

CENTUM ADENEO INDIA PRIVATE LIMITED

ANNUAL REPORT 2018-2019

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Centum Adeneo India Private Limited

3rd Annual General Meeting

September 26, 2019

Centum Adeneo India Private Limited

Notice of the 3rd Annual General Meeting

Notice is hereby given that the Third Annual General Meeting of the Members of Centum Adeneo India Private Limited will be held on Thursday, September 26, 2019 at 5:00 p.m. at the Registered Office of the Company i.e., No. 44, KHB Industrial Area, Yelahanka Newtown, Bangalore-560 106, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Vinod Chippalkatti, (DIN: 07661636), who retires by rotation and being eligible, offers himself for the re-appointment.

NOTES:

1. A member entitled to attend, and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself and a proxy need not be a member of the company. Proxies in order to be effective must be deposited with the company not less than 48 hours before the meeting.
2. Register of members and Share Transfer books will remain closed on September 26, 2019 for the purpose of AGM.

**By the Order of the Board
For Centum Adeneo India Private Limited**

**Date: 26th September, 2019
Place: Bangalore**

Sd/-
**Bruno Baudot
Director
DIN: 07664282**

BOARD'S REPORT

Your Directors have pleasure in presenting their Third Annual Report on the business and Operations of your Company and the audited Statement of Accounts for the period ended March 31, 2019.

Financial Highlights:

	Rs. million	
Year ended March 31, 2019	2019	2018
Turnover	60.30	33.43
Profit before Depreciation and Interest	(7.97)	(2.96)
Depreciation	1.70	1.34
Interest	0.21	-
Profit before tax	(9.88)	(4.30)

Performance:

During the Second year of the operations, the Company posted a turnover of Rs. 60.30 million and incurred a loss of Rs. 9.88 million.

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report i.e. after 31st March, 2019 but before date of signature of Board's Report:

No Material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financials position of the Company.

Any change in nature of Business:

There has been no change in the nature of business of the Company during the year under review.

Reserves:

The Company has not transferred any amount to General Reserves during the year under review.

Dividend:

Your directors recommend no dividend for the year due to loss incurred by the Company.

Subsidiaries/ Joint Venture(s):

The Company has no subsidiaries. Further during the year no joint ventures or associate companies were incorporated or ceased.

Maintenance of Books of Account and relevant Books and papers:

i)	Books of account of the Company are maintained at -	Registered Office of the Company
ii)	In case the Books of account of the Company are not maintained at Registered Office of the Company.	Not Applicable
iii)	Mode of maintenance of the books of accounts and other books and relevant papers	The books of accounts and other books and relevant papers are maintained in Electronic Mode in accordance with the provisions of second proviso to Section 128(1) of the Companies Act, 2013.
iv)	Complete Postal Address of the Place of maintenance of computer servers (Storing Accounting Data)	Address: Regd. Office: No. 44, KHB Industrial Area Yelahanka, New Town Bangalore - 560106 State/ Union Territory : Karnataka District: Bangalore District ISO Country Code: +91 Country: India Phone: 080 4143 6000
v)	Particulars of the service provider (if any) Name of the service provider Internet protocol address of service	NIL

provider Location of the service provider Whether books of account and other books and papers are maintained on cloud If yes, address as provided by the service provider	
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Deposits:

In terms of the disclosure required under Section 134(3) read with rule no. 8(5) of the Companies (Accounts) Rules, 2014, it is hereby stated that:

During the year, the Company has not accepted from the public any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014

Conservation of Energy, Technology absorption, Foreign exchange earnings and outgo :

<p><u>(A) Conservation of energy:</u> Steps taken / impact on conservation of energy, with special reference to the following: (i) Steps taken by the company for utilizing alternate sources of energy including waste generated (ii) Capital investment on energy conservation equipment</p>	<p>The management has taken adequate steps to conserve energy wherever possible and every endeavor has been made to ensure the optimum use of energy and avoid wastage. During the year there were no capital investments on energy conservation equipment.</p>
<p><u>(B) Technology Absorption:</u> 1. Efforts, in brief, made towards technology absorption. 2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import</p>	<p>During the year there were no expenditure incurred on Technology absorption and the Company has not utilized any imported technology during the last three years.</p>

<p>substitution, etc.</p> <p>3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:</p> <p>(a) Details of technology imported. (b) Year of import. (c) Whether the technology been fully absorbed (d) If not fully absorbed, areas where absorption has not taken place, and the reasons, therefore.</p> <p>4. Expenditure incurred on Research and Development</p>	<p>The Company has not incurred any expenditure on research and development during the year under review.</p>
<p>(C) Foreign exchange earnings and Outgo:</p> <p>a) Foreign exchange Earnings b) Foreign exchange Outgo</p>	<p>Rs. 5,14,76,256 Rs. 73,83,656</p>

Particulars of Loans, Guarantees or investments:

There were no Loans, Guarantees and Investments within the meaning of Section 186 of the Companies Act, 2013 during the year under review.

Internal Control Systems and their adequacy:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Employees:

The human capital has been recognized as a vital factor in achieving the goals and objectives of the organization. Emphasis is placed to build a network of dedicated and experienced professionals who would strive for organizational growth by maximizing the effectiveness while the policies and practices would foster employees' satisfaction, retention and productivity.

There are no employees whose details are required to be mentioned under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, the details of employees who are in receipt of remuneration exceeding the limits prescribed under Section 134 of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request.

Prevention, Prohibition and Redressal of Sexual Harassment at work place:

The Company has zero tolerance for sexual harassment at workplace and the Group has formulated a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2018-2019.

Directors:

Mr. Vinod Chippalkatti (DIN: 07661636), Director of the Company retires by rotation and being eligible, offers himself for the re-appointment.

The re-appointment of the aforesaid director has been included in the notice convening the ensuing Annual General Meeting.

Board Meetings:

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year Four Board Meetings were convened and held viz., May 7, 2018 September 28, 2018, November 21, 2018 and January 31, 2019.

Directors Responsibility Statement:

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

- i. that in the preparation of annual accounts for the year ended March 31, 2019, the applicable Accounting Standards have been followed along with the proper explanations relating to material departures;
- ii. that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been adopted and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for year ended on that date;
- iii. that proper and sufficient care has been taken for the 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 fraud and other irregularities;
- iv. that the annual financial statements have been prepared on a going concern basis.
- v. that proper internal financial controls were in place and that the financial controls were adequate and operating effectively.
- vi. that systems to ensure compliance with the provisions of all applicable laws were in place were adequate and operating effectively.

