# Notes to Consolidated Financial Statement for the period ended 31st March 2025

Note no 11: Investments

Particulars	As at 31st Mar	ch 2025
	Units	Amount
Investments (Carried at fair value through profit or loss)	A 1888 A	
Investment in Mutual Funds - (Quoted)		
Kotak Equity Arbitrage Fund Regular-Growth	9,713.17	3.58
HDFC Manufacturing Fund Regular - Growth	4,85,765.77	47.28
HDFC Equity Savings Fund - Growth	2,35,459.64	149.12
Kotak Multi Asset Allocation Fund - Regular Plan - Growth	2,53,228.07	31.19
TOTAL		231.17
Aggregate book value of Quoted Investments		231.17
Aggregate market value of Quoted Investments		231.17
Aggregate amount of impairment in value of Investment		_

# Notes to Consolidated Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

Note No	Particulars Trade Receivables	As at 31st March 2025
9/1	Unsecured, Considered Good Provision for	1,072.14
	Credit Impairment	(88.74)
	Total	983.40

There are no trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

#### Ageing of Trade Receivables as at 31st March 2025

Particulars	Current but not due	Less than 6 months	6 months - 1 year	1 - 2 years	More than 2 years	Total
As at 31st March 2025 Trade Receivables - Undisputed, Unsecured, considered Good	764.36	216.59	57.22	33.97		1,072.14
Less : Provision for Credit Impairment	3.68	17.80	33.29	33.97	-	88.74
Net Receivables	760.68	198.79	23.93	-     -	-	983.40

Note No	Particulars	As at 31st March 2025
13	Cash & Cash Equivalents	
	- On Current Accounts	553.13
	- On Deposit Accounts	
	- Cash on hand	9.86
	Total	562.99

Note No	Particulars	As at 31st March 2025
14	Other Financial Asset	Total
	Contract Assets - Unbilled Revenue	534.27
	Total	534.27

Note No	Particulars	As at 31st March 2025
15	Other Current Asset	Total
	Employee Travel Advance	65.20
	Prepaid - Expenses	108.32
	Rent Advance	
	Advance to Vendors	
	Total	173.52

### Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

Note No: 16

Particulars	As at 31st March 2025
Trade Payables	
- Total outstanding dues of Micro and Small Enterprises	143.22
- Total outstanding dues of creditors other than Micro and Small	377.53
Enterprises	
Total	520.75

Ageing of Trade Payables at at 31st March 2025

Particulars	lars Outstanding for following periods from the date of invoice				
	Less than 1	1-2 Years	2-3 years	More than 3	
	year			years	
(i) MSME	143.22	-	-	= 11	143.22
(ii) Others	377.53	-	-		377.53
(iii) Disputed MSME		-	-		-
(iv) Disputed Others	-		-	-	

The Company has certain dues to Suppliers registered under Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act).

The information required to be disclosed under Micro Small & Medium Enterprises Development Act, 2006 (The MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company.

The disclosure pursuant to said MSMED Act are as follows:

Particulars	As at
	31st March 2025
(i) The amounts remaining unpaid to suppliers as at the end of the year	
Principal	143.22
Interest	200
(ii) The amount of interest paid to the buyer in terms of Section 16 of the	
MSMED Act 2006	
The amount of the payments made to suppliers beyond the appointed day	A111117 - A11
during each accounting year	
(iii) The amount of interest due and payable for the period of delay in making	-
payment (which have been paid but beyond the appointed day during the year)	
but without adding the interest specified under MSMED Act 2006.	
iv) The amount of interest account and remaining unneid at the end of each	1.73
iv) The amount of interest accrued and remaining unpaid at the end of each	1./3
accounting year.	
(v) The amount of further interest remaining due and payable even in the succeeding	1.73
years until such dates when the interest due above are actually paid to the small	1.75
enterprise, for the purpose of disallowance as a deductible expenditure under	
Section 23 of the MSMED Act, 2006	

### Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

Note No 17: Equity Share Capital

a) Details of Authorized Share Capital outstanding at the beginning and end of reporting period			
Particulars	No. of Shares	Amount	
As at 31st March 2024	8,00,00,000	4,000.00	
Increased during the year			
As at 31st March 2025	8,00,00,000	4,000.00	

b) Equity Shares of Rs 5/- each, Issued, Subscribed and Fully paid up			
Particulars	No of Shares	Amount	
As at 31st March 2024	6,62,45,369.00	3,312.27	
Issued during the year			
As at 31st March 2025	6,62,45,369.00	3,312.27	

#### Terms/rights attached to equity shares

The Group has only one class of equity shares having a par value of Rs.5 per share. Each holder of equity shares is entitled to one vote per share. Equity shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

### c) Details of shareholding more than 5% held as at reporting date

Particulars	As at 31st	As at 31st March 2025	
	No of Shares	% Holding	
a) Polaris Banyan Company Private Limited	3,20,89,952	48.44%	
b) Intellect Design Arena Limited	2,94,85,502	44.51%	
Total	6,15,75,454	92.95%	

#### d) Shareholding of Promoters as on 31st March 2025

Promoter Name	No of Shares	Shareholding %	Change during the year
Mr. V. Balaraman	12,01,578	1.81%	0.00%
Mr. Arun Jain	5,99,880	0.91%	0.00%
Dr. Ashok Korwar	10,945	0.02%	0.00%
Mr. V. Balakrishnan	22	0.00%	0.00%
Mr. N Vaidyananthan	20	0.00%	0.00%
Mr. V Raghuraman	20	0.00%	0.00%
Mr. S. Sriram	20	0.00%	0.00%
Total	18,12,485	2.74%	0.00%

## Notes to the Consolidated Financial Statements for the period ended 31st March 2025 $\,$

(All figures are in INR Lacs unless specifically stated otherwise)

### Note No 18: Other Equity

Particulars	As at 31st March 2025
Securities Premium:	
Opening Balance	1,564.97
Addition:	-
Deletion:	
Closing Balance	1,564.97
Retained Earnings:	
Opening Balance	(3,493.98)
Add: Profit after Tax	(889.71)
Closing Balance	(4,383.69)
Share Option Outstanding Account:	
Opening Balance	7.74
Addition: Share based payments	4.00
Deletion	
Closing Balance	11.74
Other Comprehensive Income:	
Opening Balance	(19.67)
Addition: Remeasurement of the net defined benefit (liability) / asset, net of tax	(15.82)
Deletion	-
Closing Balance	(35.49)
Foreign Currency translation reserve	
Opening Balance	
Loss for the year	0.81
Closing Balance	0.81

### Notes to Consolidated Financial Statements for the period ended 31st March 2025 $\,$

(All figures are in INR Lacs unless specifically stated otherwise)

Note No	Particulars	As at 31st March 2025
19	Borrowings	
	Unsecured loan from Polaris Banyan Holdings P Ltd	311.47
	Total	311.47

The company has obtained loan from Polaris Banyan Holdings Limited amounting to Rs.300 lacs with interest payable at 10% p.a payable after the year end.

Note No	Particulars	As at 31st March 2025
20	Lease Liabilities	
20.01	Lease Liabilities	119.75
	Total	119.75

Note No	Particulars	As at 31st March 2025
21	Other Long Term Liabilities	
01 1.02	Provision for Gratuity Provision for Compensated Absences	165.17 73.12
	Total	238.29

## Notes to Consolidated Financial Statements for the year ended 31st March 2025

		Total
Note No	Particulars	As at 31st March 2025
22	Borrowings	V CONTRACTOR
	Current Maturities of Foreign Currency Term Loan Overdraft	
	Facility with the Bank	
	Total	-

Note No	Particulars	As at 31st March 2025
23	Lease Liabilities	
	Lease Liabilities	115.11
	Total	115.11

Note No	Particulars	As at 31st March 2025
24	Other Financial Liabilities	
	Employee Payables Expenses Payables	279.60 217.16
	Total	496.76

Note No	Particulars	As at 31st March 2025
25	Other Current Liabilities	
	Contract Liabilities Statutory Payables	2,267.66 155.43
	Total	2,423.09

Note No	Particulars	As at 31st March 2025
26	Provisions	
	For Gratuity For Compensated Absences	71.42 18.86
	Total	90.28

### Notes to the Consolidated Financial Statements for the period ended 31st March 2025

Note No	Particulars	For the year ended
27	Revenue from Operations	31-03-2025
	Revenue from Contracts with Customers	7,828.90
	Total	7,828.90

Note No	Particulars	For the year ended
28	Other Income	31-03-2025
7//	Revaluation Gains from Mutual Fund Investment	0.20
K	Net Gains from Sale of Mutual Fund Investment	53.08
	Interest on Income Tax Refund	15.55
	Interest on Fixed Deposit with Banks	15.36
	Interest Income on FV on Sec Deposit	0.42
	Total	84.61

## Notes to the Consolidated Financial Statements for the period ended 31st March 2025

Note No	Particulars	For the period ended
29	EMPLOYEE BENEFIT EXPENSES	31-03-2025
	Salaries & Incentives	4,659.28
7 4	Contribution to Provident and Other funds	222.10
	Expenses on Employee Stock Option Scheme	4.00
	Staff Welfare Expenses	95.63
	Total	4,981.01

Note No	Particulars	For the period ended
30	FINANCE CHARGES	31-03-2025
	Interest on Overdraft Facility	32.01
	Interest on Foreign currency Term Loan	-
	Bank Charges	37.90
	Interest on Lease Liabilities	27.11
	Interest on MSME	1.73
	Total	98.75

Note No	Particulars	For the year ended
31	Depreciation & Amortization	31-03-2025
	Depreciation of Property, Plant and Equipment's (Refer note no 4A)	37.78
	Depreciation of Right of use of assets (Refer note no 4B) Amortization	115.81
	of Intangible Assets (Refer note no 4C)	404.65
	Total	558.24

Note No	Particulars	For the year ended
32	Other Expenses 31-03-2025	
	Travelling & Conveyance	420.48
	Communication Expenses	28.87
	Printing & Stationery	4.24
	Professional Fees	145.54
	Rent Expenses	102.19
	Marketing Expenses	294.86
	Partner Commission	23.35
	Infrastructure Expense	899.36
	Audit Fees	
	-Statutory Audit	6.50
	-Tax Audit	0.50
	-Out of Pocket Expenses	0.18
	Corporate Social Responsibility	3.00
	Provision for Expected Credit Loss	52.19
	Third Party Services / Tools	595.47
	Foreign Exchange Fluctuation	39.93
	Infrastructure cost sharing	0.00
	Provision for With Holding Tax	458.66
	Miscellaneous Expenses	89.90
	m . 1	2.167.00
	Total	3,165.22

### Notes to the Consolidated Financial Statements as on 31st March 2025.

(All figures are in INR Lacs unless specifically stated otherwise)

### Note No 33: Contingent Liabilities and commitments

Particulars	As at
	31st March 2025
Contingent Liabilities:	
a) Disputed Demands under Appeals:	
i) Income Tax	169.31

#### **Uncertainty over Income tax treatment:**

The Company has on-going appeals with Income Tax Authorities against demands arising on completion of assessment proceedings under Income Tax Act, 1961. The Company has evaluated the above pending disputes and expects that its position will likely be upheld on ultimate resolution and these will not have a material adverse effect on the Company's financial position and results of operations.

