

Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)  
Corporate Identity Number (CIN): U72900KA2016FTC098263  
Balance Sheet as at March 31, 2023

	Notes	March 31, 2023	March 31, 2022
<b>(Rs. in thousands)</b>			
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	17,070.30	3,467.63
(b) Other intangible assets	4	645.79	2.82
(c) Right-of-use assets	5	34,576.95	19,401.05
<b>(d) Financial assets</b>			
(i) Other financial assets	6	3,763.99	4,649.45
(e) Deferred tax assets (net)	7	7,557.49	6,233.91
(f) Other assets	8	82.04	93.17
		<u>63,696.56</u>	<u>33,848.03</u>
<b>(2) Current assets</b>			
(a) Inventories	9	87,541.77	58,370.64
<b>(b) Financial assets</b>			
(i) Trade receivables	10	213,154.15	60,434.57
(ii) Cash and cash equivalents	11	26,188.29	47,043.33
(iii) Other financial assets	12	1,246.10	4,424.70
(c) Other assets	13	18,066.91	7,309.90
		<u>346,197.22</u>	<u>177,583.14</u>
<b>Total assets (1+2)</b>		<u><u>409,893.78</u></u>	<u><u>211,431.17</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	14	1,000.00	1,000.00
(b) Other equity	15	17,943.57	(808.13)
		<u>18,943.57</u>	<u>191.87</u>
<b>Liabilities</b>			
<b>(2) Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	17	10,000.00	20,000.00
(ii) Lease liabilities	5	29,177.35	15,749.93
(b) Net non-current employee defined benefit liabilities	16	2,335.16	1,891.15
		<u>41,512.51</u>	<u>37,641.08</u>
<b>(3) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	17	10,122.30	-
(ii) Lease liabilities	5	11,198.06	9,564.65
(iii) Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		4,573.66	2,669.01
Total outstanding dues of creditors other than micro enterprises and small enterprises		66,420.07	83,301.05
(iv) Other financial liabilities	19	16,150.53	10,843.41
(b) Other liabilities	20	227,255.11	61,948.04
(c) Net current employee defined benefit liabilities	21	315.72	30.84
(d) Provisions	22	6,212.54	3,370.21
(e) Liabilities for current tax (net)	23	7,189.71	1,871.01
		<u>349,437.70</u>	<u>173,598.22</u>
<b>Total equity and liabilities (1+2+3)</b>		<u><u>409,893.78</u></u>	<u><u>211,431.17</u></u>
Summary of significant accounting policies	2.3		

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

As per our report of even date.

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

For and on behalf of Board of Directors of  
Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)

per Sandeep Karnani  
Partner  
Membership number: 061207

Vinod Srinivasrao Chippalkatti  
Director  
DIN:07661636

Bruno Jacques Philippe Baudot  
Director  
DIN:07664282

Place: Bengaluru, India  
Date: May 19, 2023

Place: Bengaluru, India  
Date: May 19, 2023

Place: Ecully, France  
Date: May 19, 2023

Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)  
Corporate Identity Number (CIN): U72900KA2016FTC098263  
Statement of Profit and Loss for the year ended March 31, 2023

	Notes	March 31, 2023	March 31, 2022
<b>I Income:</b>			
Revenue from contracts with customers	24	380,802.39	192,000.78
Finance income	25	764.64	256.97
Other Income	26	4,995.90	-
<b>Total income</b>		<b>386,562.93</b>	<b>192,257.75</b>
<b>II Expenses:</b>			
Cost of raw materials consumed	27	170,814.89	12,854.18
Purchase of services		17,172.97	93,495.05
Decrease / (increase) in inventories of work-in-progress and finished goods	28	16,835.87	(40,150.22)
Employee benefits expense	29	124,181.70	93,764.46
Finance costs	30	5,616.23	4,335.54
Depreciation and amortization expenses	31	8,694.51	10,807.26
Other expenses	32	18,460.11	15,335.45
<b>Total expenses</b>		<b>361,776.28</b>	<b>190,441.72</b>
<b>III Profit / (loss) before tax (I - II)</b>		<b>24,786.65</b>	<b>1,816.03</b>
<b>IV Tax expenses</b>			
(a) Current tax	33	7,785.91	2,491.45
(b) Adjustment of tax relating to earlier period		-	(1,667.87)
(c) Deferred tax (credit) / expense		(1,431.15)	(2,800.75)
<b>Total tax expenses</b>		<b>6,354.76</b>	<b>(1,977.17)</b>
<b>V Profit / (loss) for the year (III - IV)</b>		<b>18,431.89</b>	<b>3,793.20</b>
<b>VI Other comprehensive income</b>			
(A) (i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
- Re-measurement gains / (losses) on defined benefit plans	38(b)(ii)	427.38	889.63
(ii) Income tax effect		(107.57)	(223.92)
<b>Total other comprehensive income for the year</b>		<b>319.81</b>	<b>665.71</b>
<b>VII Total comprehensive income for the year (V + VI)</b>		<b>18,751.70</b>	<b>4,458.91</b>
<b>VIII Earnings per equity share (nominal value of Rs 10 each)</b>			
Basic and diluted (Rs.)	34	184.32	37.93
Summary of significant accounting policies	2.3		

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

As per our report of even date.

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

For and on behalf of Board of Directors of  
Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)

per Sandeep Karnani  
Partner  
Membership number: 061207

Vinod Srinivasrao Chippalkatti  
Director  
DIN:07661636

Bruno Jacques Philippe Baudot  
Director  
DIN:07664282

Place: Bengaluru, India  
Date: May 19, 2023

Place: Bengaluru, India  
Date: May 19, 2023

Place: Ecully, France  
Date: May 19, 2023

Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)  
Notes to the Ind AS financial statements for the year ended March 31, 2023

6 Other non-current financial assets

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
<b>Unsecured, considered good unless otherwise stated</b>		
<b>Carried at amortised cost</b>		
Security deposits	3,207.05	4,108.84
Non-current bank balance (refer note 11)	556.94	540.61
<b>Total other non-current financial assets</b>	<b>3,763.99</b>	<b>4,649.45</b>