Related Party Transactions:

All related party transactions that were entered into during the financial year were in the ordinary course of business and were at arm's length basis. There were no materially significant related party transactions made by the Company during the year with Promoters, Directors or other designated persons which may have a potential conflict with the interest of the Company at large.

Your Directors draw attention of the members to Note 32 to financial statement which sets out the related party disclosures.

Corporate Social Responsibility:

The criteria for setting up Corporate Social Responsibility Committee as prescribed by the notification issued by Ministry of Corporate Affairs dated 27th February 2014 read with Section 135 sub-section of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 are presently not applicable to the Company.

Other Disclosures:

- a) The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future;
During the year under review no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- b) The details in respect of adequacy of internal financial controls with reference to the Financial Statements.
The Company has adequate internal control systems commensurate with the size of the Company and the nature of its business.
- c) In case of any revision of financial statements or Board's report made during the financial year, detailed reasons for revision of financial statements or Board's report to be disclosed.
No revision of financial statements or Board's report was made during the financial year.

Extract of Annual return:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure – I**.

Auditors:

M/s. S.R. Batliboi & Associates LLP (EY) has been appointed as Statutory Auditors of the Company for a period of 5 year in the First Annual General Meeting.

Acknowledgements:

Your Directors thank the customers for their continued patronage and the investors, bankers and vendors for their continued support.

Your Directors acknowledge and thank the invaluable contributions of all the employees, who have demonstrated their skill, teamwork and commitment through their competence, hard work, cooperation and support.

Your Directors would also like to place on record the support received from, the Electronic Hardware Technology Park, the Customs and Excise Departments, the Reserve Bank of India, and all the other Central and State Governmental agencies.

On behalf of the Board
For Centum Adeneo India Private Limited

Place: Bengaluru

Date: September 26, 2019

Sd/-

Bruno Jacques Philippe Baudot

Director

DIN: 07664282

Sd/-

Vinod S Chippalkatti

Director

DIN: 07661636

Annexure - I

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Form No. MGT-9

I. Registration and other details	
CIN	U72900KA2016FTC098263
Registration Date	6 th December 2016
Name of the company	Centum Adeneo India Private Limited
Category/Sub-Category of the company	Company having share capital
Address of the Registered Office and contact details	No. 44, KHB Industrial Area, Yelahanka Newtown, Bangalore – 560 106.
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any.	N.A.

II. Principal Business Activities of the company			
All the Business activities contributing 10% or more of the total turnover of the company shall be stated:			
Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Architectural and engineering activities and related technical consultancy	711	100%

III. Particulars of holding, subsidiary and associate companies:					
All the Business activities contributing 10% or more of the total turnover of the company shall be stated:					
Sl. No.	Name and Address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable section
1	Centum Electronics Limited	N.A.	Holding	100	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Sl. No.	Name of the shareholder	No. of shares held at the beginning of the year	No. of shares held at the end of the year	% Change
1	Adeneo-4, chemin du Ruessean-69130 ecully, France	1,000	-	100%
2	Adetel Group SA-4, chemin du Ruessean 69130 ecully, France	99,000	-	100%
3	Apparao V Mallavarapu	-	1,000	100%
4	Centum Electronics Limited	-	99,000	100%
	Total	1,00,000	1,00,000	100%

ii) Shareholding of Directors and Key Managerial Personnel

For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year				
Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc..)	Not applicable			
At the end of the year				

iii) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amt in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

Change in Indebtedness during the financial year				
Addition	-	1,55,00,000	-	-
Reduction	-	-	-	-
Net Change	-	1,55,00,000	-	-
Indebtedness at the end of the financial year				
i)Principal Amount	-	1,55,00,000	-	-
ii)Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1,55,00,000	-	-

iii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not applicable

B. Remuneration to other Directors:

(1) Independent Directors

Particulars of remuneration	-	-	-	-	Total
Fee for attending Board/Committee	-	-	-	-	-
Commission	-	-	-	-	-
Others	-	-	-	-	-
Total (B)(1)	-	-	-	-	-

2) Other Non-Executive Directors

Particulars of remuneration	Mr. Vinod S Chippalkatti	Mr. Bruno Jacques Philippe Baudot			Total
Fee for attending Board/Committee	-	-	-	-	-
Commission	-	-	-	-	-
Others	-	-	-	-	-
Total (B)(2)	-	-	-	-	-
Total (B)=(B)(1)+(B)(2)	-	-	-	-	-

iv) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Not applicable

INDEPENDENT AUDITOR'S REPORT

To the Members of Centum Adeneo India Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Centum Adeneo India Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, [including the statement of Other Comprehensive Income], the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to the following matter in the notes of the accompanying Ind AS financial statements for the year ended March 31, 2019:

- a. Note 18(a) relating to certain amounts outstanding towards sale of services which are outstanding beyond permissible time period under the Foreign Exchange Management Act, 1999. As more fully discussed in the aforesaid note, the Company is in process of regularising such delays and is confident that such delays will not require any adjustments to the accompanying financial statements. Our opinion is not qualified in respect of this matter.

Information Other than the 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 Director's report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibility of Management for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 [standalone] [Ind AS] financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) The matters described in the Emphasis of matter paragraph above and Disclaimer of Opinion paragraph of 'Annexure 2', in our opinion, may have an adverse effect on the functioning of the Company.
 - (f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (h) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) 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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207

Place of Signature: Bengaluru
Date: September 26, 2019

Annexure 1 referred to in clause 1 of paragraph I on the 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Centum Adeneo India Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant and equipment have not been physically verified by the management of the Company during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us by the management of the Company, there are no immovable properties, included in property, plant and equipment / fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Companies (Auditor's report) Order, 2016 ('the Order') are not applicable to the Company and hence not commented upon.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us by the management of the Company, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us by the management of the Company, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company and hence not commented upon.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues as applicable to the Company, have generally been regularly deposited with the appropriate authorities though there have been slight delays in a few cases.

(b) According to the information and explanations given to us by the management of the Company, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues as applicable to the Company, were outstanding at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) The Company did not have any outstanding loans or borrowings in respect of a financial institution or bank or to government or dues to debenture holders during the year.

- (ix) According to the information and explanations given to us by the management of the Company, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans during the year hence, reporting under clause (ix) of the Order is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management of the Company, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us by the management of the Company, transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us by the management of the Company and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, hence not commented upon.
- (xv) According to the information and explanations given to us by the management of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us by the management of the Company, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W/E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership Number: 061207

Place: Bengaluru
Date: September 26, 2019

Annexure 2 to the Independent Auditor's report of even date on the Ind AS financial statements of Centum Adeneo India Private Limited

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

We were engaged to audit the internal financial controls over financial reporting of Centum Adeneo India Private Limited ("the Company") as of March 31, 2019, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation 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 with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting with reference to these Ind AS financial statements of the Company.