#### Notes to the Consolidated Financial Statements as on 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

#### Note No 34: Details of Employee Benefit Plans

a) Defined contribution plans
The Company makes Provident fund contributions to defined contribution plans for qualifying employees. Under this scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable by the Company to these plans are at the rates

Particulars	As at
	31st March 2025
Contribution to provident fund recognised in statement of profit and loss	144.64

#### Defined benefit plans

Gratuity liability has been provided based on the actuarial valuation carried out at the year end. The company has a gratuity scheme in respect of which company's contribution is partially funded through an approved trust fund. The details of actuarial valuation in respect of Gratuity is furnished hereunder:

Particulars	As at	
	31st March 2025	
i) Change in Defined Benefit Obligation (DBO) during the year:		
Present value DBO at the beginning of the year Service cost Interest cost Remeasurement[gain]/loss	272.96 43.13 18.82	
Actuarial (gain)/loss arising from experience financial and demographic adjustments Benefits paid Present value DBO at the end of the year	20.34 (22.42) <b>332.83</b>	
ii) Change in fair value of plan assets during the year:		
Fair value of plan assets as at beginning of the year Expected return on planned assets Contributions Benefits paid Actuarial gains / (losses) Fair value of plan asset at the end of the year	137.72 12.02 81.42 (22.42 (0.80) 207.94	
iii) Amount recognised in the balance sheet Present value DBO at the end of the year Fair value of the plan assets at the end of the year (Liability) / Asset recognised in the Balance sheet - net	332.83 207.94 <b>(124.89</b> )	
iv) Components of employer expenses:		
Current service cost Interest cost/ (income) on net defined benefit obligation Expense recognised in Statement of Profit and Loss	43.13 6.80 <b>49.93</b>	
v) Re-measurement on the net defined benefit obligation (Return) / Loss on Plan Assets (greater) / less than discount rate Actuarial loss arising from changes in financial assumptions Actuarial loss arising from changes in experience adjustments Actuarial (Gains)/losses arising from changes in demographic assumptions Re-measurements recognised in other comprehensive income	0.80 32.93 (12.59) 	

### ASSUMPTIONS

 $The \ principal \ assumptions \ used \ for \ the \ purposes \ of \ the \ actuarial \ valuations \ are \ given \ below:$ 

Particulars	As at 31st March 2025
Discount rate Expected rate of return Expected salary increment Attrition rate:	6.65% 7.19% 7.00%
a.) For service 5 years and below b.) For service 5.01 years and above	18% 5%
Mortality table used	Indian Assured Lives Mortality (2012-14) Ultimate

Particulars	As at 31st March 2025	
Sensitivity analysis - DBO at the end of the year		
i) Discount -1%	6.85	
ii) Discount +1%		
iii Escalation - 1%	(6.13) (5.69)	
iv Escalation +1% v Mortality 10% UP	6.20	
vii Attrition -1%	(0.02) 0.74	
viii Attrition +1%	(0.69)	
ix No Benefit Ceiling	2.75	

Particulars	As at 31st March 2025	
Weighted average duration of DBO ( in years)	10	
Expected cash flows		
1 Expected employer contribution in the next year 2 Expected benefit payments		
- Year 1	29.84	
- Year 2	31.84	
- Year 3	34.66	
- Year 4	19.77	
- Year 5	22.42	
- beyond 5 years	85.95	
- beyond 10 years	108.36	

## Notes to the Consolidated Financial Statements as on 31st March 2025.

(All figures are in INR Lacs unless specifically stated otherwise)

### Note no 35: Earnings Per Share

Particulars	As at 31st March 2025
Profit before taxation (Rs in Lacs)	(889.71)
Weighted average number of equity shares outstanding during the period	6,62,45,369.00
Basic earnings per share- (Face value – Rs.5/- per share) (In INR)	(1.34)

# Notes to the Consolidated Financial Statements as on 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

# $Note\,No\,36: Unhedged\,for eign\,currency\,exposures$

Particulars	Currency	As at 31st March 2025
Amount receivable in foreign currency - Exports	USD AED	1.52 1.34
	PHP MYR	- 1.68
Amount payable in foreign currency - Imports	USD	0.38

#### Notes to the Consolidated Financial Statements as on 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

#### Note No 37: Segment Reporting

The Executive Management Committee monitors the operating results of its business as a single primary segment "Software Product Licence and related services" for the purpose of making decisions about resource allocation and performance assessment.

The business of the Group falls under a single primary segment i.e. 'Software Product License & related services' for the purpose of Ind AS 108.

#### A. Information about geographical areas

Net sales to customers by geographic area for the year ended is listed below

Particulars	For the Year ended	
	31st March 2025	
a) India	4,671.81	
b) Outside India	3,157.09	

#### B. Information about major customers

Customers individually accounting for more than 10% of the revenues of the company for the relevant period ended is listed below

Particulars For the Year ended

31st March 2025

No of customers -

% of Revenue from above customers to total revenue from operations 0.0%

#### Notes to the Consolidated Financial Statements as on 31st March 2025.

(All figures are in INR Lacs unless specifically stated otherwise)

# Note No 38: Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company. The funding requirements are met through internal accruals, long-term and short-term borrowings.

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The following table summarizes the capital of the Company:

Particulars As at 31st March 20	
Total Equity	470.62
Non Current Borrowings Current Borrowings	311.47
Total Debt	311.47
Total Capital (Equity + Debt)	782.09
Equity as a % of total capital	60.2%
Debt as a % of total capital	39.8%

#### Notes to Consolidated Financial Statement for the year ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

#### Note No 39 Financial instruments

#### Categories of financial instruments

As at 31st March 2025
231.17
20.20
983.40 562.99
534.27
2,100.87
311.47 520.75 496.76
234.86
1,563.84

#### Financial Risk Management Objectives

The Company is broadly exposed to credit risk, liquidity risk and market risk (fluctuations in exchange rates and price risk) as a result of financial instruments. Board of Directors have the overall responsibility for the establishment, monitoring and supervision of the Company's Risk Management framework.

#### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The cash and cash equivalents and margin money deposits are held with banks. The Company has not incurred any losses on account of default from banks on deposits.

Liquidity Risk is the risk that the company could encounter if it faces difficulty in meeting the obligations associated with financial liabilities by delivering cash and other financial asset or the risk that the Company will face difficulty in raising financial resources required to fulfil its commitments. The company's exposure to liquidity risk is very minimal as it has a prudent liquidity risk management process in place which ensures maintaining adequate cash and marketable securities to pay its liabilities when they are

The table below analyses the company's financial liabilities based on their contractual maturities. The amounts disclosed are contractual undiscounted cash flows.

#### As at 31st March 2025

Nature	Less than	1 -2 Years	More than
	1 year		2 years
Non-Current Borrowings (Term Loan)	-		311.47
Trade Payables	520.75		
Other Financial Liabilities	496.76		
Lease Liabilities	115.11	119.75	

Note: In the above table, we have re-classified the Term loan into Non-Current Borrowing to represent the year wise schedule.

Market Risk

 $The company faces competition from large Multinational companies, local companies in the geography in which we operate and \ Indian \ In$ Product companies. While many of these companies are established companies, the startups may also disrupt our business. This may pose a challenge to maintain or sustain the business growth or profitability in a longer run.

#### Currency Risk

The company is exposed to foreign exchange risk arising from foreign currency transactions primarily relating to purchases and sales made in foreign currencies such as US Dollar, Euro etc. Foreign exchange risk arises from existing and future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

Particulars	Currency	As at 31st March 2025
Amount receivable in foreign currency - Exports	USD	1.52
	AED	1.34
10.00	MYR	1.68
Amount payable in foreign currency - Imports	USD	0.38

#### Notes to Consolidated Financial Statement for the year ended 31st March, 2025

(All figures are in INR Lacs unless specifically stated otherwise)

#### Note No 40 Related Party Disclosure

(i) The list of related parties as identified by the management for disclosure as under

#### A) Key management personnel:

Mr. N. Srinivasa Bharathy - Managing Director and Chief Executive Officer

Mr. K.S. Subramanian - Chief Financial Officer.

Mrs. Aparna Madhu - Company Secretary & Legal (till 31st May 2024)

Ms. Aprajita Singh - Company Secretary & Legal (From 10th June 2024)

Particulars	As at
	31st March 2025
Remuneration to Key Management Personnel	178.21

The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole and cost accrued for share-based payments options provided to KMP.

Particulars	As at
	31st March 2025
Sitting fees paid to Directors	6.60

#### B) Board of Directors:

Mr. Arun Jain – Chairman

Mr. Seshadri Venkat Ramanan - Non Executive Director

Mr. Kumaran Mani - Independent Director (Resigned effective  $5^{th}$  July 2025)

Mr. Arvind Mishra - Independent Director

#### c) Entities holding significant influence over the Company

- i) Polaris Banyan Holding Private Limited
- ii) Intellect Design Arena Limited

#### D) Entities controlled by the Company

i) Adrenalin Esystems L.L.C, Dubai

#### E) Entities where a person has a control over the entity holding significant influence

Intellect Design Arena Philippines Inc

Intellect Design Arena SDN BHD, Malaysia

#### F) Transaction with Related Parties

Related Party Transactions	Entities holding signif	icant Influence	Entities w managerial hold sig influ	personnel nificant
Particulars	Intellect Design Arena Limited, India	Polaris Banyan Holding Private Limited	Intellect Design Arena SDN BHD, Malaysia	Intellect Design Arena Philippines Inc
Trade Debts Receivable by the company	79.10		-	-
Trade Debts Payable by the company	200.07	1.46	31.64	78.44
Software License and Services Income to the company	294.56			460.89
Rental Expenses by the company	117.40	28.41		-
Reimbursement of Expenses by the company	-		209.65	208.10

#### Notes to Consolidated Financial Statement for the year ended 31st March, 2025

(All figures are in INR Lacs unless specifically stated otherwise)

#### Note No 41 Additional disclosures under IndAS 115

Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information:

As the company operates in a single segment, reconciliation between segment revenue and revenue from contract with customers is not applicable

# A. Reconciling the amount of revenue recognized in the Statement of Profit and Loss with the contracted price:

Particulars	For the year ended 31st March 2025
Revenue as per Contracted Price	7,828.90
Less: Discounts	
Revenue as per Statement of Profit and Loss account	7,828.90
B. Timing of Revenue Recognition	
Particulars	For the year ended 31st March 2025

Revenue recognized at a point in time 7,385.42 Revenue recognized over a period of time

443.48

7,828.90 **Total** 

# Notes to Consolidated Financial Statement for the year ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

#### **Note No 42 Leases Disclosure:**

The Company has lease contracts for Office Premises for Administrative purpose. The Company applies the exemption available for 'short-term leases wherever applicable.

Set out below are the carrying amounts of the lease liabilities included under financial liabilities and the movements during the period revenue from contract with customers is not applicable

Particulars	For the year ended 31st March 2025	
	51St March 2025	
Opening Balance	371.54	
Add: Recognized / (deleted) during the year		
Add: Accretion of Interest	27.11	
Less: Lease Payments	(141.03)	
Less: Lease Modifications	(22.76)	
Closing Balance	234.86	
On the above:		
Current	115.11	
Non Current	119.75	
	Versil Sills Sills	
M A . L CV L . L . L		1-5
Maturity Analysis of Lease liability	Less than one year	Years
As at 31st March 2025	115.11	119.75
Amount recognized in the statement of Profit and	Loss during the year:	
Particulars	For the year ended	
	31st March 2025	
Depreciation on right -of use assets	115.81	
Interest expenses on Lease liability	27.11	
Expenses relating to short -term leases	68.48	
Expenses related to low value assets	The second second	
Total	211.39	

Adrenalin eSystems Limited
Notes to Consolidated Financial Statement for the year ended 31st March 2025
(All figures are in INR Lacs unless specifically stated otherwise)

Note No 43 Ratios as required under Schedule III of Companies Act, 2013

a) Current Ratio	
Particulars	31st March 2025
Current Asset as at Current Liabilities as at Ratio	2,485.36 3,645.99 0.68

b) Debt Equity Ratio	
Particulars	31st March 2025
Total Debt as at Total Equity as at Ratio	311.47 470.62 0.66

c) Debt Service Coverage Ratio	
Particulars	31st March 2025
Profit before Tax for the year Add: Depreciation & Amortization for the year Add: Finance Cost for the year Earnings available for Debt Service for the yea Interest Cost on Borrowings for the year Principal Repayments for the year Total Ratio	(889.71 558.24 98.75 (232.72 27.11 141.03 168.14 (1.38)

d) Return on Equity / Return on Investment Rati	
Particulars	31st March 2025
Profit after Tax for the year Total Equity as at Ratio	(905.12) 470.62 (1.92)

e) Trade Receivable Turnover Ratio	- Ventario
Particulars	31st March 2025
Revenue from Operations for the year Average Trade Receivables Ratio	7,828.90 983.40 7.96

f) Net Capital Turnover Ratio	
Particulars	31st March 2025
Revenue from Operations for the year Net Working Capital as at * Ratio	7,828.90 (1,723.62) (4.54)

<sup>\*(</sup>Current assets - Cash and Cash equivalents) - (Current Liabilities - Short term borrowings)

g) Net Profit Ratio	
Particulars	31st March 2025
Profit after Tax for the year Revenue from Operation for the year Ratio	(905.12) 7,828.90 (0.12)

h) Return on Capital Employed	
Particulars	31st March 2025
Earnings before Interest & Tax for the year Total Equity + Debt as at Ratio	(790.96) 782.09 (1.01)

#### Notes to Consolidated Financial Statement for the year ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

#### Note No 44 Share Based Payments

The Shareholders of the company in the Annual General Meeting held on 16th September 2022 approved the Adrenalin eSystems Limited ESOP Scheme 2022 "SARVAM". The Plan provides for the issuance of 6,000,000 Equity shares of Rs 5/- each to the employees but shall exclude independent directors an employee belonging to the promoter group or a director holding more than 10% of the share capital.