7 Deferred tax assets (net)

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
<b>Deferred tax assets</b>		
Property, plant and equipments: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	2,535.45	2,736.54
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	3,395.85	2,560.83
Right-of-use assets	1,045.70	936.54
Others	580.49	-
<b>Deferred tax assets (net)</b>	<b>7,557.49</b>	<b>6,233.91</b>
Movement for the year	<b>(1,323.58)</b>	<b>(2,576.83)</b>
<b>Reconciliation to the statement of profit and loss</b>		
(Credit) / expense during the year as above	(1,323.58)	(2,576.83)
Tax expense / (income) during the period recognized in OCI	107.57	223.92
(Credit) / expense during the year	(1,431.15)	(2,800.75)

8 Other non-current assets

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Prepaid expenses	12.88	24.01
<b>Balance with statutory / government authorities</b>		
Unsecured, considered good	69.16	69.16
<b>Total other non-current assets</b>	<b>82.04</b>	<b>93.17</b>

9 Inventories (valued at the lower of cost and net realisable value)

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Raw materials	59,466.78	13,459.78
Work-in-progress	26,586.06	44,332.02
Finished goods	1,488.93	578.84
	<b>87,541.77</b>	<b>58,370.64</b>

10 Trade receivables

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
<b>Carried at amortised cost</b>		
<b>Unsecured, considered good</b>		
Receivables from related parties (refer note 37)	30,414.18	45,497.30
Other trade receivables	182,739.97	14,937.27
<b>Total trade receivables</b>	<b>213,154.15</b>	<b>60,434.57</b>

Break-up for security details:

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
<b>Trade receivables:</b>		
Unsecured, considered good	213,154.15	60,434.57
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	<b>213,154.15</b>	<b>60,434.57</b>
<b>Impairment allowance (allowance for bad and doubtful debts):</b>		
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
<b>Total trade receivables</b>	<b>213,154.15</b>	<b>60,434.57</b>

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

- Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days.

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Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)  
Notes to the Ind AS financial statements for the year ended March 31, 2023

Trade receivables ageing schedule

As at March 31, 2023

(Rs. in thousands)

Particulars	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables - considered good	130,179.92	23,666.79	50,959.13	1,319.71	1,040.62	624.20	5,363.78	213,154.15
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-

As at March 31, 2022

(Rs. in thousands)

Particulars	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables - considered good	-	38,344.53	13,974.45	952.81	621.55	6,541.23	-	60,434.57
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-

11 Cash and cash equivalents

(Rs. in thousands)

	March 31, 2023	March 31, 2022
<b>Balances with banks:</b>		
- On current accounts <sup>1</sup>	4,698.65	1,371.06
- On exchange earners foreign currency (EEFC) accounts	21,482.54	45,659.39
Cash on hand	7.10	12.88
	(A) <u>26,188.29</u>	<u>47,043.33</u>
<b>Other bank balances</b>		
Balance with banks		
- On margin money accounts <sup>2</sup>	556.94	540.61
	<u>556.94</u>	<u>540.61</u>
Amount disclosed under other non-current financial assets (refer note 6)	(556.94)	(540.61)
	<u>(556.94)</u>	<u>(540.61)</u>
	(B) <u>-</u>	<u>-</u>
<b>Total cash and cash equivalents</b>	(A+B) <u>26,188.29</u>	<u>47,043.33</u>

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

2. A charge has been created over the deposits towards guarantee in favour of statutory authorities (refer note 36(b)).

12 Other current financial assets

(Rs. in thousands)

	March 31, 2023	March 31, 2022
<b>Unsecured, considered good unless otherwise stated</b>		
<b>Carried at amortised cost</b>		
Security deposits	-	54.43
Staff advances	127.60	84.09
Scrip receivables	-	4,286.17
Other receivables	1,118.50	-
<b>Total other current financial assets</b>	<u>1,246.10</u>	<u>4,424.70</u>

13 Other current assets

(Rs. in thousands)

	March 31, 2023	March 31, 2022
<b>Unsecured considered good</b>		
Advance to suppliers	6,338.82	816.55
Balance with statutory / government authorities	10,191.23	3,848.77
Prepaid expenses	1,536.86	2,644.58
<b>Total other current assets</b>	<u>18,066.91</u>	<u>7,309.90</u>

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Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)  
Notes to the Ind AS financial statements for the year ended March 31, 2023

16 Net non-current employee defined benefit liabilities

	March 31, 2023	(Rs. in thousands) March 31, 2022
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 38)	2,335.16	1,891.15
<b>Total net non-current employee defined benefit liabilities</b>	<u>2,335.16</u>	<u>1,891.15</u>

17 Borrowings

	March 31, 2023	(Rs. in thousands) March 31, 2022
<b>Unsecured</b>		
Loans from related parties (refer note 37)	20,000.00	20,000.00
Interest payable (refer note 37)	122.30	-
<b>Total borrowings</b>	<u>20,122.30</u>	<u>20,000.00</u>

Non current	10,000.00	20,000.00
Current	10,122.30	-

Note:

Loan of Rs 20,000 thousands (March 31, 2022: Rs 20,000 thousands) carries an interest rate of 8% per annum (March 31, 2022: 8% per annum) . The loan is repayable in quarterly equal installment from June 2023.

18 Financial liabilities: Trade payables

	March 31, 2023	(Rs. in thousands) March 31, 2022
<b>Carried at amortised cost</b>		
Trade payables	19,068.29	4,801.22
Trade payables to related parties (refer note 37)	51,925.44	81,168.84
<b>Total trade payables</b>	<u>70,993.73</u>	<u>85,970.06</u>
<b>The above amount includes</b>		
Total outstanding dues of micro enterprises and small enterprises	4,573.66	2,669.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	66,420.07	83,301.05
	<u>70,993.73</u>	<u>85,970.06</u>

a) Trade payables include due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Amount due to suppliers under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMED Act 2006 is not expected to be material. The Company has not received any claim for interest from any supplier as at balance sheet date. The disclosure pursuant to the said Act is as under:

	March 31, 2023	(Rs. in thousands) March 31, 2022
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	4,573.66	2,669.01
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

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 39(c).
- The dues to related parties are unsecured.