Meaning of Internal Financial Controls over Financial Reporting with reference to these Ind AS financial statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements 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.

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting with reference to these Ind AS financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note issued by the ICAI. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting with reference to these Ind AS financial statements as at March 31, 2019 and whether such internal financial controls were operating

effectively. Accordingly we do not express an opinion on Internal Financial Controls over Financial Reporting with reference to these Ind AS financial statements.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the ICAI, as specified under Section 143(10) of the Act, the Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. We have considered the disclaimer of opinion reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 Ind AS financial statements of the Company and this report does not affect our report dated September 26, 2019 which expressed an unqualified opinion on those Ind AS financial statements.

For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W/E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership number: 061207

Place: Bengaluru
Date: September 26, 2019

Centum Adeneo India Private Limited
Corporate Identity Number (CIN): U72900KA2016FTC098263
Balance Sheet as at March 31, 2019

	Notes	March 31, 2019	March 31, 2018
(Rs. in thousands)			
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,556.38	3,689.19
(b) Capital work-in-progress	3a	12,006.03	220.00
(c) Other intangible assets	4	396.59	451.28
(d) Financial assets			
(i) Loans	5	3,252.21	3,250.46
(e) Deferred tax assets (net)	6	593.85	243.52
(h) Non-current tax assets (net)	7	455.89	-
(f) Other non-current assets	8	1,106.17	1,156.38
		<u>20,367.12</u>	<u>9,010.83</u>
(2) Current assets			
(a) Financial assets			
(i) Trade receivables	9	16,273.98	10,209.22
(ii) Cash and cash equivalents	10	811.91	3,978.75
(b) Other current assets	11	2,646.11	4,156.82
		<u>19,732.00</u>	<u>18,344.79</u>
Total assets (1+2)		<u>40,099.12</u>	<u>27,355.62</u>
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	12	1,000.00	1,000.00
(b) Other equity	13	(17,658.46)	(8,019.82)
		<u>(16,658.46)</u>	<u>(7,019.82)</u>
Liabilities			
(2) Non-current liabilities			
(a) Net non-current employee defined benefit liabilities	14	535.86	177.93
		<u>535.86</u>	<u>177.93</u>
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	15,500.00	-
(ii) Trade payables other than dues to micro and small enterprises	16	7,864.05	5,184.44
(iii) Other current financial liabilities	17	5,499.26	1,604.69
(b) Other current liabilities	18	26,942.65	27,061.27
(c) Net current employee defined benefit liabilities	19	1.37	0.43
(d) Provisions	20	414.39	346.68
		<u>56,221.72</u>	<u>34,197.51</u>
Total equity and liabilities (1+2+3)		<u>40,099.12</u>	<u>27,355.62</u>
Summary of significant accounting policies	2.2		

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

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

For and on behalf of Board of Directors of
Centum Adeneo India Private Limited

per Sandeep Karmani
Partner
Membership number: 061207

Vinod Srinivasrao Chippalkatti
Director
DIN:0007661636

Bruno Jacques Philippe Baudot
Director
DIN:0007664282

Place: Bengaluru
Date:

Place: Bengaluru
Date:

Centum Adeneo India Private Limited
Corporate Identity Number (CIN): U72900KA2016FTC098263
Statement of Profit and Loss for the year ended March 31, 2019

	Notes	March 31, 2019	March 31, 2018
(Rs. in thousands)			
I Income:			
Revenue from contracts with customers	21	60,108.62	32,627.92
Other income	22	-	679.80
Finance income	23	190.96	124.52
Total income		60,299.58	33,432.24
II Expenses:			
Employee benefits expense	24	42,495.32	18,566.36
Finance costs	25	277.78	32.65
Depreciation and amortization expenses	26	1,699.88	1,338.53
Other expenses	27	25,708.07	17,793.72
Total expenses		70,181.05	37,731.26
III (Loss) / profit before tax (I - II)		(9,881.47)	(4,299.02)
IV Tax expenses	28		
(a) Current tax		-	-
(b) Deferred tax expense / (credit)		(350.33)	(257.99)
Total tax expenses		(350.33)	(257.99)
V (Loss) / profit for the year (III - IV)		(9,531.14)	(4,041.03)
VI Other comprehensive income (net)			
(A) (i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods		(107.50)	-
(ii) Income tax effect		-	-
(B) (i) Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
(ii) Income tax effect		-	-
Total other comprehensive income for the year		(107.50)	-
VII Total comprehensive income for the year (V +/- VI)		(9,638.64)	(4,041.03)
VIII Earnings per equity share (nominal value of Rs 10 each)	29		
Basic and diluted (Rs.)		(95.31)	(40.41)
Summary of significant accounting policies	2.2		

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

As per our report of even date.

For S.R. Battiboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

For and on behalf of Board of Directors of
Centum Adeneo India Private Limited

per Sandeep Karnani
Partner
Membership number: 061207

Vinod Srinivasrao Chippalkatti
Director
DIN:0007661636

Bruno Jacques Philippe Baudot
Director
DIN:0007664282

Place: Bengaluru
Date:

Place: Bengaluru
Date:

Centum Adeneo India Private Limited
Notes to the financial statements for the year ended March 31, 2019

5 Loans

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Unsecured, considered good		
Carried at amortised cost		
Security deposits	3,252.21	3,250.46
	<u>3,252.21</u>	<u>3,250.46</u>

6 Deferred tax assets (net)

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Deferred tax liability		
Property, plant and equipments: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	-	-
	(A) -	-
Deferred tax assets		
Property, plant and equipments: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	346.43	108.31
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	247.42	135.21
	(B) <u>593.85</u>	<u>243.52</u>
Deferred tax assets (net)	(A+B) <u>593.85</u>	<u>243.52</u>

7 Non current tax assets (net)

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Advance tax (net of provision for tax)	455.89	-
	<u>455.89</u>	<u>-</u>

8 Other non current assets

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Prepaid expenses	1,106.17	1,156.38
	<u>1,106.17</u>	<u>1,156.38</u>

9 Trade receivables

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Carried at amortised cost		
Unsecured, considered good		
Receivables from related parties (refer note 32)	16,273.98	10,209.22
Other trade receivables	-	-
Total trade receivables	<u>16,273.98</u>	<u>10,209.22</u>

Break-up for security details:

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Trade receivables:		
Unsecured, considered good	16,273.98	10,209.22
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	<u>16,273.98</u>	<u>10,209.22</u>
Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Total trade receivables	<u>16,273.98</u>	<u>10,209.22</u>

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. For details of trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member, refer note 32.
- Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days.