[The Tenure of the scheme for Sarvam 2022 shall commence on 10th October 2022 and all the options will expire on 10th October 2031 or the date on which all the stock available for issuance under this scheme is issued, whichever is earlier.

#### a) The Summary of the stock options granted under the "SARVAM" scheme is given below:

Particulars	No of Shares		
Outstanding at the beginning of the year Pool size	60,00,000.00		
Opening Balance of Options Granted Add: Granted during the year Total Options Granted as on 31st March 2025 Cancelled during the year Options available for Vesting as on 31st March 2025	17,84,600.00 3,42,600.00 <b>21,27,200.00</b> 2,64,800.00 <b>18,62,400.00</b>		

The fair value of the options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

#### Grants made for the year ended 31st March 2025

Date of Grant		10th Oct 2023	10th Oct 2024	10th Oct 2025
_				
Fair value	Rs	5.54	5.54	5.54
Expected Life		4.00	4.00	4.00
Volatility	%	44.34	44.34	44.34
Risk-free Rate	%	7.04	7.04	7.04
Dividend Yield	%	/	_	-
Strike price	Rs	5.00	5.00	5.00
Vest Percent	%	25.00	25.00	25.00
Call value of the option	Rs	2.54	2.54	2.54

# Adrenalin eSystems Limited Notes to Consolidated Financial Statement for the year ended 31st March 2025 (All figures are in INR Lacs unless specifically stated otherwise)

Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Joint Control Entities

Name of the Entity	assets mi liabil (Consol	liabilities onsolidated)		in Consolidated profit or loss 31-03-2025		Share in Consolidated Other Comprehensive Income 31-03-2025		Share in Consolidated Total Comprehensive income 31-03-2025	
	As % of net	Amount	As % of profit or loss	Amount	As % of OCI	Amount	As % of TCI	Amount	
Adrenalin eSystems Limited	93%	499.67	97%	-859.83		-15.82		-875.65	
Subsidiaries									
Adrenalin eSystems LLC	7%	40.37	3%	-29.88	-3%	0.41	3%	-29.47	
	100%	540.04	100%	-889.71	100%	-15.41	100%	-905.12	
Adjustment arising out of Consolidation		-69.42		0		0.00		0.00	
		470.62		-889.71		-15.41		-905.12	

#### Notes to Consolidated Financial Statement for the year ended 31st March, 2025

(All figures are in INR Lacs unless specifically stated otherwise)

#### Note No 45 Additional Disclosures

- a) The company has not been declared as a wilful defaulter by any bank or financial institution or other lenders as defined under the guidelines on wilful defaulters issued by the Reserve Bank of India.
- The company has not transacted with other companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Company does not have Investments in other companies and hence compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 does not apply.
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.""
- e) There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder.
- The Company does not have working capital facility from banks or financial institutions sanctioned on the basis of security of current assets held during the financial year.
- There are no charges / satisfaction yet to be registered with Registrar of Companies beyond the statutory period as prescribed under the Companies Act, 2013
- h) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company does not have any transactions, which are not recorded in the books of account, that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

#### Note No 46

Preparation of consolidated financial statements is applicable to the Group only from FY 2024-25 since the wholly owned subsidiary of the Parent Company has begun its operations during FY 2024-25. Hence the previous year figures have not been presented in the Consolidated financial statements

As per our report of even date

**For R.G.N. Price and Co.** Chartered Accountants

ICAI Firm Registration Number: 002785S

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

K Venkatakrishnan

Partnei

Membership No. 208591

Arun Jain Chairman DIN: 00580919 N Srinivasa Bharathy Managing Director and CEO DIN: 03601418

K.S. Subramanian

Aprajita Singh

Place: Chennai Date: 4th July 2025

Chief Financial Officer

Company Secretary & Legal

STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

#### INDEPENDENT AUDITOR'S REPORT

#### TO THE MEMBERS OF ADRENALIN eSYSTEMS LIMITED

# Report on the Audit of the Standalone Financial Statements

# **Opinion**

We have audited the accompanying Standalone Financial Statements of **Adrenalin eSystems Limited** (the "Company"), which comprise the Balance Sheet as at 31st March 2025 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the 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 31st March 2025 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

# **Basis for Opinion**

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

# **Material Uncertainty related to Going Concern**

We draw attention to Note 2 to the Standalone Financial Statements which describes that the Company has incurred net loss (after other comprehensive income) of Rs.875.65 lakhs during the year ended 31st March, 2025, and as of that date, the Company's accumulated losses was Rs. 4,353.81 lakhs which have resulted in an erosion of its net worth to the extent of 89% as at the balance sheet date. These conditions and other matters set forth in the aforesaid note, indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Considering the capital infusion amounting to Rs 1,319.92 lakhs subsequent to the balance sheet date and the Management's business projections along with cost

reduction measures and other factors as described in the aforesaid note, the Management is of the view that the going concern basis of accounting is appropriate for preparation of the Standalone Financial Statements.

Our opinion is not modified in respect of the above matter.

# 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 Board's Report 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 and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

## Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment 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 the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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**

- 2. As required by Section 143(3) of the Act, based on our audit we report that:
  - i) 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.
  - j) In our opinion, proper books of account as required by law have been kept by the Company in so far as it appears from our examination of those books; except for the matters stated in paragraph 1(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - k) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - l) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - m) On the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
  - n) 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - o) In our opinion and according to the information and explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.
  - p) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer note no 33 to Standalone Financial Statements.
    - ii. The Company does not have long-term contracts for which there are no material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of

the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid dividend during the year and hence, requirement to comply with section 123 of the Act is not applicable.
- vii. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except at the database level where the same has not been enabled throughout the year

Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with except in respect of a payroll software handled by a third party service provider where the SOC 2 report of an Independent Auditor provided to us did not cover assertions relating to tampering of the audit trail feature in respect of the said software. In the absence of the above, we are unable to comment whether there were any instances of audit trail being tampered with in the said software.

Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention except for the software used for maintaining leave balances and attendance records where the records are retained at a database level only for one year.

3. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Chennai

Date: 04th July 2025

For R.G.N. Price & Co.

**Chartered Accountants** 

FR No. 002785S

K. Venkatakrishnan

Partner

Membership No.208591

UDIN:25208591BMOGTN6554

#### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements section of our report to the Members of **Adrenalin eSystems Limited** of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 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 31st March, 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes

those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

# Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025, based on the criteria for internal financial control over financial reporting 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 ICAI.

Place: Chennai Date: 04<sup>th</sup> July 2025

**For R.G.N. Price & Co.** Chartered Accountants FR No. 002785S

K. Venkatakrishnan

Partner Membership No.208591 UDIN: 25208591BM0GTN6554

#### ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Adrenalin eSystems Limited of even date)

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

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
    - (ii) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has adopted a policy of physically verifying its fixed assets every year which in our opinion is reasonable having regard to the size of the Company and nature of its business. During the year, fixed assets have been physically verified by the Management and according to the information and explanation given to us, there are no discrepancies noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination, we report that, the company does not have any immovable property in its name.
  - (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The company does not hold any Inventories and hence reporting under this clause is not applicable.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets and hence reporting under this clause is not applicable.
- iii. According to the information and explanations given to us and the records of the Company examined by us, the Company has not provided any guarantee or granted any loan or advance in the nature of loan secured or unsecured to companies, firms, Limited Liability Partnerships. During the year, the Company has made an investment in a wholly owned overseas subsidiary which, in our opinion, is not prejudicial to the Company's interests.
- iv. The investments made by the Company are in compliance with section 186 of the Companies Act 2013. The Company has not given any loans or guarantees or security under section 185 or 186 of the Companies Act 2013.

- v. According to the information and explanations given to us, and the records of the Company examined by us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- vii. In respect of statutory dues:
  - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, and other statutory dues applicable to it with the appropriate authorities.
    - There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2025 for a period of more than six months from the date they became payable.
  - (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2025 on account of disputes are given below:

Nature of the statute	Nature of Dues	Period	Amount (Rs Lakhs)	Forum where dispute is pending
Income Tax Act	Income Tax	AY 2013-14	10.26	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	AY 2017-18	63.92	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	AY 2018-19	84.59	Commissioner of Income Tax (Appeals)

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) The Company has not availed any term loans during the year and hence reporting under clause (ix)(c) is not applicable
  - (d) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, funds raised

- on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have any associate or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have any associates or joint venture.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (Including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) According to the information and explanations given to us, no report under subsection (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - (c) According to the information and explanations given to us, the Company has not received any whistle blower complaints during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business. We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
  - (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses in the current financial year and immediately preceding financial year amounting to Rs 385.99 lakhs and Rs 632.61 lakhs respectively.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.
- On the basis of the financial ratios, ageing and expected dates of realisation of xix. financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions read with paragraph under section "Material Uncertainty Related to Going Concern" in our audit report, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, the company is not mandatorily required to comply with the provisions of Section 135 of the Act and hence reporting under clause 3(xx)(a) of the Order is not applicable.
- xxi. Reporting under Companies (Auditor's Report) Order 2020 is not applicable to the Company's subsidiary and hence reporting under clause (xxi) is not applicable.

Place: Chennai For R.G.N. Price & Co.

Date: 04th July 2025 Chartered Accountants

FR No. 002785S

K. Venkatakrishnan

Partner

Membership No.208591

UDIN: 25208591BMOGTN6554

#### **Standalone Balance Sheet**

(All Figures are in INR Lacs, unless specifically stated otherwise)

	Note No	As at	As at
Particulars		31st March 2025	31st March 2024
ASSETS			
ASSETS			
NON-CURRENT ASSETS			
a) Property, plant and equipment	4a	62.03	46.34
b) Right-of-use assets	4b	209.04	346.35
c) Intangible Assets - Software Product	4c	947.65	952.35
d) Software Product - under development	4d	129.86	-
e) Financial Assets			
(i) Investments	5	92.02	-
(ii) Loans and Deposits	6	16.86	16.19
(iii) Non Current Bank Balances	7		982.00
f) Income tax assets (net)	8	744.73	994.93
g) Deferred tax assets (net)	9	124.49	124.49
CURRENT ASSETS			
a) Financial assets			
(i) Investments	11	231.17	865.96
(ii) Trade receivables	12	887.46	949.09
(iii) Cash and Cash equivalents	13	319.63	1.94
(iv) Other financial assets	14	714.06	141.74
b) Other current assets	15	173.52	143.07
TOTAL		4,652.52	5,564.45
EQUITY AND LIABILITIES			
EQUITY			
a) Share Capital	17	3,312.27	3,312.27
b) Other Equity	18	(2,812.60)	(1,940.94
Total Equity		499.67	1,371.33
LIABILITIES			
NON-CURRENT LIABILITIES			
a) Financial Liabilities			
(i) Borrowings	19	311.47	
(ii) Lease Liabilities	20	119.75	254.73
(iii) Provisions	21	238.28	248.57
CURRENT LIABILITIES			
a) Financial Liabilities			
(i) Borrowings	22		539.63
(ii) Lease Liabilities	23	115.11	116.82
(iii) Trade payables	16	110.11	113.02
Total outstanding dues of micro enterprises and small enterprises		143.22	136.67
Total outstanding dues of creditors other than micro enterprises and small enterprises		377.53	501.57
b) Other Financial Liabilities	24	496.76	346.42
c) Other Current Liabilities	25	2,260.45	1,974.71
d) Provisions	26	90.28	74.00
TOTAL		4,652.52	5,564.45

Summary of significant accounting policies

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

This is the Balance Sheet referred to in our report of even date

For R.G.N. Price and Co.