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Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)  
Notes to the Ind AS financial statements for the year ended March 31, 2023

Trade payables ageing schedule

As at March 31, 2023		(Rs. in thousands)				
Particulars	Unbilled dues	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	684.47	3,889.19	-	-	-	4,573.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	29,009.13	36,861.42	-	-	549.52	66,420.07
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>29,693.60</b>	<b>40,750.61</b>	<b>-</b>	<b>-</b>	<b>549.52</b>	<b>70,993.73</b>

As at March 31, 2022		(Rs. in thousands)				
Particulars	Unbilled dues	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	2,669.01	-	-	-	2,669.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	44,365.27	38,386.26	-	-	549.52	83,301.05
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>44,365.27</b>	<b>41,055.27</b>	<b>-</b>	<b>-</b>	<b>549.52</b>	<b>85,970.06</b>

19 Other current financial liabilities

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
<b>Carried at amortised cost</b>		
Accrued salaries and benefits	15,716.04	10,843.41
Payable for capital goods	434.49	-
<b>Total other current financial liabilities</b>	<b>16,150.53</b>	<b>10,843.41</b>

20 Other current liabilities

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Advance from customers (refer note 37)	219,392.21	60,139.21
Statutory dues payable	7,862.90	1,808.83
<b>Total other current liabilities</b>	<b>227,255.11</b>	<b>61,948.04</b>

21 Net current employee defined benefit liabilities

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 38)	315.72	30.84
<b>Total net current employee defined benefit liabilities</b>	<b>315.72</b>	<b>30.84</b>

22 Provisions

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
<b>Provision for employee benefits</b>		
Provision for compensated absences	6,212.54	3,370.21
<b>Total provisions</b>	<b>6,212.54</b>	<b>3,370.21</b>

23 Liabilities for current tax (net)

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Provision for current tax (net of advance income tax)	7,189.71	1,871.01
<b>Total liabilities for current tax (net)</b>	<b>7,189.71</b>	<b>1,871.01</b>

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Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)  
Notes to the Ind AS financial statements for the year ended March 31, 2023

24 Revenue from contracts with customers

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Sale of services (refer note 37)	132,369.27	171,186.96
Sale of products (refer note 37)	248,433.12	16,527.65
Other operating revenues		
Sale of scrips	-	4,286.17
	<u>380,802.39</u>	<u>192,000.78</u>

Notes to revenue from contracts with customers:

a) Timing of rendering of services - March 31, 2023

	(Rs. in thousands)		
	Performance obligation satisfied at point in time	Performance obligation satisfied over time	Total
Sale of services (refer note 37)	-	132,369.27	132,369.27
Sale of products (refer note 37)	82,263.24	166,169.88	248,433.12
	<u>82,263.24</u>	<u>298,539.15</u>	<u>380,802.39</u>

Timing of rendering of services - March 31, 2022

	(Rs. in thousands)		
	Performance obligation satisfied at point in time	Performance obligation satisfied over time	Total
Sale of services (refer note 37)	-	171,186.96	171,186.96
Sale of products (refer note 37)	16,527.65	-	16,527.65
Sale of scrips	4,286.17	-	4,286.17
	<u>20,813.82</u>	<u>171,186.96</u>	<u>192,000.78</u>

b) Contract Balances:

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
<b>Receivables (refer note 10)</b>		
- Current (Gross)	213,154.15	60,434.57
<b>Advance received from customers (refer note 20)</b>		
- Current	219,392.21	60,139.21

c) Revenue recognised during the year

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Arising out of contract liabilities as at the beginning of the year	32,158.04	7,433.54

d) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to Rs. Nil (March 31, 2022: Rs. Nil)

25 Finance income

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Interest income on security deposits	213.23	216.36
Interest income - bank deposits	551.41	23.47
Interest income - others	-	17.14
	<u>764.64</u>	<u>256.97</u>

26 Other income

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Foreign exchange differences (net)	4,468.30	-
Provisions/ liabilities no longer required, written back	527.60	-
	<u>4,995.90</u>	<u>-</u>

27 Cost of raw materials consumed

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Inventory at the beginning of the year	13,459.78	-
Add: Purchases (refer note 37)	216,821.89	26,313.96
	<u>230,281.67</u>	<u>26,313.96</u>
Less: Inventory at the end of the year	(59,466.78)	(13,459.78)
<b>Cost of raw materials consumed</b>	<u>170,814.89</u>	<u>12,854.18</u>

28 Decrease / (increase) in inventories of work-in-progress and finished goods

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Inventories at the end of the year		
- Work-in-progress / finished goods	28,074.99	44,910.86

Inventories at the beginning of the year  
- Work-in-progress / finished goods  
**Decrease / (increase) in inventories**

44,910.86	4,760.64
<u>16,835.87</u>	<u>(40,150.22)</u>

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Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)  
Notes to the Ind AS financial statements for the year ended March 31, 2023

29 Employee benefits expense

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Salaries, wages and bonus	114,002.24	87,273.74
Contribution to provident and other funds (refer note 38)	1,951.28	1,873.31
Gratuity expenses (refer note 38)	1,156.27	1,120.86
Staff welfare expenses	7,071.91	3,496.55
	<u>124,181.70</u>	<u>93,764.46</u>

30 Finance costs

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Interest on borrowings (refer note 37)	1,600.00	1,600.00
Bank charges	904.95	228.29
Interest on lease liabilities (refer note 5)	2,590.15	2,027.82
Interest on income tax	521.13	479.43
	<u>5,616.23</u>	<u>4,335.54</u>

31 Depreciation and amortization expenses

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	1,657.10	4,720.00
Amortization of intangible assets (refer note 4)	74.59	22.34
Depreciation of right-of-use assets (refer note 5)	6,962.82	6,064.92
	<u>8,694.51</u>	<u>10,807.26</u>

32 Other expenses \*

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Equipment lease charges	2,960.21	1,832.80
Rates and taxes	78.87	9.65
Power and fuel	1,535.62	1,192.95
Repairs and maintenance	3,894.33	3,675.39
Insurance	1,483.42	373.37
Legal and professional fees (includes payment to auditor (refer details below))	3,623.55	3,834.23
Travelling and conveyance	1,740.01	803.57
Communication costs	839.73	822.57
Freight outwards	1,624.49	834.63
Foreign exchange differences (net)	-	1,579.71
Provision for doubtful advances	-	127.16
Miscellaneous expenses	679.88	249.42
	<u>18,460.11</u>	<u>15,335.45</u>

\* Refer note 37 for transactions with related parties.

Payment to auditor (exclusive of taxes)

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
<b>As auditor:</b>		
Audit fee (including fees for internal controls over financial reporting)	700.00	700.00
<b>In other capacity:</b>		
Reimbursement of expenses	28.00	25.00
	<u>728.00</u>	<u>725.00</u>

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**Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)**  
**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**33 Income tax**

The Company is subject to income tax in India on the basis of Statutory financial statements. 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.