10 Cash and cash equivalents

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Balances with banks:		
- On current accounts	803.62	3,961.54
Cash on hand	8.29	17.21
Total cash and cash equivalents	<u>811.91</u>	<u>3,978.75</u>

- Balances with banks on current accounts does not earn interest.

11 Other current assets

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Unsecured considered good		
Balance with statutory / government authorities	2,362.52	2,965.86
Prepaid expenses	283.59	190.96
Dues from subscribers' of share capital (refer note 32 and 12(c)(i) and (ii))	-	1,000.00
	<u>2,646.11</u>	<u>4,156.82</u>

Centum Adeneo India Private Limited
Notes to the financial statements for the year ended March 31, 2019

14 Net non-current employee defined benefit liabilities

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Provision for employee benefits		
Provision for gratuity (refer note 33)	535.86	177.93
	<u>535.86</u>	<u>177.93</u>

15 Current financial liabilities: Borrowings

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Unsecured		
Loans from related parties (refer note 32)	15,500.00	-
	<u>15,500.00</u>	<u>-</u>

Loan of Rs 15,500 thousands (March 31, 2018: Rs Nil) carries an interest rate of 8% per annum (March 31, 2018: NIL). The loan is repayable along with outstanding interest amount, if any, on expiration of 60 months from the drawdown date or is repayable on demand or on such intervals as may otherwise be agreed upon by the parties.

16 Financial liabilities: Trade payables

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Carried at amortised cost		
Trade payables	6,420.17	4,060.04
Trade payables to related parties (refer note 32)	1,443.88	1,124.40
	<u>7,864.05</u>	<u>5,184.44</u>

a) Based on the information available with the company, there are no suppliers who are registered as micro, small or medium enterprises under 'The Micro, Small and Medium Enterprises Development Act, 2006' as at March 31, 2019 and March 31, 2018.

b) Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing.
- For explanations on the Company's credit risk management processes, refer to note 35(c).
- The dues to related parties are unsecured.

17 Other current financial liabilities

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Other current financial liabilities at amortised cost		
Accrued salaries and benefits (refer note 32)	3,333.63	1,604.69
Payable for capital goods	1,954.17	-
Interest accrued but not due on borrowings (refer note 32)	211.46	-
	<u>5,499.26</u>	<u>1,604.69</u>

18 Other current liabilities

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Advance from customers (refer note 32 and note (a) below)	25,547.99	26,559.99
Statutory dues payable	1,394.66	501.28
	<u>26,942.65</u>	<u>27,061.27</u>

a) As at March 31, 2019, advance from customers amounting to Rs. 25,547.99 thousands (March 31, 2018: Rs. 25,547.99 thousands) towards sale of services, are outstanding beyond permissible time period stipulated under the Master Circular on Export of Goods and Services issued by the RBI. As per Circular, the exporter shall be under an obligation to ensure that the export of services is made within one year from the date of receipt of advance payment. Considering that the balances are outstanding for more than the stipulated time, the Company is in the process of regularising the aforementioned non compliance. The management is confident that required approvals would be received and penalties, if any that may be imposed on the Company would not be material. Accordingly, no adjustments have been made by the management to these financial statements in this regard.

19 Net current employee defined benefit liabilities

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Provision for employee benefits		
Provision for gratuity (refer note 33)	1.37	0.43
	<u>1.37</u>	<u>0.43</u>

20 Provisions

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Provision for employee benefits		
Provision for compensated absences	414.39	346.68
	<u>414.39</u>	<u>346.68</u>

Centum Adeneo India Private Limited
Notes to the financial statements for the year ended March 31, 2019

21 Revenue from contracts with customers

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Sale of services (refer note 32)	60,108.62	32,627.92
	<u>60,108.62</u>	<u>32,627.92</u>

22 Other Income

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Gain on account of foreign exchange fluctuations (net)	-	679.80
	<u>-</u>	<u>679.80</u>

23 Finance income

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Interest income on security deposits	190.96	124.52
	<u>190.96</u>	<u>124.52</u>

Notes to revenue from contracts with customers:

a) Timing of rendering of services

	(Rs. in thousands)		
	Performance obligation satisfied at point in time	Performance obligation satisfied over time	Total
Sale of services (refer note 32)	-	60,108.62	60,108.62
Interest income on security deposits	-	190.96	190.96
	<u>-</u>	<u>60,299.58</u>	<u>60,299.58</u>

b) Contract Balances:

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Receivables		
- Current (Gross)	16,273.98	10,209.22
Contract Liabilities*		
Advance received from customers	25,547.99	26,559.99

* A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

c) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to Rs. Nil.

24 Employee benefits expenses

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Salaries, wages and bonus	39,899.01	17,254.05
Contribution to provident and other funds (refer note 33)	1,746.16	779.36
Gratuity expenses (refer note 33)	251.36	178.36
Staff welfare expenses	598.79	354.59
	<u>42,495.32</u>	<u>18,566.36</u>

25 Finance costs

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Interest on borrowings (refer note 32)	211.46	-
Bank charges	66.32	32.65
	<u>277.78</u>	<u>32.65</u>

Centum Adeneo India Private Limited
Notes to the financial statements for the year ended March 31, 2019

26 Depreciation and amortization expenses

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Depreciation of tangible assets (refer note 3)	1,530.19	1,327.99
Amortization of intangible assets (refer note 4)	169.69	10.54
	<u>1,699.88</u>	<u>1,338.53</u>

27 Other expenses *

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Rent	7,198.82	3,684.30
Rates and taxes	135.25	221.57
Power and fuel	743.78	548.16
Repairs and maintenance	1,573.73	899.28
Insurance	202.59	8.28
Legal and professional fees (includes payment to auditor (refer details below))	5,319.99	4,803.91
Travelling and conveyance	6,577.57	3,604.26
Communication costs	625.13	596.96
Printing and stationery	33.69	43.00
Recruitment and training	1,910.14	1,702.67
Freight outwards	54.12	23.14
Loss on account of foreign exchange fluctuations (net)	434.13	-
Miscellaneous expenses	899.13	1,658.19
	<u>25,708.07</u>	<u>17,793.72</u>

* Refer note 32 for transactions with related parties.