**Chartered Accountants** 

ICAI Firm Registration Number: 002785S

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

K Venkatakrishnan

Partner Membership No : 208591

Chairman DIN: 00580919

N Srinivasa Bharathy CEO and Managing Director DIN: 03601418

Place : Chennai

Date: 4th July 2025

K.S.Subramanian Chief Financial Officer Aprajita Singh

Company Secretary & Legal

# Standalone Statement of Profit and Loss

(All Figures are in INR Lacs, unless specifically stated otherwise

	Note No	For the year ended	For the year ended	
Particulars		31st March 2025	31st March 2024	
INCOME				
INCOME				
Revenue from Operations	27	7,772.34	6,385.19	
Other Income	28	84.61	230.01	
TOTAL INCOME		7,856.95	6,615.20	
EXPENSES				
Employee Benefit Expenses	29	4,955.21	4,595.18	
Finance Cost	30	94.78	122.92	
Depreciation and Amortization Expense	31	550.92	566.73	
Other Expenses	32	3,115.87	2,181.43	
TOTAL EXPENSES		8,716.78	7,466.26	
PROFIT BEFORE TAX		(859.83)	(851.06)	
I ROTTI DEI ORE ITER		(003.00)	(001.00)	
Tax Expenses	10			
- Current Tax		-	-	
- Tax related to earlier periods - written off			(259.50)	
- Deferred Tax			25.91	
PROFIT FOR THE PERIOD		(859.83)	(1,084.65)	
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Re-measurement gains/ (losses) on defined benefit plans		(21.14)	0.55	
Income Tax effect of the above		5.32	(0.14)	
Items that will be reclassified subsequently to profit or loss				
Other Comprehensive Income / (loss) for the year, net of tax		(15.82)	0.41	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(875.65)	(1,084.24)	
EARNINGS PER SHARE	35			
Equity shares at Easa Value of Ds. E each /				
Equity shares at Face Value of Rs. 5 each/- Basic		(1.30)	(1.64)	
Diluted		(1.30)	(1.64)	

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For R.G.N. Price and Co.

Chartered Accountants ICAI Firm Registration Number: 002785S For and on behalf of the Board of Directors of

Adrenalin eSystems Limited

K Venkatakrishnan

Partner Membership No: 208591

Arun Jain Chairman DIN: 00580919

N Srinivasa Bharathy CEO and Managing Director DIN: 03601418

Place: Chennai

Date: 4th July 2025

K.S. Subramanian

Chief Financial Officer

**Aprajita Singh** Company Secretary & Legal

#### **Standalone Cash Flow Statement**

(All Figures are in INR Lacs, unless specifically stated otherwise)

	For the year ended	For the year ended	
Particulars	31st March 2025	31st March 2024	
Profit before tax	(859.83)	(851.06)	
	(003100)	(00100)	
Adj to reconcile profits for the period to the net cash flows			
a) Depreciation & Amortization	550.92	566.73	
b) Interest Cost	94.78	122.92	
c) Interest Income from Deposits	(15.36)	(81.76)	
d) Interest received on Income Tax Refunds	(15.55)	(12.93)	
e) (Gain) / Loss on revaluation of current investments (net)	(53.28)	(135.12)	
f) Adjustments to Other Comprehensive Income	(21.14)	0.55	
g) Employee Stock option expenses	4.00	4.00	
h) Provision towards withholding tax	458.66		
i) Lease modification	1.25		
Operating profit / (loss) before working capital changes	144.44	(386.68)	
Decrease / (Increase) in Trade receivables	61.56	367.93	
Decrease/(Increase) in financial assets and other assets	(603.44)	(112.37)	
Increase/(Decrease) in financial liabilities, other liabilities and provisions	324.58	528.18	
Cash from Operating activity	(72.85)	397.07	
Ingome toy (Not of Defunds)	16.77	(27.20)	
Income tax (Net of Refunds) Withholding Taxes	(206.81)	(27.30) (163.26)	
Withholding Taxes	(200.01)	(103.20)	
Net Cash from Operating Activity	(262.89)	206.51	
B. Cash flow from Investing Activity			
Investment in Tangible & Intangible Assets	(575.95)	(426.85)	
Investment in Subsidiary	(71.82)		
(Purchase) / Sale proceeds of Investments (net)	688.07	1,316.90	
Deposits (made) / withdrawn during the year (net)	961.80	(524.97)	
Interest received on Deposits	15.36	43.40	
Net Cash from Investing Activity	1,017.45	408.49	
C. Cash flow from Financing Activity			
(Dangument) / Ingresses in Long term horrowings	311.47	(E01.7E)	
(Repayment) / Increase in Long term borrowings (Repayment) / Increase in Short term borrowings	(539.63)	(501.75) 98.22	
Interest Paid	(67.66)	(89.62)	
		, ,	
Lease Liability	(141.03)	(128.65)	
Net Cash flow from Financing Activity	(436.85)	(621.81)	
Net increase / (decrease) in cash and cash equivalents	317.70	(6.81)	
Cash and Cash equivalents at the beginning of the year	1.94	8.74	
Cash & Cash equivalent at the end of the year	319.63	1.92	

a) The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting standard (Ind AS) 7 "Statement of Cash  $flows" specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) \ Rules, 2015 \ (as amended).$ 

b) Figures have been regrouped/ rearranged wherever necessary.

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements This is the Cash Flow Statement referred to in our report of even date

For R.G.N. Price and Co.

For and on behalf of the Board of Directors of

**Chartered Accountants** ICAI Firm Registration Number: 002785S Adrenalin eSystems Limited

K Venkatakrishnan

Arun Jain Chairman DIN: 00580919

N Srinivasa Bharathy CEO and Managing Director DIN: 03601418

Membership No: 208591

Place : Chennai

K.S. Subramanian Chief Financial Officer Aprajita Singh Company Secretary & Legal

Date: 4th July 2025

# Standalone Statement of Changes in Equity

All Figures are in INR Lacs, unless specifically stated otherwise)
a) Equity Share Capital

Particulars	Amount
Balance as on 1st April 2023 Changes during the period	3,310.29 1.98
Balance as on 31st March 2024	3,312.27

Particulars	Amount
Balance as on 1st April 2024 Changes during the period	3,312.27
Balance as on 31st March 2025	3,312.27

#### b. Other Equity

#### For the year ended March 31, 2024

	Reserves & Surplus				
Particulars	Securities Premium	Retained Earnings	Share Option Outstanding A/c	Other Comprehensive Income	Total
	15(407	(2.400.22)			
As at April 1, 2023	1,564.97	(2,409.33)	3.74	(20.08)	(860.71)
Provision towards share based payments for the year	-	-	4.00	-	4.00
Loss for the year		(1,084.65)	-	-	(1,084.65)
Remeasurement of the net defined benefit (liability) / asset, net of tax $% \left( \frac{1}{2}\right) =\frac{1}{2}\left( \frac{1}{2}\right) =$		-	-	0.41	0.41
As at March 31, 2024	1,564.97	(3,493.98)	7.74	(19.67)	(1,940.95)

#### For the period ended March 31, 2025

	Reserves & Surplus				
Particulars	Securities Premium	Retained Earnings	Share Option Outstanding A/c	Other Comprehensive Income	Total
As at April 1, 2024	1,564.97	(3,493.98)	7.74	(19.67)	(1,940.95)
Provision towards share based payments for the year			4.00	-	4.00
Loss for the year	- A-	(859.83)	-	-	(859.83)
Remeasurement of the net defined benefit (liability) / asset, net of $\tan \alpha$	-		-	(15.82)	(15.82)
As at March 31, 2025	1,564.97	(4,353.81)	11.74	(35.49)	(2,812.60)

The accompanying notes are an integral part of the financial statements

This is the Statement of changes in equity referred to in our report of even date

For R.G.N. Price and Co. For and on behalf of the Board of Directors of **Chartered Accountants** Adrenalin eSystems Limited

ICAI Firm Registration Number: 002785S

K Venkatakrishnan Arun Jain N Srinivasa Bharathy Chairman DIN: 00580919 Partner CEO & Managing Director Membership No: 208591 DIN: 03601418

Place: Chennai Date: 4th July 2025 K.S. Subramanian Chief Financial Officer Aprajita Singh Company Secretary & Legal

#### **ADRENALIN eSYSTEMS LIMITED**

#### **Note 1: Corporate Information:**

Adrenalin eSystems Limited is an Unlisted Public Limited company bearing CIN Number: U72200TN2002PLC048860, incorporated under the provisions of 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 subsidiary in Dubai located at G045, Ground Floor, Techno Hub 1, Dubai Silicon Oasis, Dubai, United Arab Emirates and Branch offices at Philippines located at 10<sup>th</sup> Floor Philamlife Tower, 8767, Paseo De Roxas, Makati City 1226, Philippines and in Malaysia at Suite 1007, 10<sup>th</sup> Floor, Wisma Lim Foo Yong, No. 86, Jalan Rajah Chulan, 50200, Kuala Lumpur, Malaysia.

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-premises as well as offered as a service hosted on cloud.

# 2. Basis of preparation of financial statements

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared under the historical cost convention basis, on the accrual basis of accounting except for certain financial assets and financial liabilities which have been measured at fair value at the end of each reporting period, as stated in the accounting policies set out below.

#### Note:

The Company has incurred a net loss (after other comprehensive income) of Rs 875.65 lakhs for the year ended 31<sup>st</sup> March 2025 and accumulated losses of Rs. 4,353.81 lakhs constituting (89%) of the paid-up equity share capital and securities premium as of that date. The expenses incurred by the Company in building up manpower, marketing infrastructure and technology is expected to contribute to increase in revenue in the coming years. This along with cost control initiatives being implemented by the Management is expected to improve the overall profitability of the Company. Further, the company has also been supported by loan of Rs 3 Crores during the year and Capital Infusion of Rs 13 Crores during May 2025 by its Promoters and an entity controlled by one of the promoters to manage its business requirements. Based on all the above, the management is of the view that the Group will be able to achieve profitable operations and raise funds as and when necessary, in order to meet its liabilities as they fall due.

The financial statements are prepared on a going concern basis using the accrual concept except for the cash flow information. The accounting policies have been applied consistently over all the periods presented in these financial statements.

The financial statements are presented in INR (its functional currency) and all values are rounded to the nearest Lacs, except where otherwise indicated.

# 3. Significant Accounting Policies

# a) Use of estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements 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 year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed **in Note 45.** Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of 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 consolidated financial statements.

#### b) Current versus Non-Current Classifications:

The Group presents assets and liabilities in the balance sheet based on current/ noncurrent classification. An asset has been classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability has been classified as current when it satisfies any of the following criteria.

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading; due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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.

#### **C)** Fair value measurement:

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:

n 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 & The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

# d) Use of Estimates & Judgements:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements 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 year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these standalone financial statements have been disclosed in Note 45. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of 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.

# e) Cash and Cash Equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash in hand and deposits with banks in current accounts that are readily convertible into known amounts of cash and which are subject to insignificant risks of change in value.

#### f) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

# g) Property Plant & Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

#### h) Depreciation and Amortization

Depreciation on each part of an item of property, plant and equipment is provided on Straight Line method 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

#### i)Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The amortization of software development and intellectual property costs is allocated on a straight-line basis over the best estimate of its useful life after the product is ready for use. The factors considered for identifying the basis include obsolescence, product life cycle and actions of competitors. The amortization period and the amortization method are reviewed at each year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. The estimated useful life of the intangible assets is in the range of 3 to 5 Years.

#### j) Research and Development Cost:

Research costs are expensed as incurred. Development expenditure incurred on an individual new project is recognized as an intangible asset when the company can demonstrate all the following:

- 1. The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- 2. Its intention to complete and its ability and intention to use or sell the asset
- 3. How the asset will generate future economic benefits
- 4. The availability of resources to complete the asset.
- 5. The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

# k) Impairment of Intangible Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the

carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the cash generating units to which the individual assets are allocated.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the assets or cash generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### I) Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the entity expects to receive in exchange for those products or services. Arrangements with customers for software related services are either on a fixed-price, fixed-bid or on a time-and material basis.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer.

Annual Maintenance Services revenue is recognized over the period in which the services are rendered.

Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied.

Revenue accrued not billed represents earnings on ongoing fixed-price, fixed -bid and time and material contracts over amounts invoiced to customers. Billings in excess of revenues represents amounts billed in case of ongoing fixed bid, fixed price and time and material contracts wherein amounts have been billed in accordance with the billing cycle and efforts would be incurred subsequent to the balance sheet date.

Revenue from fixed-price, fixed-bid contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as

per the percentage-of-completion method. The Group recognizes revenue based on relevant input or output measures based on nature of performance obligation being rendered. Revenue from customization and implementation services are recognized based on the above.

The entity presents revenues net of indirect taxes in its statement of Profit and loss.

#### m) Other Income

Interest income from deposits are recognized in the Profit and Loss account on accrual basis.

Interest income other than deposits are recognized on receipt basis and are recognized in the Profit & Loss account.

Profit on sale of units of mutual funds is recognized at the time of redemption and is determined as the difference between the redemption price and the carrying value

Dividend income is recognized when the right to receive dividend is established by the reporting date.