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 which is effective from April 1, 2019, domestic companies have the option to pay income tax at 22% plus applicable surcharge and cess ('new tax regime') subject to certain conditions. The Company based on the current projections has chosen to adopt the reduced rates of tax as per the Income Tax Act, 1961 from the financial year 2020-21 and accordingly the Company has accounted deferred tax asset based on the reduced applicable tax rates.

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

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
(a) Current tax	7,785.91	2,491.45
(b) Deferred tax (credit) / expense	(1,431.15)	(2,800.75)
(c) Deferred tax expense / (credit) related to items recognized in OCI during the period	107.57	223.92
(d) Adjustment of tax relating to earlier period	-	(1,667.87)
<b>Total tax expenses</b>	<b>6,462.33</b>	<b>(1,753.25)</b>

**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, 2023	March 31, 2022
Profit before taxes	24,786.65	1,816.03
Applicable tax rates in India	25.17%	25.17%
Computed tax charge	6,238.30	457.06
<u>Tax effect of items on which deferred taxes has not been accounted:</u>		
Tax effect on permanent non-deductible expenses	131.16	-
Adjustment of tax relating to earlier periods	-	(1,667.87)
Others	(14.70)	(766.36)
<b>Total tax expenses</b>	<b>6,354.76</b>	<b>(1,977.17)</b>
<b>Tax expenses reported in the statement of profit and loss</b>	<b>6,354.76</b>	<b>(1,977.17)</b>
	-	-

**34 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, 2023	March 31, 2022
Face value of equity shares (Rs. per share)	10.00	10.00
Profit attributable to equity shareholders (A) (Rs. in thousands)	18,431.89	3,793.20
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.)	184.32	37.93

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**Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)**  
**Corporate Identity Number (CIN): U72900KA2016FTC098263**  
**Statement of Cash Flows for the year ended March 31, 2023**

(Rs. in thousands)

	March 31, 2023	March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before tax	24,786.65	1,816.03
<b>Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:</b>		
Net foreign exchange differences (unrealised)	(2,233.45)	(1,097.25)
Depreciation and amortization expenses	8,694.51	10,807.26
Provisions no longer required, written back	(527.60)	-
Finance costs	5,616.23	4,335.54
Finance income	(764.64)	(256.97)
<b>Operating profit / (loss) before working capital changes</b>	<b>35,571.70</b>	<b>15,604.61</b>
Working capital adjustments:		
(Increase) / decrease in trade receivables / inventories and other assets	(185,262.75)	(86,293.26)
Increase / (decrease) in trade payables, provisions and other liabilities	158,882.80	117,129.19
<b>Cash generated from operations</b>	<b>9,191.75</b>	<b>46,440.54</b>
Direct taxes paid (net of refunds)	(2,988.34)	(5,755.39)
<b>Net cash flows from / (used in) operating activities</b>	<b>6,203.41</b>	<b>40,685.15</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, including other intangible assets	(15,542.84)	(105.59)
Interest income	535.08	40.61
<b>Net cash flows (used in) / from investing activities</b>	<b>(15,007.76)</b>	<b>(64.98)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance costs paid	(2,382.65)	(3,268.29)
Payment of principal portion of lease liabilities	(7,077.89)	(4,828.10)
Payment of interest portion of lease liabilities	(2,590.15)	(2,027.82)
<b>Net cash flows (used in) / from financing activities</b>	<b>(12,050.69)</b>	<b>(10,124.21)</b>
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(20,855.04)	30,495.96
Cash and cash equivalents at the beginning of the year	47,043.33	16,547.37
<b>Cash and cash equivalents at the end of the year</b>	<b>26,188.29</b>	<b>47,043.33</b>
<b>Total cash and cash equivalents (note 11)</b>	<b>26,188.29</b>	<b>47,043.33</b>

**Explanatory notes to statement of cash flows**

**Changes in liabilities arising from financing activities:-**

(Rs. in thousands)

	Liabilities arising from financing activities	
	Borrowings (refer note 17)	Lease liabilities (refer note 5)
<b>As at April 01, 2022</b>	<b>20,000.00</b>	<b>25,314.58</b>
Cash flows		
Recognition of lease liabilities (refer note 5)	-	22,138.72
Interest accrued and not paid (refer note 17)	122.30	-
Non-cash changes		
Accretion of interest (refer note 5)	-	2,590.15
Payment of lease liabilities (refer note 5)	-	(9,668.04)
<b>As at March 31, 2023</b>	<b>20,122.30</b>	<b>40,375.41</b>
<b>As at April 01, 2021</b>	<b>21,440.00</b>	<b>30,142.68</b>
Cash flows	(1,440.00)	-
Non-cash changes		
Accretion of interest (refer note 5)	-	2,027.82
Payment of lease liabilities (refer note 5)	-	(6,855.92)
<b>As at March 31, 2022</b>	<b>20,000.00</b>	<b>25,314.58</b>

Summary of significant accounting policies

2.3

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

As per our report of even date.

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

For and on behalf of Board of Directors of  
Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)

per Sandeep Karnani  
Partner  
Membership number: 061207

Vinod Srinivasrao Chippalkatti  
Director  
DIN:07661636

Bruno Jacques Philippe Baudot  
Director  
DIN:07664282

Place: Bengaluru, India  
Date: May 19, 2023

Place: Bengaluru, India  
Date: May 19, 2023

Place: Ecully, France  
Date: May 19, 2023

Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)  
Corporate Identity Number (CIN): U72900KA2016FTC098263  
Statement of Changes in Equity for the year ended March 31, 2023

(a) Equity share capital

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

Particulars	Number	Rs. in thousands
At April 01, 2021	100,000	1,000.00
Issue of share capital (refer note 14)	-	-
At March 31, 2022	100,000	1,000.00
Issue of share capital (refer note 14)	-	-
At March 31, 2023	100,000	1,000.00

(b) Other equity

(Rs. in thousands)

Particulars	Attributable to equity shareholders	Total equity
	Reserves and surplus - Retained earnings (refer note 15)	
<b>For the year ended March 31, 2023</b>		
As at April 01, 2022	(808.13)	(808.13)
Profit / (loss) for the year	18,431.89	18,431.89
Remeasurement gains / (losses) of defined benefit plans*	319.81	319.81
As at March 31, 2023	17,943.57	17,943.57
<b>For the year ended March 31, 2022</b>		
As at April 01, 2021	(5,267.04)	(5,267.04)
Profit / (loss) for the year	3,793.20	3,793.20
Remeasurement gains / (losses) of defined benefit plans*	665.71	665.71
As at March 31, 2022	(808.13)	(808.13)

\*As required under Ind AS compliant Schedule III of the Act, the Company has recognised remeasurement gains/(losses) of defined benefit plans as part of retained earnings.