Payment to auditor (exclusive of taxes)

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
As auditor:		
Audit fee (including fees for internal controls over financial reporting)	200.00	200.00
In other capacity:		
Reimbursement of expenses	20.00	20.00
	<u>220.00</u>	<u>220.00</u>

28 Income tax

The Company is subject to income tax in India on the basis of financial statements. As per the Income Tax Act, the Company is liable to pay income tax which is the higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of 15 years and can be offset against future tax liabilities. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

Income tax expenses in the statement of profit and loss consist of the following:

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
(a) Current tax	-	-
(b) Deferred tax expense / (credit)	(350.33)	(257.99)
Total taxes	<u>(350.33)</u>	<u>(257.99)</u>

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Profit before taxes	(9,881.47)	(4,299.02)
Applicable tax rates in India	26.00%	25.75%
Computed tax charge	(2,569.18)	(1,107.00)
Tax effect of items on which deferred taxes has not been accounted:		
Taxable losses	2,218.85	849.01
Total tax expenses	(350.33)	(257.99)
Income tax reported in the statement of profit and loss	<u>(350.33)</u>	<u>(257.99)</u>
	<u>-</u>	<u>-</u>

29 Earnings per share ('EPS')

Basic EPS amounts are calculated by dividing the profit/ loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2019	March 31, 2018
Face value of equity shares (Rs. per share)	10.00	10.00
(Loss) / profit attributable to equity shareholders (A) (Rs. in thousands)	(9,531.14)	(4,041.03)
Weighted average number of equity shares used for computing EPS (basic and diluted) (B)	100,000	100,000
EPS - basic and diluted (A/B) (Rs.)	(95.31)	(40.41)

Centum Adeneo India Private Limited

Notes to the financial statements for the year ended March 31, 2019

3. Property, plant and equipment

(Rs. in thousands)

Particulars	Leasehold improvements	Plant and equipments	Computers	Office equipments	Furniture and fixtures	Total
At cost / deemed cost						
As at April 1, 2017	2,944.94	222.20	135.41	33.45	292.62	3,628.62
Additions	97.43	236.33	827.77	78.48	321.00	1,561.01
Disposals	-	-	-	-	-	-
As at March 31, 2018	3,042.37	458.53	963.18	111.93	613.62	5,189.63
Additions	-	223.21	160.01	14.16	-	397.38
Disposals	-	-	-	-	-	-
As at March 31, 2019	3,042.37	681.74	1,123.19	126.09	613.62	5,587.01
Depreciation						
As at April 1, 2017	158.68	3.65	4.43	0.96	4.73	172.45
Charge for the year	996.86	40.53	235.58	11.93	43.09	1,327.99
Disposals	-	-	-	-	-	-
As at March 31, 2018	1,155.54	44.18	240.01	12.89	47.82	1,500.44
Charge for the year	1,014.12	73.44	357.07	24.20	61.36	1,530.19
Disposals	-	-	-	-	-	-
As at March 31, 2019	2,169.66	117.62	597.08	37.09	109.18	3,030.63
Net block						
As at March 31, 2019	872.71	564.12	526.11	89.00	504.44	2,556.38
As at March 31, 2018	1,886.83	414.35	723.17	99.04	565.80	3,689.19

3a. Capital work-in-progress

(Rs. in thousands)

	Capital work-in-progress
As at April 1, 2017	-
Additions	456.33
Capitalised during the year	(236.33)
As at March 31, 2018	220.00
Additions	12,009.24
Capitalised during the year	(223.21)
As at March 31, 2019	12,006.03

4. Other intangible assets

(Rs. in thousands)

Particulars	Computer software	Total
At cost / deemed cost		
As at April 1, 2017	-	-
Additions	461.82	461.82
Disposals	-	-
As at March 31, 2018	461.82	461.82
Additions	115.00	115.00
Disposals	-	-
As at March 31, 2019	576.82	576.82
Amortisation		
As at April 1, 2017	-	-
Charge for the year	10.54	10.54
Disposals	-	-
As at March 31, 2018	10.54	10.54
Charge for the year	169.69	169.69
Disposals	-	-
As at March 31, 2019	180.23	180.23
Net block		
As at March 31, 2019	396.59	396.59
As at March 31, 2018	451.28	451.28

Centum Adeneo India Private Limited
Corporate Identity Number (CIN): U72900KA2016FTC098263
Statement of Cash Flows for the year ended March 31, 2019

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before tax	(9,881.47)	(4,299.02)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Net foreign exchange differences (unrealised)	226.23	(113.02)
Finance costs	277.78	32.65
Depreciation and amortization expenses	1,699.88	1,338.53
Operating loss/ profit before working capital changes	(7,677.58)	(3,040.86)
Working capital adjustments:		
(Increase) / decrease in trade receivables / loans and other assets	(5,731.82)	(16,304.82)
Increase / (decrease) in trade payables, provisions and other liabilities	4,609.01	24,453.95
Cash generated from operations	(8,800.39)	5,108.27
Direct taxes paid (net of refunds)	(455.89)	-
Net cash from / (used in) operating activities	(9,256.28)	5,108.27
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets	(10,344.24)	(5,157.11)
Net cash (used in) / from investing activities	(10,344.24)	(5,157.11)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loans and advances from related parties (refer note 32)	15,500.00	-
Proceeds from issue of share capital (Refer note 12 (a)(i) and (ii))	1,000.00	-
Finance costs paid	(66.32)	(32.65)
Net cash (used in) / from financing activities	16,433.68	(32.65)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(3,166.84)	(81.49)
Cash and cash equivalents at the beginning of the year	3,978.75	4,060.24
Cash and cash equivalents at the end of the year	811.91	3,978.75
Total cash and cash equivalents (Note 10)	811.91	3,978.75

Explanatory notes to statement of cash flows

Changes in liabilities arising from financing activities:-

	March 31, 2019	March 31, 2018
	Short term borrowings	
	(refer note 15)	
Opening Balance	-	-
Cash flows	15,500.00	-
Non-cash changes		
Foreign exchange fluctuations (gain) / loss	-	-
Changes in fair values	-	-
Closing Balance	15,500.00	-

Summary of significant accounting policies

2.2

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

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

For and on behalf of Board of Directors of
Centum Adeneo India Private Limited

per Sandeep Kamani
Partner
Membership number: 061207

Vinod Srinivasrao Chippalkatti
Director
DIN:0007661636

Bruno Jacques Philippe Baudot
Director
DIN:0007664282

Place: Bengaluru
Date:

Place: Bengaluru
Date:

Centum Adeneo India Private Limited
Corporate Identity Number (CIN): U72900KA2016FTC098263
Statement of changes in equity for the year ended March 31, 2019

(a) Equity share capital

Equity shares of Rs 10 each issued, subscribed and fully paid

Particulars	Number	Rs. in thousands
At April 1, 2017	100,000	1,000
Issue of share capital (refer note 12)	-	-
At March 31, 2018	100,000	1,000
Issue of share capital (refer note 12)	-	-
At March 31, 2019	100,000	1,000

(b) Other equity

Particulars	(Rs. in thousands)	
	Attributable to equity shareholders Reserves and surplus - Retained earnings (refer note 13)	Total equity
For the year ended March 31, 2019		
As at April 1, 2018	(8,019.82)	(8,019.82)
(Loss)/ profit for the year	(9,531.14)	(9,531.14)
Remeasurement of post-employee benefit obligations	(107.50)	(107.50)
As at March 31, 2019	(17,658.46)	(17,658.46)
For the year ended March 31, 2018		
As at April 1, 2017	(3,978.79)	(3,978.79)
(Loss) / profit for the period	(4,041.03)	(4,041.03)
Remeasurement of post-employee benefit obligations	-	-
As at March 31, 2018	(8,019.82)	(8,019.82)

Summary of significant accounting policies

2.2

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

As per our report of even date.