# n) Foreign Currency Transactions:

# **Initial Recognition**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

#### Measurement as at Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at year end exchange rates.

Company does not carry any non-monetary items in foreign currency in its Balance Sheet.

# **Treatment of Exchange Differences**

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

# o) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

# Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### a. Right of Use Assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment. Right-of-use assets mainly consists of buildings, having a lease term of 5 years.

#### b. Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option

reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in financial liabilities (see Note 20 and 23).

#### c. Short Term Lease

The Company applies the short-term lease recognition exemption to its short-term leases of Buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense in the profit and loss account.

#### p) Employee Benefits

#### a. Provident Fund

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employee's salary. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no further obligations under the plan beyond its monthly contributions.

#### b. Gratuity

The Company provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period. Remeasurement, comprising of actuarial gain or loss and

the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The defined benefit obligation recognized in the balance sheet represents the present value of the Defined Benefit Obligation less the Fair Value of Plan Assets out of which the obligations are expected to be settled and adjusted for unrecognized past service cost, if any. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

# c. Compensation Absences

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long- term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are

not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

# q) Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current Tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. The carrying amount of MAT is reviewed at each reporting date and the asset is written down to the extent the Company does not have convincing evidence that it will pay normal income tax during the specified period.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except for taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable

that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the Statement of profit and loss is recognized outside Statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

#### r) Provisions & Contingencies

A provision is recognized when the company has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

#### s) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

# t) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to the equity shareholders of the Company by weighted average number of equities shares issued during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

#### u) Employee Stock Option

Stock options are granted to the employees under the stock option scheme, the costs of stock options granted to the employees (equity-settled awards) of the Company are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves/stock options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions

attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

## v) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## A. Financial Assets:

## i. Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Debt instruments at amortized cost
- b) Debt instruments at fair value through other comprehensive income (FVTOCI)
- c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- d) Equity instruments measured at fair value through other comprehensive income FVTOCI

## Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account

any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

## **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value.

Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L.

On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L

## **Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity.

## iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to

what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## iv. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

#### Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

## B. Financial Liability:

## **Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

After initial recognition, trade and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

## **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

## De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## NOTE 45: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. 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.

## a) Judgements

In the process of applying the Company's accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the Standalone Financial Statements

## b) Estimates & Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

## 1) Impairment of Non-Financial Assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on projected sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The Company capitalizes intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

## 2) Share Based Payments

The Company initially measures the cost of Equity-settled transactions with employees using a black scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share- based payment transactions are disclosed in Note 31.

## 3) Defined Benefit Plan (Gratuity)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations and sensitivity analysis are given in Note 30.

## 4) Taxes

Current Tax for the current year is computed as per the provisions of the Income Tax Act. 1961

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

## 5) Leases

Determining the lease term of contracts with renewal and termination options - Company as lessee:

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow.

Refer Note 42 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

## Notes to Standalone Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

4(a). PROPERTY, PLANT AND EQUIPMENT

Particulars	Computers	Furniture & Fittings	Office Equipment's	Total
Gross Block			21	
As at April 1, 2023	66.17	20.40	6.41	92.98
Addition	36.58			36.58
Deletion	-	WAT.		-
As at March 31, 2024	102.75	20.40	6.41	129.56
Addition	45.76		0.38	46.14
Deletion		-	-	-
As at March 31, 2025	148.51	20.40	6.79	175.70
Accumulated Depreciation				
As at April 1, 2023	34.13	19.15	3.02	56.30
For the year	22.94	1.09	2.88	26.91
Deletions			- /	
As at March 31, 2024	57.07	20.24	5.90	83.21
For the year	30.07	0.11	0.28	30.46
Deletions	- /		y A.	-
As at March 31, 2025	87.14	20.35	6.18	113.67
Net Book Value				
As at March 31, 2024 As at March 31, 2025	45.67 61.37	0.16 0.05	0.50 0.61	46.33 62.03

## Notes to Standalone Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

4(b). RIGHT OF USE OF ASSETS

diri or obe or hobers	
Particulars	Office Premises
Gross Block	
As at April 1, 2023	475.18
Additions	71.12
Deletions	
As at March 31, 2024	546.30
Additions	-
Deletions	21.50
As at March 31, 2025	524.80

Accumulated Depreciation	
As at April 1, 2023	95.04
For the year	104.91
Deletions	
As at March 31, 2024	199.95
For the year	115.81
Deletions	
As at March 31, 2025	315.76

Net Book Value	7 Y / O . /
As at March 31, 202 As at March 31, 202	

## Notes to Standalone Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

## 4(c).INTANGIBLE ASSETS

Particulars	Software Product	Total	
Gross Block			
GI USS BIOCK	1100		
As at April 1, 2023	2,416.35	2,416.35	
Addition	390.27	390.27	
Deletion	(705.93)	(705.93)	
As at March 31, 2024	2,100.69	2,100.69	
Addition	399.95	399.95	
Deletion	(976.53)	(976.53)	
As at March 31, 2025	1,524.11	1,524.11	
Accumulated Amortization			
As at April 1, 2023	1,419.36	1,419.36	
For the year	434.91	434.91	
Deletion	(705.93)	(705.93)	
As at March 31, 2024	1,148.34	1,148.34	
For the year	404.65	404.65	
Deletion	(976.53)	(976.53)	
As at March 31, 2025	576.46	576.46	
Net Book Value			
As at March 31, 2024 As at March 31, 2025	952.35 947.65	952.35 947.65	

## Notes to Standalone Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

## 4(d). SOFTWARE PRODUCT - UNDER DEVELOPMENT

Particulars	Software Product - Under Development
AND ARREST	
As at April 1, 2023	-
Additions	
Capitalisation	
As at March 31, 2024	
Additions	129.86
Capitalisation	
As at March 31, 2025	129.86

Net Book Value	A POSS	
As at March 31, 2024		Alex And I
As at March 31, 2025	/	129.86

## Notes to Standalone Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

## **Note No 5: Investments**

Particulars	31st M	As at arch 2025	As at 31st March 2024
Unquoted Investments (Carried at cost)		Amount	Amount
Investment in Subsidiary - Adrenalin eSystems LLC		71.82 <b>71.82</b>	
Investments (Carried at fair value through profit or loss)	Units	Amount U	nits Amount
Investment in Fixed Deposit			
Fixed Deposit with ICICI Bank		20.20	
Total		92.02	

## Notes to Standalone Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

Note No	Particulars	As at 31st March 2025	As at 31st March 2024
6	Loans & Deposits		
	Income tax appeal fees	10.77	10.5
	Security Deposit at Fair Value	6.09	5.6
	Total	16.86	16.1
Note No	Particulars	As at	As at
	Non-Current Bank Balances	31st March 2025	31st March 202

7 Non-Current Bank Balances		
Margin Money Deposits		982.00
Total	-	982.00

Note No	Particulars	As at 31st March 2025	As at 31st March 2024
8	Income Tax Assets (Net)		
5	Tax Deducted at Source	336.01	334.37
	Withholding Tax Less: Provision for Withholding Tax	1,066.43 (657.71)	859.62 (199.05)
	Total	744.73	994.93

No Particulars		As at 31st March 2025	As at 31st March 2024
Deferred Tax Assets / (Liability)			
Items contributing to Deferred tax Asset			
Difference between Depreciation as per books of accounts	& Income Tax Act,1961	72.49	72.49
Impact of expenditure charged to the statement of profit a but allowed for tax purposes on payment basis	and loss in the current year	45.66	45.66
Lease Liabilities		93.51	93.51
Total		211.66	211.66
Items contributing to Deferred tax Liability		100	
Right of use of Assets		(87.17)	(87.17)
Total Deferred Tax Asset		124.49	124.49
Reconciliation of deferred tax asset (net)			
Opening balance as of 1 April		124.49	98.58
Net Deferred Tax income/(expense) during the period rec	ognised in profit or loss &		25.91
Other Comprehensive Income			
Closing Balance		124.49	124.49

The company has losses amounting to Rs.4354 lacs. Considering prudence, the company has not created further deferred tax assets on the same

## Notes to Standalone Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

## Note No 10: Income tax & Deferred Tax recognized in statement of Profit and loss

Particulars	As at	As at
	31st March 2025	31st March 2024
Income tax expense:		
Current Period	- 1	-
Tax related to earlier years written off	-	(259.50)
Deferred tax expense	-	-
Origination and reversal of temporary differences	-	25.91
Income tax expense		(233.59)
Other Comprehensive Income:		
Re-measurement gains/ (losses) on defined benefit plans	5.32	(0.14)
Income tax recognized in Other Comprehensive Income	5.32	(0.14)

## Notes to Standalone Financial Statement for the period ended 31st March 2025

Note no 11 : Investments

Particulars	As at 31st March 2025			h 2024
	Units	Amount	Units	Amount
Investments (Carried at fair value through profit or loss)				
Investment in Mutual Funds - (Quoted)				
HDFC Business Cycle Fund - Regular Plan - Growth			4,99,975.00	64.75
Kotak Equity Arbitrage Fund Regular-Growth	9,713.17	3.58		-
HDFC Manufacturing Fund Regular - Growth	4,85,765.77	47.28		-
ICICI Prudential Short Term Fund - Growth		-	2,11,823.84	115.25
ICICI Prudential Balance advantage funds	100 -	-	26,103.81	16.82
Tata Balance Advantage Fund - Regular Plan - Growth		-	5,93,699.34	111.04
HDFC Large and Mid Cap Fund - Regular Plan - Growth		-	8025.21	23.09
Kotak Equity Savings Fund - Regular Plan - Growth			2,26,746.50	53.21
HDFC Equity Savings Fund - Growth	2,35,459.64	149.12		
HDFC Equity Savings Fund - Regular Plan - Growth		-	2,49,420.19	149.13
Kotak Multi Asset Allocation Fund - Regular Plan - Growth	2,53,228.07	31.19	9,99,950.00	114.16
Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund - Regular Plan - Growth			9,76,904.81	109.39
ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund - Regular Plan - Growth		7	9,77,363.14	109.12
TOTAL		231.17		865.96
Aggregate book value of Quoted Investments		231.17		865.96
Aggregate market value of Quoted Investments	47 40	231.17		865.96
Aggregate amount of impairment in value of Investment		-		-

## Notes to Standalone Financial Statement for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

Note No	Particulars	As at 31st March 2025	
12	Trade Receivables		
	Unsecured, Considered Good	976.20	1,032.67
7 /	Provision for Credit Impairment	(88.74)	(83.58)
	Total	887.46	949.09

There are no trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

## Ageing of Trade Receivables as at 31st March 2025

Particulars	Current but not due	Less than 6 months	6 months - 1 year	1 - 2 years	More than 2 years	Tota
As at 31st March 2025						
Trade Receivables -	732.93	152.08	57.22	33.97	-	976.20
Undisputed, Unsecured, considered Good						
Less: Provision for Credit Impairment	3.68	17.80	33.29	33.97		88.74
Net Receivables	729.25	134.28	23.93	-	-	887.46
As at 31st March 2024						
Trade Receivables -	601.90	320.78	72.80	37.19	-	1,032.67
Undisputed, Unsecured, considered						
Less : Provision for Credit Impairment	2.41 599.49	23.99 296.79	22.03 50.77	35.15 2.04		83.58 949.09

Note No	Particulars	As at 31st March 2025	As at 31st March 2024
13	Cash & Cash Equivalents		
	- On Current Accounts	309.77	0.40
	- On Deposit Accounts		-
	- Cash on hand	9.86	1.55
	Total	319.63	1.94

Note No	Particulars	As at 31st March 2025	As at 31st March 2024
14	Other Financial Asset		
	Contract Assets - Unbilled Revenue Other receivables	523.98 190.08	141.74 -
	Total	714.06	141.74

Note No	Particulars	As at 31st March 2025	As at 31st March 2024
15	Other Current Asset		
	Employee Travel Advance Prepaid - Expenses Advance to Vendors	65.20 108.32 -	17.86 64.04 61.17
	Total	173.52	143.07

## Notes to Standalone Financial Statements for the year ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

## Note No: 16

Particulars	As at 31st March 2025	As at 31st March 2024
Trade Payables		
- Total outstanding dues of Micro and Small Enterprises - Total outstanding dues of creditors other than Micro and Small Enterprises	143.22 377.53	
Total	520.75	638.24

#### Ageing of Trade Payables at at 31st March 2025

Particulars	Outstanding for following periods from the date of invoice Total				nvoice
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	143.22	-	-		143.22
(ii) Others	377.53	-	-	-	377.53
(iii) Disputed MSME (iv) Disputed Others			-	- 1	

#### Ageing of Trade Payables at at 31st March 2024

Particulars	Outstanding for following periods from the date of invoid Total				invoice
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	136.67	-	-	-	136.67
(ii) Others	501.57	-	-	-	501.57
(iii) Disputed MSME (iv) Disputed Others		-	-		1

The Company has certain dues to Suppliers registered under Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act).