Summary of significant accounting policies

2.3

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

As per our report of even date.

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

For and on behalf of Board of Directors of  
Centum T&S Private Limited (formerly known as Centum Adeneo India Pri

per Sandeep Karnani  
Partner  
Membership Number: 061207

Vinod Srinivasrao Chippalkatti  
Director  
DIN:07661636

Bruno Jacques Philippe Baudot  
Director  
DIN:07664282

Place: Bengaluru, India  
Date: May 19, 2023

Place: Bengaluru, India  
Date: May 19, 2023

Place: Ecully, France  
Date: May 19, 2023

Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)  
Notes to the Ind AS financial statements for the year ended March 31, 2023

3. Property, plant and equipment

(Rs. in thousands)

Particulars	Leasehold improvements	Plant and equipments	Computers	Office equipments	Furniture and fixtures	Electrical installations	Total
<b>At cost / deemed cost</b>							
As at April 01, 2021	15,016.30	681.74	1,773.72	420.92	3,136.85	821.38	21,850.91
Additions	0.01	36.00	-	-	-	69.58	105.59
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	15,016.31	717.74	1,773.72	420.92	3,136.85	890.96	21,956.50
Additions	13,552.36	1,023.15	91.81	170.15	175.50	246.80	15,259.77
Disposals	-	-	-	-	-	-	-
As at March 31, 2023	28,568.67	1,740.89	1,865.53	591.07	3,312.35	1,137.76	37,216.27
<b>Accumulated Depreciation</b>							
As at April 01, 2021	10,858.17	288.23	1,477.98	188.24	710.94	245.31	13,768.87
Charge for the year	3,923.56	89.78	233.84	83.14	313.45	76.23	4,720.00
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	14,781.73	378.01	1,711.82	271.38	1,024.39	321.54	18,488.87
Charge for the year	771.44	171.59	59.86	88.72	483.67	81.82	1,657.10
Disposals	-	-	-	-	-	-	-
As at March 31, 2023	15,553.17	549.60	1,771.68	360.10	1,508.06	403.36	20,145.97
<b>Net book value</b>							
As at March 31, 2023	13,015.50	1,191.29	93.85	230.97	1,804.29	734.40	17,070.30
As at March 31, 2022	234.58	339.73	61.90	149.54	2,112.46	569.42	3,467.63

4. Other intangible assets

(Rs. in thousands)

Particulars	Computer software	Total
<b>At cost / deemed cost</b>		
As at April 01, 2021	576.82	576.82
Additions	-	-
Disposals	-	-
As at March 31, 2022	576.82	576.82
Additions	717.56	717.56
Disposals	-	-
As at March 31, 2023	1,294.38	1,294.38
<b>Accumulated amortization</b>		
As at April 01, 2021	551.66	551.66
Charge for the year	22.34	22.34
Disposals	-	-
As at March 31, 2022	574.00	574.00
Charge for the year	74.59	74.59
Disposals	-	-
As at March 31, 2023	648.59	648.59
<b>Net book value</b>		
As at March 31, 2023	645.79	645.79
As at March 31, 2022	2.82	2.82

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**Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)**  
**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**(5) Leases**

**Company as a lessee**

The Company has lease contracts for office facilities. The lease term of the office facilities is generally 3-9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Refer to Note 2.3(g) for the accounting policy on leases.

The Company also has certain leases of computer and computer equipments with low value. The Company applies the 'short term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised and the movements during the year is as follows:

Particulars	(Rs. in thousands)	
	Office Buildings	Total
<b>Gross Block</b>		
As at April 01, 2021	36,702.17	36,702.17
Additions during the year	-	-
<b>As at March 31, 2022</b>	<b>36,702.17</b>	<b>36,702.17</b>
Additions during the year	22,138.72	22,138.72
Modification of right-of-use assets/other adjustments	(6,946.59)	(6,946.59)
<b>As at March 31, 2023</b>	<b>51,894.30</b>	<b>51,894.30</b>
<b>Accumulated depreciation</b>		
As at April 01, 2021	11,236.20	11,236.20
Charge for the year (refer note 31)	6,064.92	6,064.92
<b>As at March 31, 2022</b>	<b>17,301.12</b>	<b>17,301.12</b>
Charge for the year (refer note 31)	6,962.82	6,962.82
Modification of right-of-use assets/other adjustments	(6,946.59)	(6,946.59)
<b>As at March 31, 2023</b>	<b>17,317.35</b>	<b>17,317.35</b>
<b>Net block as on March 31, 2023</b>	<b>34,576.95</b>	<b>34,576.95</b>
<b>Net block as on March 31, 2022</b>	<b>19,401.05</b>	<b>19,401.05</b>

The carrying amounts of lease liabilities recognised and the movements during the year is as follows:

Particulars	(Rs. in thousands)	
	Lease liabilities	
As at April 01, 2021	30,142.68	
Additions	-	
Accretion of interest (refer note 30)	2,027.82	
Payment of lease liabilities	(6,855.92)	
<b>As at March 31, 2022</b>	<b>25,314.58</b>	
Additions	22,138.72	
Accretion of interest (refer note 30)	2,590.15	
Payment of lease liabilities (refer note 37)	(9,668.04)	
<b>As at March 31, 2023</b>	<b>40,375.41</b>	

	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
<b>Current</b>	11,198.06	9,564.65
<b>Non-current</b>	29,177.35	15,749.93

The maturity analysis of lease liabilities are disclosed in note 40 (c).

The effective interest rate for lease liabilities is 8% (March 31, 2022: 8%).

The following are the amounts recognised in statement of profit or loss:

Particulars	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Depreciation expense of right-of-use assets (refer note 31)	6,962.82	6,064.92
Interest expense on lease liabilities (refer note 30)	2,590.15	2,027.82
Expense relating to leases of low-value asset (included in other expenses) (refer note 32)	2,960.21	1,832.80
<b>Total amount recognised in statement of profit or loss</b>	<b>12,513.18</b>	<b>9,925.54</b>

The Company had total cash outflows for leases of Rs. 12,577.32 thousands (March 31, 2022: Rs. 8,688.72 thousands) for the year ended March 31, 2023.