For S.R. Battiboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

For and on behalf of Board of Directors of
Centum Adeneo India Private Limited

per Sandeep Karnani
Partner
Membership Number: 061207

Vinod Srinivasrao Chippalkatti
Director
DIN:0007661636

Bruno Jacques Philippe Baudot
Director
DIN:0007664282

Place: Bengaluru
Date:

Place: Bengaluru
Date:

12. Equity share capital

Authorised share capital:

At April 1, 2017

Increase / (decrease) during the year (refer note 32)

At March 31, 2018

Increase / (decrease) during the year

At March 31, 2019

Equity shares of Rs. 10 each	
In numbers	Rs. in thousands
100,000	1,000
-	-
100,000	1,000
-	-
100,000	1,000

Issued equity share capital: (refer note (i), (ii) below)

Equity shares of Rs. 10 each issued, subscribed and fully paid

At April 1, 2017

Issue of equity shares (refer note 32)

At March 31, 2018

Issue of equity shares

At March 31, 2019

In numbers	Rs. in thousands
100,000	1,000
-	-
100,000	1,000
-	-
100,000	1,000

Out of the above 99,000 equity shares of Rs. 10 each are held by Centum Electronics Ltd, the Holding Company; 1,000 equity shares of Rs. 10 each are held by Apparao V Mallavarapu.

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	March 31, 2019		March 31, 2018	
	In numbers	Rs. in thousands	In numbers	Rs. in thousands
At the beginning of the year (refer note (i) and (ii) below)	100,000	1,000	100,000	1,000
Add: Issued during the period	-	-	-	-
Outstanding at the end of the year	100,000	1,000	100,000	1,000

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	March 31, 2019		March 31, 2018	
	No. of shares held	% holding in class	No. of shares held	% holding in class
Equity shares of Rs. 10 each fully paid				
Centum Adetel Group SA	-	-	99,000	99.00%
Centum Adeneo SAS	-	-	1,000	1.00%
Centum Electronics Limited, the Holding Company	99,000	99.00%	-	-
Apparao V Mallavarapu (Nominee of Centum Electronics Limited)	1,000	1.00%	-	-

Note (i):

During the year ended March 31, 2017, Centum Electronics Limited ('the ultimate holding company') vide its letter dated March 21, 2017 sought clarification from the Reserve Bank of India ('the RBI') regarding the permissibility of the investment by the subscribers to the Memorandum of Association under the Foreign Exchange Management (Transfer or issue of any foreign security) Regulations, 2004 (Notification 120/2004 RB, dated 7 July 2004), as the investment into the entity was made by an overseas subsidiaries of an Indian entity.

Subsequent to the previous year ended March 31, 2018, RBI vide its letter dated July 18, 2018 has expressed its inability to accede to the request of Centum Electronics Limited with regard to infusion of capital by the overseas subsidiaries of an Indian entity. Further based on legal opinion obtained by the Company, the management is of the view that above rejection by RBI do not have any impact on the incorporation of the Company under the applicable laws of India and the Company can change the initial subscribers to the Memorandum of Association. Accordingly, on November 21, 2018, the Company has allotted the shares to Centum Electronics Limited and to its Nominee i.e. Mr. Apparao V Mallavarapu consequent to which the Company became a 100% subsidiary of Centum Electronics Limited.

Note (ii):

During the year ended March 31, 2019, the Board of Directors in its meeting dated November 21, 2018 passed a resolution for inducting Centum Electronics Limited and its Nominee as subscribers to the Company's memorandum and articles of association, having undertaken to subscribe one lakh equity shares of INR 10 each. The Company based on the legal opinion has not made any changes to subscriber to the Memorandum of Associations but has updated the Registers of Members to reflect the allotment made to Centum Electronics Limited and to its nominee.

13. Other equity

Retained earnings

Balance as at April 1, 2017

(Loss) / profit for the period

Balance as at March 31, 2018

(Loss) / profit for the year

Balance as at March 31, 2019

Rs. in thousands
(3,978.79)
(4,041.03)
(8,019.82)
(9,638.64)
(17,658.46)

Nature and purpose of reserves

Retained earnings

Retained earnings are the profits of the Company earned till date net of appropriations.

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30 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 amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities includes provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments, etc.

Estimates and 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.

Taxes

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 same 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. Refer note 6 and 28 for further disclosures.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 35 for further disclosures.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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.

The mortality rate is based on publicly available mortality tables for India. 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.

Further details about gratuity obligations are given in note 33.

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Centum Adeneo India Private Limited
Notes to the financial statements for the year ended March 31, 2019

31 Commitments and contingencies

(a) Operating leases: Company as lessee

The Company has entered into operating leases for office facilities and equipments (like computers) under cancellable operating leases. There are no restrictions imposed by lease arrangements and there are no sub leases. The total rental expense towards the aforementioned leases charged to the statement of profit and loss is Rs.7,668.77 thousands (March 31, 2018: Rs. 3,997.36 thousands).

Future minimum rentals payable under non-cancellable operating leases as at balance sheet dates are as follows:

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Within one year	5,593.36	6,012.82
After one year but not more than five years	2,890.00	8,483.36
More than five years	-	-
	8,483.36	14,496.18

(b) Commitments

	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,551.66	-

(c) Contingencies

The Company does not have any contingent liability.