The information required to be disclosed under Micro Small & Medium Enterprises Development Act, 2006 (The MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company.

The disclosure pursuant to said MSMED Act are as follows:

Particulars	As at 31st March 2025	As at 31st March 2024
(i) The amounts remaining unpaid to suppliers as at the end of the year		
Principal	143.22	136.67
Interest		
(ii) The amount of interest paid to the buyer in terms of Section 16 of the MSMED Act 2006	V A	y A
The amount of the payments made to suppliers beyond the appointed day during each accounting year		/ (
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year)		
but without adding the interest specified under MSMED Act 2006.		
iv) The amount of interest accrued and remaining unpaid at the end of each	1.73	0.22
accounting year.		
(v) The amount of further interest remaining due and payable even in the succeeding years until such dates when the interest due above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under	1.73	0.22
Section 23 of the MSMED Act, 2006		

## Notes to Standalone Financial Statements for the year ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

## **Note No 17: Equity Share Capital**

Particulars	No. of Shares	Amount
As at April 1, 2023	8,00,00,000	4,000.00
Increased during the year		
As at 31st March 2024	8,00,00,000	4,000.00
Increased during the year		A 100 -
As at 31st March 2025	8,00,00,000	4,000.00

b) Equity Shares of Rs 5/- each, Issued, Subscribed and Fully paid up				
Particulars No of Shares				
As at April 1, 2023	6,62,05,769.00	3,310.29		
Issued during the year	39,600.00	1.98		
As at 31st March 2024	6,62,45,369.00	3,312.27		
Issued during the year				
As at 31st March 2025	6,62,45,369.00	3,312.27		

#### Terms/rights attached to equity shares

The Group has only one class of equity shares having a par value of Rs.5 per share. Each holder of equity shares is entitled to one vote per share. Equity shares entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

c) Details of shareholding more than 5% held as at reporting date

Particulars	As at 31st March 2025	
	No of Shares	% Holding
a) Polaris Banyan Company Private Limited	3,20,89,952	48.44%
b) Intellect Design Arena Limited	2,94,85,502	44.51%
Total	6,15,75,454	92.95%

Particulars	As at 31st March 2024	
	No of Shares	% Holding
a) Polaris Banyan Company Private Limited	3,20,89,952	48.47%
b) Intellect Design Arena Limited	2,94,85,502	44.54%
Total	6,15,75,454	93.01%

#### d) Shareholding of Promoters as on 31st March 2025

Promoter Name	No of Shares	Shareholding %	Change during the year
Mr. V. Balaraman	12,01,578	1.81%	0.00%
Mr. Arun Jain	5,99,880	0.91%	0.00%
Dr. Ashok Korwar	10,945	0.02%	0.00%
Mr. V. Balakrishnan	22	0.00%	0.00%
Mr. N Vaidyananthan	20	0.00%	0.00%
Mr. V Raghuraman	20	0.00%	0.00%
Mr. S. Sriram	20	0.00%	0.00%
Total	18,12,485	2.74%	0.00%

## Notes to Standalone Financial Statements for the period ended 31st March 2025

Note No 18: Other Equity

Particulars	As at 31st March 2025	As at 31st March 2024
Securities Premium:		
Opening Balance	1,564.97	1,564.97
Addition:	-	
Deletion:		-
Closing Balance	1,564.97	1,564.97
Retained Earnings:		
Opening Balance	(3,493.98)	(2,409.33)
Add: Profit after Tax	(859.83)	(1,084.65)
Deletion:	- 1	-
Closing Balance	(4,353.81)	(3,493.98)
Share Option Outstanding Account:		
Opening Balance	7.74	3.74
Addition : Share based payments	4.00	4.00
Deletion		_
Closing Balance	11.74	7.74
Other Comprehensive Income:	7 800 8	
Opening Balance	(19.67)	(20.08)
Addition: Remeasurement of the net defined benefit (liability) / asset, net of tax	(15.82)	0.41
Deletion	(25 50)	(40.45)
Closing Balance	(35.50)	(19.67)

## Notes to Standalone Financial Statements for the period ended 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

Note No	Particulars	As at 31st March 2025	As at 31st March 2024
19	Borrowings		
	Unsecured loan from Polaris Banyan Holdings P Ltd	311.47	
	Total	311.47	-

The company has obtained loan from Polaris Banyan Holdings Limited amounting to Rs.300 lacs with interest payable at 10% p.a.

No	Particulars	As at 31st March 2025	As at 31st March 2024
20	Lease Liabilities		
	Lease Liabilities	119.75	254.73
	Total	119.75	254.73

No	Particulars Other Lang Town Liebilities	As at 31st March 2025	As at 31st March 2024
21	Other Long Term Liabilities Provision for Gratuity	165.17	171.60
	Provision for Compensated Absences  Total	73.11 <b>238.28</b>	76.96 <b>248.57</b>

## Notes to Standalone Financial Statements for the year ended 31st March 2025

Note No	Particulars	As at 31st March 2025	As at 31st March 2024
22	Borrowings		
7//	Current Maturities of Foreign Currency Term Loan Overdraft		-
	Facility with the Bank		539.63
	Total	-	539.63

Note No	Particulars	As at	As at 31st March 2024
23	Lease Liabilities	31st March 2023	313t March 2024
	Lease Liabilities	115.11	116.82
	Total	115.11	116.82

Note No	Particulars	As at 31st March 2025	As at 31st March 2024
24	Other Financial Liabilities		
	Employee Payables Expenses Payables	279.60 217.16	235.29 111.12
	Total	496.76	346.42

	Note No	Particulars	As at 31st March 2025	As at 31st March 2024
I	25	Other Current Liabilities		
		Contract Liabilities Statutory Payables	2,109.77 150.68	1,781.90 192.81
		Total	2,260.45	1,974.71

Note No	Particulars	As at 31st March 2025	As at 31st March 2024
26	Provisions		
	For Gratuity For Compensated Absences	71.42 18.86	
	Total	90.28	73.99

## Notes to Standalone Financial Statements for the period ended 31st March 2025

Note No	Particulars	For the year ended	For the year ended
27	Revenue from Operations	31-03-2025	31-03-2024
	Revenue from Contracts with Customers	7,772.34	6,385.19
	Total	7,772.34	6,385.19

Note No	Particulars	For the year ended	For the year ended
28	Other Income	31-03-2025	31-03-2024
17	Revaluation Gains from Mutual Fund Investment	0.20	75.21
	Net Gains from Sale of Mutual Fund Investment	53.08	59.91
A	Interest on Income Tax Refund	15.55	12.93
	Interest on Fixed Deposit with Banks	15.36	81.76
	Interest Income on FV on Sec Deposit	0.42	0.20
	Total	84.61	230.01

## Notes to Standalone Financial Statements for the period ended 31st March 2025

Note No	Particulars	For the period ended	For the year ended
29	EMPLOYEE BENEFIT EXPENSES	31-03-2025	31-03-2024
	Salaries & Incentives	4,633.48	4,313.64
	Contribution to Provident and Other funds	222.10	201.23
	Expenses on Employee Stock Option Scheme	4.00	4.00
	Staff Welfare Expenses	95.63	76.31
	Total	4,955.21	4,595.18

Note No	Particulars	For the period ended	For the year ended
30	FINANCE CHARGES	31-03-2025	31-03-2024
	Interest on Overdraft Facility	32.01	57.68
	Interest on Foreign currency Term Loan	-	25.90
	Bank Charges	33.93	5.83
	Interest on Lease Liabilities	27.11	33.29
	Interest on MSME	1.73	0.22
	Total	94.78	122.92

Note No	Particulars	For the period ended	For the year ended
31	Depreciation & amortization	31-03-2025	31-03-2024
	Depreciation of Property, Plant and Equipment's (Refer note no 4A)	30.46	26.91
	Depreciation of Right of use of assets (Refer note no 4B)	115.81	104.91
	Amortization of Intangible Assets (Refer note no 4C)	404.65	434.91
	Total	550.92	566.73

Note No	Particulars	For the year ended	For the year ended
32	Other Expenses	31-03-2025	31-03-2024
	Travelling & Conveyance	419.16	343.77
	Communication Expenses	28.87	31.52
	Printing & Stationery	4.24	9.08
	Professional Fees	138.67	96.56
	Rent Expenses	68.48	81.55
	Marketing Expenses	294.1	286.12
	Partner Commission	23.35	30.39
	Infrastructure Expense	899.36	585.16
	Audit Fees		
	Statutory Audit	6.5	5
	Tax Audit	0.5	0.5
	Out-of-Pocket Expenses	0.18	0.75
	Corporate Social Responsibility	3	3
	Bad debts written off		-
	Provision for Expected Credit Loss	52.19	
	Third Party Services / Tools	83.58	
	Foreign Exchange Fluctuation	595.47	484.39
	Provision for Withholding Tax	37.82	60.23
	Miscellaneous Expenses	458.66	85.33
	Total	3,115.87	2,181.43

## Notes to Standalone Financial Statements as on 31st March 2025.

(All figures are in INR Lacs unless specifically stated otherwise)

## Note No 33: Contingent Liabilities and commitments

Particulars	As at 31st March 2025	As at 31st March 2024
Contingent Liabilities:		
a) Disputed Demands under Appeals :		
i) Income Tax	169.31	169.31

## **Uncertainty over Income tax treatment:**

The Company has on-going appeals with Income Tax Authorities against demands arising on completion of assessment proceedings under Income Tax Act, 1961. The Company has evaluated the above pending disputes and expects that its position will likely be upheld on ultimate resolution and these will not have a material adverse effect on the Company's financial position and results of operations.

Particulars	As at 31st March 2025	As at 31st March 2024
b) Bank Guarantees given		5.49

#### Notes to Standalone Financial Statements as on 31st March 2025.

(All figures are in INR Lacs unless specifically stated otherwise)

#### Note No 34: Details of Employee Benefit Plans

a) Defined contribution plans
The Company makes Provident fund contributions to defined contribution plans for qualifying employees. Under this scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable by the Company to these plans are at the rates specified in the rules of the schemes.

Particulars	As at	As at
	31st March 2025	31st March 2024
Contribution to provident fund recognised in statement of profit and loss	144.64	129.83

#### a) Defined benefit plans

Gratuity liability has been provided based on the actuarial valuation carried out at the year end.

The company has a gratuity scheme in respect of which company's contribution is partially funded through an approved trust fund. The details of actuarial valuation in respect of Gratuity is furnished hereunder:

Particulars	As at	As at	
	31st March 2025	31st March 2024	
i) Change in Defined Benefit Obligation (DBO) during the year:			
Present value DBO at the beginning of the year	272.96	237.73	
Service cost	43.13	35.80	
Interest cost	18.82	16.81	
Remeasurement(gain)/loss Actuarial (gain)/loss arising from experience financial and demographic	20.34	(1.31)	
adjustments	20101	, ,	
Benefits paid	(22.42)	(16.07)	
Present value DBO at the end of the year	332.83	272.96	
ii) Change in fair value of plan assets during the year:			
Fair value of plan assets as at beginning of the year	137.72	78.81	
Expected return on planned assets	12.02	7.67	
Contributions	81.42	68.07	
Benefits paid	(22.42)	(16.07)	
Actuarial gains / (losses) Fair value of plan asset at the end of the year	(0.80) <b>207.94</b>	(0.76) 137.72	
Tan value of plan abbet at the one of the year	207171	107.172	
iii) Amount recognised in the balance sheet	222.22	000.04	
Present value DBO at the end of the year Fair value of the plan assets at the end of the year	332.83 207.94	272.96 137.72	
(Liability) / Asset recognised in the Balance sheet - net	(124.89)	(135.24)	
(musiney) / risserve ognised in the bulance sheet like	(121.07)	(133.21)	
iv) Components of employer expenses:			
Current service cost	43.13	35.80	
Interest cost/ (income) on net defined benefit obligation	6.80	9.14	
Expense recognised in Statement of Profit t and Loss	49.93	44.94	
v) Re-measurement on the net defined benefit obligation			
(Return) / Loss on Plan Assets (greater) / less than discount rate	0.80	0.76	
Actuarial loss arising from changes in financial assumptions	32.93	2.94	
Actuarial loss arising from changes in experience adjustments Actuarial (Gains)/losses arising from changes in demographic	(12.59)	(4.25)	
assumptions			
Re-measurements recognised in other comprehensive income	21.14	(0.55)	