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14. Equity share capital

Authorised share capital:

At April 01, 2021  
Increase / (decrease) during the year  
At March 31, 2022  
Increase / (decrease) during the year  
At March 31, 2023

Equity shares of Rs. 10 each	
In numbers	Rs. in thousands
100,000	1,000.00
-	-
100,000	1,000.00
-	-
100,000	1,000.00

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

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

At April 01, 2021  
Increase / (decrease) during the year  
At March 31, 2022  
Increase / (decrease) during the year  
At March 31, 2023

In numbers	Rs. in thousands
100,000	1,000.00
-	-
100,000	1,000.00
-	-
100,000	1,000.00

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

At the beginning of the year (refer note (i) and (ii) below)

Add: Issued during the period

Outstanding at the end of the year

March 31, 2023		March 31, 2022	
In numbers	Rs. in thousands	In numbers	Rs. in thousands
100,000	1,000.00	100,000	1,000.00
-	-	-	-
100,000	1,000.00	100,000	1,000.00

(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, 2023		March 31, 2022	
	No. of shares held	% holding in class	No. of shares held	% holding in class
Equity shares of Rs. 10 each fully paid				
Centum Electronics Limited, the Holding Company	99,000	99.00%	99,000	99.00%
Apparao V Mallavarapu (Nominee of Centum Electronics Limited)	1,000	1.00%	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.

During the year ended March 31, 2019, 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 Rs. 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.

(d) Details of shares held by promoters

As at March 31, 2023

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Centum Electronics Limited, the Holding Company	99,000	-	99,000	99.00%	-
2	Apparao V Mallavarapu (Nominee of Centum Electronics Limited)	1,000	-	1,000	1.00%	-

As at March 31, 2022

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Centum Electronics Limited, the Holding Company	99,000	-	99,000	99.00%	-
2	Apparao V Mallavarapu (Nominee of Centum Electronics Limited)	1,000	-	1,000	1.00%	-

15. Other equity

Retained earnings

Balance as at April 01, 2021  
Add: Profit / (Loss) for the year  
Add: Remeasurement gains / (losses) of defined benefit plans  
Balance as at March 31, 2022  
Add: Profit / (Loss) for the year  
Add: Remeasurement gains / (losses) of defined benefit plans  
Balance as at March 31, 2023

Rs. in thousands
(5,267.04)
3,793.20
665.71
(808.13)
18,431.89
319.81
17,943.57

Nature and purpose of reserves

**Retained earnings**

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and lo

### **35 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's Ind AS 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. 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 determining the lease term of contracts with renewal and termination options – company as lessee, taxes, fair value measurement of financial instruments, defined benefit plans (gratuity benefits) and leases - estimating the incremental borrowing rate.

#### **(i) Judgments:**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Ind AS financial statements:

##### **(a) Determining the lease term of contracts with renewal and termination options – Company as lessee**

The Company determines the lease term as the initial term of the lease. The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

##### **(ii) 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 Ind AS 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 7 and 33 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 40 for further disclosures.

#### **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 where remaining maturity of such bond correspond to expected term of defined benefit obligation.

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 38.

#### **Leases - Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Company has used the rate at which it has borrowed funds from its parent company.

**Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)**  
**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**Revenue recognition**

The Company uses the percentage-of-completion method in accounting for its fixed price contracts for test bench projects. Use of the percentage-of-completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

**Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)**  
**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**36 Commitments and contingent liabilities**

**(a) Capital commitments**

There are no capital commitments outstanding as on March 31, 2023 and March 31, 2022.

**(b) Contingencies**

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

**(Rs. in thousands)**

<b>(i) Particulars of guarantees</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Bank guarantees (refer note 11)	556.94	540.61

- (ii) The Hon'ble Supreme Court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Company has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.
- (iii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential Assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)  
Notes to the Ind AS financial statements for the year ended March 31, 2023

37 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 where transactions have taken place	Centum T&S ( Technologies and Solutions) SAS (formerly known as Centum Adeneo SAS) Centum Adetel Group SA Centum T&S (Technologies and Solutions) Quebec Inc (formerly known as Centum Adetel Solution) Centum E&S (Equipments & Systemes) Quebec Inc (formerly known as Centum Adetel Equipment) Centum T&S (Technologies & Solutions) Belgium SRL (formerly known as Centum Adeneo Belgium)

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

Particulars	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
<b>i) Sale of services</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	5,299.15	922.82
<b>Parties under common control</b>		
- Centum T&S ( Technologies and Solutions) SAS	42,360.03	91,176.84
- Centum T&S (Technologies and Solutions) Quebec Inc	8,943.35	506.98
- Centum E&S (Equipments & Systemes) Quebec Inc	-	77.27
- Centum T&S (Technologies & Solutions) Belgium SRL	9,247.47	12,963.15
<b>ii) Sale of products</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	3,903.16	-
<b>Parties under common control</b>		
- Centum T&S ( Technologies and Solutions) SAS	125.46	270.93
<b>iii) Purchase of goods and services</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	1,465.82	383.50
<b>Parties under common control</b>		
- Centum T&S ( Technologies and Solutions) SAS	106,029.57	107,108.78
<b>iv) Finance cost - Interest on borrowings</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	1,600.00	1,600.00
<b>v) Payment of lease liabilities</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	1,873.49	-
<b>vi) Other expenses - Travel and conveyance / Legal and professional fees / Miscellaneous expenses</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	-	2,278.29
<b>Parties under common control</b>		
- Centum T&S ( Technologies and Solutions) SAS	1,311.01	-
<b>vii) Expense incurred on behalf of the Company by :</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	1,905.88	-
<b>viii) Expense incurred on behalf of the Group Company:</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	54.21	-

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Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)  
Notes to the Ind AS financial statements for the year ended March 31, 2023

(Rs. in thousands)