32 Related party transactions

a) Names of related parties and description of relationship:

Description of relationship	Name of related parties
Parties where control exists	Centum Electronics Limited - Holding Company Apparao V Mallavarapu (Nominee of Centum Electronics Limited)
Parties under common control	Centum Adeneo SAS Centum Adetel Group SA Centum Adetel Solution Centum Adetel Transportation Solution SAS
Key managerial personnel	Mr. Ravindra Nuguri - Chief Executive Officer (appointed w.e.f March 7, 2019)

b) Summary of transactions and outstanding balances with above related parties are as follows:

Particulars	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
i) Sale of services		
Parties where control exists		
- Centum Electronics Limited	9,440.88	-
Parties under common control		
- Centum Adeneo SAS	39,282.43	32,627.92
- Centum Adetel Solution	4,961.53	-
- Centum Adetel Transportation Solution SAS	6,423.78	-
ii) Finance Cost - Interest expense		
Parties where control exists		
- Centum Electronics Limited	211.46	-
iii) Other expenses - Legal and professional fees		
Parties where control exists		
- Centum Electronics Limited	150.00	-
iv) Other expenses - Travel & Miscellaneous expenses		
Parties where control exists		
- Centum Electronics Limited	-	950.00
Parties under common control		
- Centum Adeneo SAS	549.52	-
v) Expense incurred on behalf of the Company by :		
Parties where control exists		
- Centum Electronics Limited	1,420.28	3.40
vi) Loan received by the Company from:		
Parties where control exists		
- Centum Electronics Limited	15,500.00	-
vii) Remuneration to key managerial personnel		
a) Employee benefit expenses		
- Mr. Ravindra Nuguri	559.36	-

Centum Adeneo India Private Limited
Notes to the financial statements for the year ended March 31, 2019

Particulars	March 31, 2019	March 31, 2018
viii) Outstanding balances as at the year ended:		
a) Trade receivables - Current		
Parties where control exists		
- Centum Electronics Limited	4,841.52	-
Parties under common control		
- Centum Adeneo SAS	6,680.35	10,209.22
- Centum Adetel Solution	4,752.11	-
b) Trade payables - Current		
Parties where control exists		
- Centum Electronics Limited	894.36	1,124.40
Parties under common control		
- Centum Adeneo SAS	549.52	-
c) Non-current financial liabilities - Borrowings		
Parties where control exists		
- Centum Electronics Limited	15,500.00	-
d) Equity share capital (refer note 12(a)(i),12(a)(ii))		
Parties where control exists		
- Centum Electronics Limited	990.00	-
- Apparao V Mallavarapu (Nominee of Centum Electronics Limited)	10.00	-
Parties under common control		
- Centum Adetel Group SA	-	990.00
- Centum Adeneo SAS	-	10.00
e) Other current assets - Dues from subscribers' of share capital (refer note 11(i))		
Parties under common control		
- Centum Adetel Group SA	-	990.00
- Centum Adeneo SAS	-	10.00
f) Other current financial liabilities - Interest accrued but not due on borrowings		
Parties where control exists		
- Centum Electronics Limited	211.46	-
g) Other current financial liabilities - Accrued salaries and benefits payable		
Key managerial personnel		
- Mr. Ravindra Nuguri	371.22	-
h) Other current liabilities - Advance from customers		
Parties where control exists		
- Centum Electronics Limited	-	1,012.00
Parties under common control		
- Centum Adetel Group SA	18,941.44	18,941.44
- Centum Adeneo SAS	6,606.55	6,606.55

Notes:

As the liability from gratuity and leave encashment is provided on actuarial basis for the company, as a whole the amount pertaining to the key managerial personnel are not disclosed above.

33 Gratuity and other post-employment benefits plans

a) Defined contribution plan

The Company's contribution to provident fund and other funds are considered as defined contribution plans. The contributions are charged to the statement of profit and loss as they accrue. Contributions to provident and other funds included in employee benefits expense (refer note 24) are as under:

Particulars	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Contribution to provident fund and other funds	1,746.16	779.36
	1,746.16	779.36

b) Defined benefit plans

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The Gratuity plan is unfunded.

The following tables summarise the components of net benefit expense recognised in the standalone statement of profit or loss and amounts recognised in the balance sheet for gratuity benefit:

i. Net benefit expenses (recognized in the statement of profit and loss)

Particulars	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Current service cost	228.86	178.36
Interest cost on DBO	22.50	-
Net benefit expenses	251.36	178.36

ii. Remeasurement (gains)/ loss recognised in other comprehensive income:

Particulars	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	88.64	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	18.86	-
Actuarial (gain)/ loss recognised in OCI	107.50	-

iii. Net defined benefit asset/ (liability)

Particulars	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Defined benefit obligation	537.22	178.36
Fair value of plan assets	-	-
Asset / (liability) recognised in the balance sheet	537.22	178.36

iv. Changes in the present value of the defined benefit obligation are as follows:

Particulars	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Opening defined benefit obligation	178.36	-
Current service cost	228.86	178.36
Interest cost on DBO	22.50	-
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	88.64	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	18.86	-
Closing defined benefit obligation	537.22	178.36

v. The following pay-outs are expected in future years:

Particulars	(Rs. in thousands)	
	March 31, 2019	
March 31, 2020	1.37	
March 31, 2021	1.53	
March 31, 2022	4.77	
March 31, 2023	21.70	
March 31, 2024	36.74	
March 31, 2025 to March 31, 2029	212.78	

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2018: 10 years).

vi. The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Discount rate (in %)	7.43%	7.69%
Salary escalation (in %)	7.00%	7.00%
Employee turnover	Age 21 - 30 Yrs : 15%	
	Age 30 - 34 Yrs : 10%	
	Age 35 - 44 Yrs : 5%	
	Age 45 - 50 Yrs : 3%	
	Age 51 - 54 Yrs : 2%	
	Age 55 - 57 Yrs : 1%	
Retirement age	58 years	58 years
Mortality Rate	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate	Indian Assured Lives Mortality (2006-08) (Modified) Ultimate

Centum Adeneo India Private Limited
Notes to the financial statements for the year ended March 31, 2019

Notes:

i) The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

ii) Plan Characteristics and Associated Risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death or disability. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. Discount rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

b. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

vii. A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

Particulars	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(70.31)	(23.25)
Impact on defined benefit obligation due to 1% decrease in discount rate	85.49	28.05
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	66.89	22.17
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(58.14)	(19.43)
Attrition rate		
Impact on defined benefit obligation due to 1% increase in attrition rate	7.74	2.77
Impact on defined benefit obligation due to 1% decrease in attrition rate	(5.00)	1.67

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(This space has been intentionally left blank)

Centum Adeneo India Private Limited
Notes to the financial statements for the year ended March 31, 2019

34 (a) Segment information - Disclosure pursuant to Ind AS 108 'Operating Segments'

(a) Information about reportable segments -

Basis of identifying operating segments / reportable segments:

(i) Basis of identifying operating segments:

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components); (b) whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available. The accounting policies consistently used in the preparation of financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segment on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such items and accordingly such items are separately disclosed as 'unallocated'.