#### ASSUMPTIONS

The principal assumptions used for the purposes of the actuarial valuations are given below:

Particulars	As at	As at	
	31st March 2025	31st March 2024	
Discount rate Expected rate of return Expected salary increment Attrition rate:	6.65% 7.19% 7.00%	7.32%	
a.) For service 5 years and below b.) For service 5.01 years and above	18% 5%		
Mortality table used	Indian Assured Lives I (2012-14) Ultimate	Mortality	

Particulars	As at	As at	
	31st March 2025	31st March 2024	
Sensitivity analysis - DBO at the end of the year			
i) Discount -1% ii) Discount +1% iii Bscalation -1% iii Escalation +1% iv Escalation +1% v Mortality 10% UP vii Attrition -1% viii Attrition +1% ix No Benefit Ceiling	6.85 (6.13) (5.69) 6.20 (0.02) 0.74 (0.69) 2.75	21.04 (18.70) (17.77) 19.72 0.01 (0.09) 0.05 7.52	

Particulars	As at	As at 31st March 2024	
	31st March 2025		
Weighted average duration of DBO ( in years)	10	10	
Expected cash flows			
1 Expected employer contribution in the next year			
2 Expected benefit payments			
- Year 1	29.84	21.72	
- Year 2	31.84	17.37	
- Year 3	34.66	21.44	
- Year 4	19.77	23.92	
- Year 5	22.42	12.66	
- beyond 5 years	85.95	70.28	
- beyond 10 years	108.36	105.57	

## Notes to Standalone Financial Statements as on 31st March 2025.

(All figures are in INR Lacs unless specifically stated otherwise)

## Note no 35 : Earnings Per Share

Particulars	As at 31st March 2025		120 110	
Profit before taxation (Rs in Lacs) Weighted average number of equity shares outstanding during the period	(859.83) 6,62,45,369.00	(1,084.65) 6,62,05,769.00		
Basic earnings per share- ( Face value – Rs.5/- per share ) (In INR)	(1.30)	(1.64)		

Particulars	As at 31st March 2025	As at 31st March 2024
Profit before taxation (Rs in Lacs) Weighted average number of equity shares outstanding during the period	(859.83) 6,62,45,369.00	(1,084.65) 6,62,05,769.00
Diluted earnings per share- ( Face value – Rs.5/- per share ) (In INR)	(1.30)	(1.64)

## Notes to Standalone Financial Statements as on 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

## Note No 36: Unhedged foreign currency exposures

Particulars	Currency	As at 31st March 2025	As at 31st March 2024
Amount receivable in foreign currency - Exports	USD AED PHP MYR	0.75 0.06 - 1.68	1.68 0.52 40.08 -
Amount payable in foreign currency - Imports	USD	0.38	1.38

## Notes to Standalone Financial Statements as on 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

## **Note No 37: Segment Reporting**

The Executive Management Committee monitors the operating results of its business as a single primary segment "Software Product Licence and related services" for the purpose of making decisions about resource allocation and performance assessment.

The business of the Group falls under a single primary segment i.e. 'Software Product License & related services' for the purpose of Ind AS 108.

## A. Information about geographical areas

Net sales to customers by geographic area for the year ended is listed below

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
a) India	4,683.00	3,752.76
b) Outside India	3,089.34	2,632.43

## B. Information about major customers

Customers individually accounting for more than 10% of the revenues of the company for the relevant period ended is listed below

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
No of customers % of Revenue from above customers to total revenue from operations	0.0%	0.00%

## Adrenalin eSystems Limited Notes to the Standalone Financial Statements as on 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

## **Note No 38 Capital Management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company. The funding requirements are met through internal accruals, long-term and short-term borrowings.

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The following table summarizes the capital of the Company:

Particulars As a 31st Marc		As at 31st March 2024
Total Equity	499.67	1,371.33
Non-Current Borrowings Current Borrowings <b>Total Debt</b>	311.47 - 311.47	539.63 <b>539.63</b>
Total Capital (Equity + Debt)	811.14	1,910.97
Equity as a % of total capital Debt as a % of total capital	61.6% 38.4%	

## Notes to the Standalone Financial Statements as on 31st March 2025 (All figures are in INR Lacs unless specifically stated otherwise)

#### Note No 39 Financial instruments

#### Categories of financial instruments

Particulars	As at	Asat
	31st March 2025	31st March 2024

#### A. Financial assets

Measured at Fair value through profit or loss (FV IPL)		
Investments in mutual funds	231.17	865.96
Measured at Fair value through Other comprehensive Income (FVTOCI)	ш.	-
Measured at Amortised cost:		
Fixed Deposits	20.20	-
Margin Money Deposits		982.00
Trade Receivables	887.46	949.09
Cash and Cash Equivalents	319.63	1.94
Contract Assets	714.06	141.74
TOTAL		
TOTAL	1,941.35	2,074.76
B. Financial liabilities		
Measured at Amortized cost		
Borrowings	311.47	539.63
Trade Payables	520.75	638.24
Other Financial Liabilities	496.76	346.42
Lease Liabilities	234.86	371.55
	1,563.84	1,895.84

#### Financial risk management objectives

The Company is broadly exposed to credit risk, liquidity risk and market risk (fluctuations in exchange rates and price risk) as a result of financial instruments. Board of Directors have the overall responsibility for the establishment, monitoring and supervision of the properties of the contract of the properties of the properties of the contract of the properties oCompany's Risk Management framework.

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company is exposed and customer contract, leading to financial loss. The Company is exposed and customer contract, leading to financial loss. The Company is exposed and customer contract, leading to financial loss. The Company is exposed and customer contract, leading to financial loss. The Company is exposed and customer contract, leading to financial loss. The Company is exposed and customer contract, leading to financial loss. The Company is exposed and customer contract, leading to financial loss. The Company is exposed and customer contract, leading to financial loss. The Company is exposed and customer contract, leading to financial loss. The Company is exposed and customer contract, leading to financial loss. The Company is exposed and customer contract, leading to financial loss. The Company is exposed and customer contract, leading to financial loss. The Company is exposed and customer contract, leading to financial loss. The Company is exposed and customer contract, leading to customer contract, leto credit risk from its operating activities (primarily trade receivables) and from it investing activities, including deposits with banks and financial institutions and

 $The cash and cash equivalents and margin money deposits are held with banks. The Company has not incurred any losses on \ \ account of default from banks on deposits.$ 

Liquidity Risk is the risk that the company could encounter if it faces difficulty in meeting the obligations associated with financial liabilities by delivering cash and other financial asset or the risk that the Company will face difficulty in raising financial resource required to fullfil its commitments. The company's exposure to liquidity risk is very minimal as it has a prudent liquidity risk management process in place which ensures maintaining adequate cash and marketable securities to pay its liabilities when they are due.

The table below analyses the company's financial liabilities based on their contractual maturities. The amounts disclosed are contractual undiscounted cash flows.

#### As at 31st March 2025

Less than	1 - 2 Years	More
than 1 year		2 years
	-	311.47
520.75	-	-
496.76	-	
115.11	119.75	-
	than 1 year 520.75 496.76	than 1 year 520.75 496.76

Nature	Less than than 1 year	1 -2 Years	More 2 years
Current Borrowings (Cash Credit) Non Current Borrowings (Term Loan)	539.63	-	
Trade Payables	638.24	-	
Other Financial Liabilities	346.42	-	
Lease Liabilities	116.82	127.33	127.40

In the above table, we have re-classified the Term loan in to Non Current Borrowing to represent the year wise schedule

MATKET KISK
The company faces competition from large Multinational companies, local companies in the geography in which we operate and Indian Product companies. While many of these companies are established companies, the start ups may also disrupt our business. This may pose a challenges to maintain or sustain the business growth or profitability in a longer run.

Currency Risk
The company is exposed to foreign exchange risk arising from foreign currency transactions and a substantial or sustain the distinct of the company is exposed to foreign exchange risk arising from foreign currency transactions and a substantial or sustain the sustain the distinct of the company is exposed to foreign exchange risk arising from foreign currency transactions and a substantial or sustain the sustain the distinct of the company is exposed to foreign exchange risk arising from foreign currency transactions and a substantial or sustain the sustain the sustain the sustain the sustain that the substantial or sustain the sustain the sustain the sustain the sustain that the sustain the sustain that the sustain tha

The company is exposed to foreign exchange risk arising from foreign currency transactions primarily relating to purchases and sales made in foreign currencies such as US Dollar, Euro etc. Foreign exchange risk arises from existing and future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

Particulars	Currency	As at 31st March 2025	As at 31st March 2024
Amount receivable in foreign currency - Exports	USD AED PHP MYR	0.75 0.06 - 1.68	1.68 0.52 40.08
Amount payable in foreign currency - Imports	USD	0.38	1.38
Amount payable in foreign currency - Loan	USD	_	-

#### Notes to the Standalone Financial Statements as on 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

#### Note No 40 Related Party Disclosure

(i) The list of related parties as identified by the management for disclosure as under

#### A) Key management personnel:

Mr. N. Srinivasa Bharathy - Managing Director and Chief Executive Officer
Mr. K.S. Subramanian - Chief Financial Officer:

Ms. Aprajita Singh - Company Secretary & Legal (from 10th June 2024) Aparna Madhu - Company Secretary & Legal (till 31st May 2024)

Particulars	As at	As at
i ui ticului 3	21st March	31st March
	2025	2024
Remuneration to Key Management Personnel	178.21	171.84

The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole and cost accrued for share based payments options provided to KMP.

Particulars	As at	As at
Tur dedicate		
	31st March 2025	31st March 2024
Sitting fees paid to Directors	6.60	4.13

#### B) Board of Directors:

Mr. Arun Jain - Chairman

Mr. Seshadri Venkat Ramanan - Non-Executive Director

Mr. Kumaran Mani Independent Director (Resigned effective  $5^{\text{th}}$  July

2025)

Mr. Arvind Mishra - Independent Director

#### c) Entities holding significant influence over the Company

- i) Polaris Banyan Holding Private Limited
- ii) Intellect Design Arena Limited

#### D) Entities controlled by the Company

i) Adrenalin Esystems L.L.C, Dubai

#### E) Entities where a person has a control over the entity holding significant influence

Intellect Design Arena Philippines Inc Intellect Design Arena SDN BHD, Malaysia

#### F) Transaction with Related Parties

Related Party Transactions	Entities holding signific	Entities wh managerial per- significant i	Wholly Owned Subsidiary		
Particulars	Intellect Design Arena Limited, India	Polaris Banyan Holding Private Limited	Intellect Design Arena SDN BHD, Malaysia	Intellect Design Arena Philippines Inc	Adrenalin eSystems LLC
Trade Receivable Outstanding	79.10	-	-	-	
Trade Payables Outstanding	200.07	1.46	31.64		-
Software License and Services Income to the company	294.56	-	-	460.89	-
Rental Expenses by the company	117.40	28.41		-	
Reimbursement of Expenses by the company	-	-	209.65	208.10	
Amount reimbursable to the Company		•	-	-	128.91
Investments made in company					71.82

## Notes to the Standalone Financial Statements as on 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

## Note No 41 Additional disclosures under IndAS 115

Reconciliation of the revenue from contract with customers with the amounts disclosed in the segment information:

As the company operates in a single segment, reconciliation between segment revenue and revenue from contract with customers is not applicable

## $A.\ Reconciling\ the\ amount\ of\ revenue\ recognized\ in\ the\ Statement\ of\ Profit\ and\ Loss\ with\ the\ contracted\ price:$

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Revenue as per Contracted Price Less : Discounts	7,772.34	6,385.19
Revenue as per Statement of Profit and Loss account	7,772.34	6,385.19
B. Timing of Revenue Recognition		
Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Revenue recognized at a point in time	443.48	887.20
Revenue recognized over a period of time	7,328.86	5,497.99
Total	7,772.34	6,385.19

## Notes to the Standalone Financial Statements as on 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

## **Note No 42 Leases Disclosure:**

The Company has lease contracts for Office Premises for Administrative purpose. The Company applies the exemption available for 'short-term leases wherever applicable.

Set out below are the carrying amounts of the lease liabilities included under financial liabilities and the movements during the period revenue from contract with customers is not applicable

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Opening Balance	371.54	395.78
Add: Recognized / (deleted) during the year		71.12
Add: Accretion of Interest	27.11	33.29
less: Lease Payments	(141.03)	(128.65)
Less : lease modification	(22.76)	
Closing Balance	234.86	371.54
On the above: Current Non Current	115.11 119.75	116.82 254.73
Maturity Analysis of Lease liability	Less than one year	1-5 Years
As at 31st March 2025 As at 31st March 2024	115.11 116.82	119.75 254.73

## Amount recognized in the statement of Profit and Loss during the year

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Depreciation on right -of use assets Interest expenses on Lease liability Expenses relating to short -term leases Expenses related to low value assets	115.81 27.11 68.48 -	104.91 33.29 81.55
Total	211.39	219.75

## Notes to the Standalone Financial Statements as on 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

#### Note No 43 Ratios as required under Schedule III of Companies Act, 2013 $\,$

a) Current Ratio			
Particulars	31st March 2025	31st March 2024	Reason for Variance > 25%
Current Asset as at	2,325.84	2,101.80	
Current Liabilities as at Ratio	3,483.34 0.67	3,689.82 0.57	
% Change from the Previous Year	17%	0.37	
b) Debt Equity Ratio			
Particulars	31st March 2025	31st March 2024	
Total Debt as at Total Equity as at	311.47 499.67	539.63 1,371.33	Due to increase in loss during the year and borrowings availed
Ratio	0.62	0.39	
% Change from the Previous Year	58.4%		
c) Debt Service Coverage Ratio			
Particulars	31st March 2025	31st March 2024	
Profit before Tax for the year	(859.83)		Due to provision for withholding tax presented under other expenses
Add: Depreciation & Amortization for the year	550.92	566.73	
Add : Finance Cost for the year  Earnings available for Debt Service for the year	94.78 (214.14)	122.92 (161.41)	
Interest Cost on Borrowings for the year	27.11	59.20	
Principal Repayments for the year	141.03	384.99	
Total	168.14	444.19	
Ratio % Change from the Previous Year	(1.27) <b>250</b> %	(0.36)	
	230 70		
d) Return on Equity / Return on Investment Ratio	24 . W 1 2025	24 . 14 . 1 . 2024	
Particulars	31st March 2025	31st March 2024	
Profit after Tax for the year	(875.65)		Increase in ROI negative is due to the Loss for this year.
Total Equity as at Ratio	499.67 (1.75)	1,371.33 (0.79)	
% Change from the Previous Year	122%	(0.75)	
e) Trade Receivable Turnover Ratio			
Particulars	31st March 2025	31st March 2024	
1 al ticulai 5	313t Mai tii 2023	313t March 2024	
Revenue from Operations for the year	7,772.34		Increase in collections as compared to previous year
Average Trade Receivables	887.46	949.09	
Ratio % Change from the Previous Year	8.76 <b>30%</b>	6.72	
0.00			
f) Net Capital Turnover Ratio			
Particulars	31st March 2025	31st March 2024	
Revenue from Operations for the year	7,772.34	6,385.19	ACCOUNT ASSESSMENT ASSESSMENT
Net Working Capital as at *	(1,477.13)		
Ratio	(5.26)	(6.08)	
% Change from the Previous Year	-13%		
(Current assets - Cash and Cash equivalents) - (Current Liabilitie	s - Short term borrowings)		
g) Not Duofit Datio			
g) Net Profit Ratio			
Particulars	31st March 2025	31st March 2024	
Profit after Tax for the year	(875.65)	(1,084.24)	Due to decrease in loss
Revenue from Operation for the year	7,772.34	6,385.19	
Ratio % Change from the Previous Year	(0.11) -33.7%	(0.17)	
h) Return on Capital Employed			
Particulars	31st March 2025	31st March 2024	
Earnings before Interest & Tax for the year	(765.00)	(720 14)	Due to increase in loss as compound to musticus uses
Total Equity + Debt as at	(765.06) 811.14	1,910.97	Due to increase in loss as compared to previous year
Ratio	(0.94) <b>147.5</b> %		

#### Notes to the Standalone Financial Statements as on 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

#### **Note No 44 Share Based Payments**

The Shareholders of the company in the Annual General Meeting held on 16th September 2022 approved the Adrenalin eSystems Limited ESOP Scheme 2022 "SARVAM". The Plan provides for the issuance of 6,000,000 Equity shares of Rs 5/- each to the employees but shall exclude independent directors an employee belonging to the promoter group or a director holding more than 10% of the share capital.

The Tenure of the scheme for Sarvam 2022 shall commence on 10th October 2022 and all the options will expire on 10th October 2031 or the date on which all the stock available for issuance under this scheme is issued, whichever is earlier.

#### a) The Summary of the stock options granted under the "SARVAM" scheme is given below:

Particulars	31st March 2025 No of Shares	31st March 2024 No of Shares
Outstanding at the beginning of the year Pool size	- 60,00,000.00	60,00,000.00
Opening Balance of Options Granted Add: Granted during the year Total Options Granted as on 31st March 2025 Cancelled during the year Exercised during the year Options available for Vesting as on 31st March 2025	17,84,600.00 3,42,400.00 <b>21,27,200.00</b> 2,64,800.00 0.00 <b>18,62,400.00</b>	17,82,400 3,79,200 <b>21,61,600</b> 3,37,200 39600 <b>17,84,600</b>

b) The fair value of the options was estimated at the date of grant using the Black Scholes Model with the following assumptions:

Grants made for the year ended 31st March 2025

Date of Grant		10th Oct 2023	10th Oct 2024	10th Oct 2025
Fair value	Rs	5.54	5.54	5.54
Expected Life		4.00	4.00	4.00
Volatility	%	44.34	44.34	44.34
Risk-free Rate	%	7.04	7.04	7.04
Dividend Yield	%	-	_	-
Strike price	Rs	5.00	5.00	5.00
Vest Percent	%	25.00	25.00	25.00
Call value of the option	Rs	2.54	2.54	2.54

## Notes to the Standalone Financial Statements as on 31st March 2025

(All figures are in INR Lacs unless specifically stated otherwise)

#### Note No 45 Additional Disclosures

The company has not been declared as a wilful defaulter by any bank or financial institution or other lenders as defined under the guidelines on wilful defaulters issued by the Reserve Bank of India.

The company has not transacted with other companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

The Company does not have Investments in other companies and hence compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 does not apply.

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in

any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.""

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

The Company does not have working capital facility from banks or financial institutions sanctioned on the basis of security of current assets held during the financial year.

There are no charges / satisfaction yet to be registered with Registrar of Companies beyond the statutory period as prescribed under the Companies Act, 2013

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

The Company does not have any transactions, which are not recorded in the books of account, that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

As per our report of even date

For R.G.N. Price and Co.

**Chartered Accountants** 

ICAI Firm Registration Number: 002785S

For and on behalf of the Board of Directors of

Adrenalin eSystems Limited

K Venkatakrishnan

Partner

Membership No: 208591

Arun Jain Chairman

DIN: 00580919

N Srinivasa Bharathy CEO and Managing

Director DIN: 03601418

K.S. Subramanian Chief Financial Officer **Aprajita Singh** Company Secretary &

Legal

Date: 4th July 2025

Place : Chennai

# 23<sup>RD</sup> ANNUAL GENERAL MEETING NOTICE

#### NOTICE OF THE 23rd ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD ANNUAL GENERAL MEETING (23rd AGM) OF ADRENALIN eSYSTEMS LIMITED WILL BE HELD ON THURSDAY, 28th DAY OF AUGUST, AT 4:00 P. M. IST BY WAY OF VIDEO CONFERENCING ("VC")/OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:

#### **ORDINARY BUSINESS**

# ITEM NO. 1- ADOPTION OF STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS THREREON FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025.

To receive, consider, adopt and if thought fit, pass the following resolution, with or without modifications, as an **ORDINARY RESOLUTION**:

- a) "RESOLVED THAT the Audited Standalone Financial Statements of the Company, Board's Report and Auditors' Report thereon for the financial year ended March 31, 2025, laid before this meeting, be and are hereby considered, approved and adopted."
- **b)** "**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company, Board's Report and Auditors' Report thereon for the financial year ended March 31, 2025, laid before this meeting, be and are hereby considered, approved and adopted."

# ITEM NO. 2- TO APPOINT A DIRECTOR IN PLACE OF MR. ARUN JAIN (DIN: 00580919) DIRECTOR, WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR REAPPOINTMENT IN THIS REGARD.

To consider and if thought fit to pass, with or without modification(s), the following as an **ORDINARY RESOLUTION:** 

"RESOLVED THAT pursuant to the provisions of section 152(6) and other applicable provisions of the Companies Act, 2013 and rules made thereunder, Mr. Arun Jain (DIN: 00580919), who retires by rotation at this meeting, and being eligible has offered himself for reappointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Date: 6th August 2025

Place: Chennai

By Order of the Board For **Adrenalin eSystems Limited** 

Sd/-

Ms. Aprajita Singh

Company Secretary & Legal Membership No.: ACS 73691

E-mail Id: aprajita.singh@myadrenalin.com

#### **NOTES:**

## Meeting through Video Conferencing

- 1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its Circular no 20/2020 dated May 5, 2020, General Circular no. 02/2021 dated January 13, 2021, General Circular No. 19/2021 December 8, 2021, General Circular No. 21/2021 December 14, 2021, General Circular no. 02/22 dated May 5, 2022 and General Circular no. 10/2022 dated December 28, 2022 and General Circular no. 09/2023 dated September 25, 2023 and General Circular 09/2024 on September 19, 2024, respectively in relation to "Clarifications on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OVAM)" (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OVAM, without the physical presence of the Members at a common venue and provided relaxation on sending hard copy of annual report to shareholders. In compliance with the MCA Circulars the AGM of the members of the company is being held through VC/OVAM. The Registered office of the company shall be deemed to be the venue for the AGM.
- 2. 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.
- 3. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
- 4. 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

5. 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 aprajita.singh@myadrenalin.com

## Voting at the AGM

- 6. 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.
- 7. 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

**8.** Members seeking any information or clarification regarding the Financial Statements of FY 2024-2025 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 aprajita.singh@myadrenalin.com by mentioning their name, client ID, Folio No., PAN and the same shall be suitably addressed at the AGM.

## Communication through Electronic Mode

- 9. In compliance with the MCA Circulars, the Annual Report 2024-2025, along with the Notice of the 23rd AGM, is sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
- 10. 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 aprajita.singh@myadrenalin.com.
- 11. 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

- 12. 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.
- 13. 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 Google Meet link below to join the AGM.
- 2. Please find below the meeting link- <a href="https://meet.google.com/bma-scsb-zqd">https://meet.google.com/bma-scsb-zqd</a>
- 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.

Date: 6th August 2025

4. For any technical assistance in joining the AGM, you may please contact Company Secretary Ms. Aprajita Singh at <a href="mailto:aprajita.singh@myadrenalin.com">aprajita.singh@myadrenalin.com</a>.

By Order of the Board For **Adrenalin eSystems Limited** 

Sd/-

## Ms. Aprajita Singh

Company Secretary & Legal Membership No.: ACS 73691

E-mail Id: aprajita.singh@myadrenalin.com Place: Chennai

EXPLANATORY STATEMENT PERTAINING TO THE SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("ACT") AND SECRETARIAL STANDARD 2 ON GENERAL MEETINGS:

# TEM NO. 2- APPOINTMENT OF MR. ARUN JAIN AS A DIRECTOR, LIABLE TO RETIRE BY ROTATION.

Appointment of Mr. Arun Jain (DIN: 00580919) Director, who retires by rotation and being eligible, offers himself for re-appointment - Ordinary Resolution.

Based on the terms of appointment, executive, non-executive and non-independent directors are subject to retirement by rotation. Mr. Arun Jain, Chairman, Non-Executive, who was reappointed in the 19<sup>th</sup> AGM of the company and whose office is liable to retire at the ensuing AGM, being eligible, seeks reappointment. Based on performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board recommends his reappointment.

The company has received the following disclosures from Mr. Arun Jain:

- a. **Form MBP-1:** Disclosure of Interest by Director (Section 184(1) of the Companies Act, 2013 and Rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014);
- b. **Form DIR-8**: Intimation by Director about Disqualification (Section 164(2) and Rule 14 of Companies (Appointment and Qualification of Directors) Rules, 2014), stating that he is not disqualified from acting as a Director.

By Order of the Board

For Adrenalin eSystems Limited

Sd/-

Ms. Aprajita Singh

Company Secretary & Legal Membership No.: ACS 73691

E-mail Id: aprajita.singh@myadrenalin.com Place: Chennai





Date: 6th August 2025