Particulars	March 31, 2023	March 31, 2022
<b>ix) Outstanding balances as at the year ended:</b>		
<b>a) Trade receivables (including unbilled revenue)</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	5,721.69	-
<b>Parties under common control</b>		
- Centum T&S (Technologies and Solutions) Quebec Inc	16,320.32	8,115.59
- Centum T&S ( Technologies and Solutions) SAS	6,514.66	35,721.36
- Centum E&S (Equipments & Systemes) Quebec Inc	83.75	77.00
- Centum T&S (Technologies & Solutions) Belgium SRL	1,773.76	1,583.35
<b>b) Trade payables - Current</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	1,499.45	2,252.22
<b>Parties under common control</b>		
- Centum T&S ( Technologies and Solutions) SAS	50,425.99	78,916.62
<b>c) Financial liabilities - Borrowings</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	20,122.30	20,000.00
<b>d) Lease liabilities ( Current and Non-Current)</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	21,221.71	-
<b>e) Other current liabilities - Advance from customers</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	-	855.00
<b>f) Other current assets - Advance to suppliers</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	525.00	-
<b>g) Other current financial assets - Other receivables</b>		
<b>Parties where control exists</b>		
- Centum Electronics Limited	1,118.50	-

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38 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 29) are as under:

Particulars	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Contribution to provident fund and other funds	1,951.28	1,873.31
	<b>1,951.28</b>	<b>1,873.31</b>

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, 2023	March 31, 2022
Current service cost	985.44	967.58
Interest cost on defined benefit obligation	170.83	153.28
<b>Net benefit expenses</b>	<b>1,156.27</b>	<b>1,120.86</b>

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

Particulars	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(366.92)	(739.52)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(60.46)	(150.11)
<b>Actuarial (gain)/ loss recognised in OCI</b>	<b>(427.38)</b>	<b>(889.63)</b>

iii. Net defined benefit liability

Particulars	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Defined benefit obligation	2,650.88	1,921.99
Fair value of plan assets	-	-
<b>Liability recognised in the balance sheet</b>	<b>2,650.88</b>	<b>1,921.99</b>

Particulars	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Defined Benefit Obligation - Current	315.72	30.84
Defined Benefit Obligation - Non-current	2,335.16	1,891.15
	<b>2,650.88</b>	<b>1,921.99</b>

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

Particulars	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Opening defined benefit obligation	1,921.99	1,854.01
Current service cost	985.44	967.58
Interest cost on defined benefit obligation	170.83	153.28
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(366.92)	(739.52)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(60.46)	(150.11)
Benefits paid	-	(163.25)
<b>Closing defined benefit obligation</b>	<b>2,650.88</b>	<b>1,921.99</b>

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

Particulars	(Rs. in thousands)	
	March 31, 2023	March 31, 2022
Within the next 12 months	315.72	30.84
Between 1 and 2 years	56.23	51.87
Between 2 and 3 years	94.82	70.10
Between 3 and 4 years	113.68	109.77
Between 4 and 5 years	140.23	120.01
Beyond 5 years	773.44	599.62

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2022: 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, 2023	March 31, 2022
Discount rate (in %)	7.31%	7.12%
Salary escalation (in %)	10.00%	10.00%
Employee Turnover/ Withdrawal Rate	Age 21 - 30 Yrs : 15%	Age 21 - 30 Yrs : 15%
	Age 30 - 34 Yrs : 10%	Age 30 - 34 Yrs : 10%
	Age 35 - 44 Yrs : 5%	Age 35 - 44 Yrs : 5%
	Age 45 - 50 Yrs : 3%	Age 45 - 50 Yrs : 3%
	Age 51 - 54 Yrs : 2%	Age 51 - 54 Yrs : 2%
Retirement age	Age 55 - 59 Yrs : 1%	Age 55 - 59 Yrs : 1%
	60 years	60 years

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Mortality Rate

Indian Assured Lives  
Mortality (2012-14)  
Ultimate Table

Indian Assured Lives  
Mortality (2012-14)  
Ultimate Table

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**Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)**  
**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**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, 2023 and March 31, 2022 is as shown below**

<b>Particulars</b>	<b>(Rs. in thousands)</b>	
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Discount rate</b>		
Impact on defined benefit obligation due to 1% increase in discount rate	(286.43)	(236.78)
Impact on defined benefit obligation due to 1% decrease in discount rate	343.07	285.04
<b>Salary escalation rate</b>		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	137.62	105.85
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(152.31)	(127.27)
<b>Attrition rate</b>		
Impact on defined benefit obligation due to 1% increase in attrition rate	11.72	12.30
Impact on defined benefit obligation due to 1% decrease in attrition rate	(28.15)	(25.78)

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.

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Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)  
Notes to the Ind AS financial statements for the year ended March 31, 2023

39 (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. Electronics System Design and Manufacturing ("ESDM") and accordingly there is only one reportable segment called ESDM in accordance with the requirement of Ind AS 108 - "Operating segments"

(b) Geographical information

Particulars	(Rs. in thousands)			
	Segment revenue*		Non-current assets**	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
India	160,387.96	6,671.65	52,375.08	22,964.67
Europe	211,471.08	184,822.15	-	-
North America	8,943.35	506.98	-	-
<b>Total</b>	<b>380,802.39</b>	<b>192,000.78</b>	<b>52,375.08</b>	<b>22,964.67</b>

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

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

(c) Revenue from one external customer group having more than 10% each of the company's total revenue amounting to Rs. 295,698.94 thousands (March 31, 2022: Rs. 80,974.23 thousands). Also refer note 37 for related party transactions.

39 (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 has borrowing from the parent company. 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, 2023	March 31, 2022
Borrowings (refer note 17)	20,122.30	20,000.00
Less: Cash and cash equivalents (refer note 11)	26,188.29	47,043.33
<b>Total debts (i)</b>	<b>(6,065.99)</b>	<b>(27,043.33)</b>
<b>Capital components</b>		
Equity share capital (refer note 14)	1,000.00	1,000.00
Other equity (refer note 15)	17,943.57	(808.13)
<b>Total Capital (ii)</b>	<b>18,943.57</b>	<b>191.87</b>
<b>Capital and borrowings (iii = i + ii)</b>	<b>12,877.58</b>	<b>(26,851.46)</b>
<b>Gearing ratio (i / iii)</b>	<b>**</b>	<b>**</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

\*\* Gearing ratio is not determinable as total debts is negative.

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**Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)**  
**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**40 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 2.3(b) and 2.3(l), to the Ind AS 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, 2023 and March 31, 2022.

<b>As at March 31, 2023</b>					<b>(Rs. in thousands)</b>
<b>Particulars</b>	<b>Fair value through statement of profit or loss</b>	<b>Derivative instruments not in hedging relationship</b>	<b>Amortised cost</b>	<b>Total fair value</b>	<b>Total carrying value</b>
<b>Financial assets</b>					
(i) Trade receivables	-	-	213,154.15	213,154.15	213,154.15
(ii) Cash and cash equivalents	-	-	26,188.29	26,188.29	26,188.29
(iii) Other financial assets	-	-	5,010.09	5,010.09	5,010.09
<b>Total</b>	-	-	<b>244,352.53</b>	<b>244,352.53</b>	<b>244,352.53</b>
<b>Financial liabilities</b>					
(i) Borrowings	-	-	20,122.30	20,122.30	20,122.30
(ii) Lease liabilities	-	-	40,375.41	40,375.41	40,375.41
(iii) Trade payables	-	-	70,993.73	70,993.73	70,993.73
(iv) Other financial liabilities	-	-	16,150.53	16,150.53	16,150.53
<b>Total</b>	-	-	<b>147,641.97</b>	<b>147,641.97</b>	<b>147,641.97</b>

<b>As at March 31, 2022</b>					<b>(Rs. in thousands)</b>
<b>Particulars</b>	<b>Fair value through statement of profit or loss</b>	<b>Derivative instruments not in hedging relationship</b>	<b>Amortised cost</b>	<b>Total fair value</b>	<b>Total carrying value</b>
<b>Financial assets</b>					
(i) Trade receivables	-	-	60,434.57	60,434.57	60,434.57
(ii) Cash and cash equivalents	-	-	47,043.33	47,043.33	47,043.33
(iii) Other financial assets	-	-	9,074.15	9,074.15	9,074.15
<b>Total</b>	-	-	<b>116,552.05</b>	<b>116,552.05</b>	<b>116,552.05</b>
<b>Financial liabilities</b>					
(i) Borrowings	-	-	20,000.00	20,000.00	20,000.00
(ii) Lease liabilities	-	-	25,314.58	25,314.58	25,314.58
(iii) Trade payables	-	-	85,970.06	85,970.06	85,970.06
(iv) Other financial liabilities	-	-	10,843.41	10,843.41	10,843.41
<b>Total</b>	-	-	<b>142,128.05</b>	<b>142,128.05</b>	<b>142,128.05</b>

**(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.

<b>Particulars</b>	<b>(Rs. in thousands)</b>		
	<b>Fair value measurements at reporting date using</b>		
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>
<b>March 31, 2023</b>			
<b>Financial liabilities</b>			
Borrowings	20,122.30	-	20,122.30
<b>March 31, 2022</b>			
<b>Financial liabilities</b>			
Borrowings	20,000.00	-	20,000.00

**Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)**  
**Notes to the Ind AS financial statements for the year ended March 31, 2023**

(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) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2023 and March 31, 2022.

**Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)**  
**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**(c) Financial risk management objectives and policies**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, other financial assets and cash and bank balances derived from its operations.

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, USD 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
<b>March 31, 2023</b>			
EURO	5%	2,461.80	(2,461.80)
CAD	5%	351.80	(351.80)
USD	5%	(231.01)	231.01
<b>March 31, 2022</b>			
EURO	5%	3,027.70	(3,027.70)
CAD	5%	405.80	(405.80)
USD	5%	(0.19)	0.19

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2023 and March 31, 2022.

**(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 INR 244,352.53 thousands and Rs. 116,552.05 thousands as at March 31, 2023 and March 31, 2022 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.

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 and in respect to loans and security deposits 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.

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**Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)**  
**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**(c) 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.

<b>(Rs. in thousands)</b>				
<b>Particulars</b>	<b>0 to 1 years</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
<b>March 31, 2023</b>				
Borrowings	10,122.30	10,000.00	-	20,122.30
Lease liabilities	11,198.06	29,697.78	9,055.19	49,951.03
Trade payables	70,993.73	-	-	70,993.73
Other current financial liabilities	16,150.53	-	-	16,150.53
	<b>108,464.62</b>	<b>39,697.78</b>	<b>9,055.19</b>	<b>157,217.59</b>
<b>March 31, 2022</b>				
Borrowings	-	20,000.00	-	20,000.00
Lease liabilities	9,564.65	20,070.72	-	29,635.37
Trade payables	85,970.06	-	-	85,970.06
Other current financial liabilities	10,843.41	-	-	10,843.41
	<b>106,378.12</b>	<b>40,070.72</b>	-	<b>146,448.84</b>

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**Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)**  
**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**42 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, 2023 and March 31, 2022.

- 43** 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, 2023, 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.

**44 Unhedged foreign currency exposure:**

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

Particulars	Currency	March 31, 2023		March 31, 2022	
		Amount in foreign currency (in thousands)	Amount (Rs. in thousands)	Amount in foreign currency (in thousands)	Amount (Rs. in thousands)
Trade payable	EURO	564.83	50,612.65	425.20	35,755.25
	USD	57.21	4,703.88	1.07	80.87
Trade receivables	EURO	874.55	78,366.15	602.33	50,649.96
	CAD	115.81	7,035.97	134.15	8,115.98
	USD	1.02	83.75	1.02	77.00
Cash and cash equivalents	EURO	239.73	21,482.54	542.98	45,659.39

- 45** As at March 31, 2023, Trade receivables amounting to Rs. 7,985.33 thousands (March 31, 2022: Rs. 7,162.78 thousands) and advance from customers amounting to Rs. 27,981.18 thousands (March 31, 2022: Rs. 8,590.41 thousands) towards sale of goods and services, which are outstanding beyond permissible time period stipulated under the Master Circular on Import of Goods and Services and Master Circular on Export of Goods and Services issued by Reserve Bank of India ('the RBI'). Considering that the balances are outstanding for more than the stipulated time, the Company is in the process of intimating the appropriate regulatory authorities and seeking requisite approvals for extensions. 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 Ind AS financial statements in this regard.

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**Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)**  
**Notes to the Ind AS financial statements for the year ended March 31, 2023**

**46 Other Statutory information**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries)  
or  
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)  
or  
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**47 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these Ind AS 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  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

For and on behalf of Board of Directors of  
Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)

per Sandeep Kamani  
Partner  
Membership number: 061207

Vinod Srinivasrao Chippalkatti  
Director  
DIN:07661636

Bruno Jacques Philippe Baudot  
Director  
DIN:07664282

Place: Bengaluru, India  
Date: May 19, 2023

Place: Bengaluru, India  
Date: May 19, 2023

Place: Ecully, France  
Date: May 19, 2023