(ii) Reportable segments:

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

The Company primarily operates in only one segment i.e. design and engineering services. The Board of Directors of the Company, is identified as the CODM. CODM evaluates the performance of the Company based on the single operative segment i.e. design and engineering services. Therefore, there is only one reportable segment in accordance with the requirement of Ind AS 108 'Operating Segments'.

(b) Geographical information

	Segment revenue*		Non-current assets**	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
India	9,440.88	-	16,065.17	5,516.85
Europe	45,706.21	32,627.92	-	-
North America	4,961.53	-	-	-
Total	60,108.62	32,627.92	16,065.17	5,516.85

*Revenue by geographical area are based on the geographical location of the customer.

**Non-current assets excludes financial assets and tax assets.

(C) Refer Note 32 in respect of revenue from customers which are more than 10% of the Company's total revenue

34 (b) Capital Management

The Company's capital management is intended to create value for the shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and short term borrowings.

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenants are complied with.

Particulars	(Rs. in thousands)	
	March 31, 2019	March 31, 2018
Borrowings (refer note 15)	15,500.00	-
Less: Cash and cash equivalents (refer note 10)	811.91	3,978.75
Total debts (i)	14,688.09	(3,978.75)
Capital components		
Equity share capital (refer note 12)	1,000.00	1,000.00
Other equity (refer note 13)	(17,658.46)	(8,019.82)
Total Capital (ii)	(16,658.46)	(7,019.82)
Capital and borrowings (iii = i + ii)	(1,970.37)	(10,998.57)
Gearing ratio (i / iii)	-745%	36%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

35 Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments of the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.2(b) and 2.2(k), to the financial statements.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2019 and March 31, 2018.

As at March 31, 2019				(Rs. in thousands)	
Particulars	Fair value through statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total fair value	Total carrying value
Financial assets					
(i) Trade receivables	-	-	16,273.98	16,273.98	16,273.98
(ii) Cash and cash equivalents	-	-	811.91	811.91	811.91
(iii) Loans	-	-	3,252.21	3,252.21	3,252.21
Total	-	-	20,338.10	20,338.10	20,338.10
Financial liabilities					
(i) Borrowings	-	-	15,500.00	15,500.00	15,500.00
(ii) Trade payables	-	-	7,864.05	7,864.05	7,864.05
(iii) Other financial liabilities	-	-	5,499.26	5,499.26	5,499.26
Total	-	-	28,863.31	28,863.31	28,863.31

As at March 31, 2018				(Rs. in thousands)	
Particulars	Fair value through statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total fair value	Total carrying value
Financial assets					
(i) Trade receivables	-	-	10,209.22	10,209.22	10,209.22
(ii) Cash and cash equivalents	-	-	3,978.75	3,978.75	3,978.75
(iii) Loans	-	-	3,250.46	3,250.46	3,250.46
Total	-	-	17,438.43	17,438.43	17,438.43
Financial liabilities					
(i) Borrowings	-	-	-	-	-
(ii) Trade payables	-	-	5,184.44	5,184.44	5,184.44
(iii) Other financial liabilities	-	-	1,604.69	1,604.69	1,604.69
Total	-	-	6,789.13	6,789.13	6,789.13

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) The Company do not have any Level 1, Level 2 and Level 3 financial assets / liabilities as at March 31, 2019 and March 31, 2018. There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2019 and March 31, 2018.

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(c) Financial risk management objectives and policies

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as liquidity and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- (i) create a stable business planning environment by reducing the impact of currency fluctuations on the Company's business plan.
- (ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in EURO and CAD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in currency	(Rs. in thousands)	
		Effect on profit or loss before tax	
		Strengthening	Weakening
March 31, 2019			
EURO	5%	(306.92)	306.92
CAD	5%	237.61	(237.61)
March 31, 2018			
EURO	5%	510.46	(510.46)

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2019 and March 31, 2018.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of loans, trade receivables and cash and cash equivalents.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 20,338.10 thousands and Rs. 17,438.43 thousands as at March 31, 2019 and March 31, 2018 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits and other financial assets.

Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security. Further the Company has receivable only from Group companies (refer note 32).

With respect to Trade receivables, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Credit risk from balances with bank and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit, which carry no or low market risk.

The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and advances., etc. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The following table shows a maturity analysis of the anticipated cash flows of the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

Particulars	(Rs. in thousands)			
	0-1 years	1 to 5 years	> 5 years	Total
March 31, 2019				
Borrowings	15,500.00	-	-	15,500.00
Trade payables	7,864.05	-	-	7,864.05
Other current financial liabilities	5,499.26	-	-	5,499.26
	28,863.31	-	-	28,863.31
March 31, 2018				
Borrowings	-	-	-	-
Trade payables	5,184.44	-	-	5,184.44
Other current financial liabilities	1,604.69	-	-	1,604.69
	6,789.13	-	-	6,789.13

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36 Corporate social responsibility expenses

Since the Company does not meet the criteria specified in Section 135 of the Act, the Company is not required to spend any amount on activities related to corporate social responsibility for the year ended March 31, 2019 and March 31, 2018.

37 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

i) Ind AS 116 – Leases :

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from current accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company intends to adopt these standards from April 01, 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its financial statements.

ii) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

iii) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments relate to the existing requirements in Ind AS 19 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

iv) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

- 38** The Company is in the process of conducting a transfer pricing study as required by the transfer pricing regulations under the IT Act ('regulations') to determine whether the transactions entered during the year ended March 31, 2019, with the associated enterprises were undertaken at "arm's length price". The management confirms that all the transactions with associate enterprises are undertaken at negotiated prices on usual commercial terms and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

39 Unhedged foreign currency exposure:

Particulars of unhedged foreign currency exposure as at balance sheet date:

Particulars	Currency	March 31, 2019		March 31, 2018	
		Amount in foreign currency	Amount (Rs. in thousands)	Amount in foreign currency	Amount (Rs. in thousands)
Trade receivables	EURO	86.08	6,680.35	127.11	10,209.22
Trade receivables	CAD	92.28	4,752.11	-	-
Trade payable	EURO	7.07	549.52	-	-

- 40** Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

As per our report of even date.

For S.R. Batliboi & Associates LLP
 ICAI Firm registration number: 101049W/E300004
 Chartered Accountants

For and on behalf of Board of Directors of
 Centum Adeneo India Private Limited

per Sandeep Kamani
 Partner
 Membership number: 061207

Vinod Srinivasrao Chippalkatti
 Director
 DIN:0007661636

Bruno Jacques Philippe Baudot
 Director
 DIN:0007664282

Place: Bengaluru
 Date:

Place: Bengaluru
 Date: