

INDEPENDENT AUDITOR'S REPORT

To the Members of Centum T&S Private Limited (formerly known as 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 T&S Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, 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 Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2024, its profit 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.

Other Information

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. The other information is expected to be made available to us after the date of this auditor's report.

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 Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 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 with reference to financial statements 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 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 to the extent applicable, 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 except, as detailed in note 43 of the Ind AS financial statements, for the matters stated in the paragraph (f) and (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
 - (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) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
 - (g) With respect to the adequacy of the internal financial controls 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, 2024 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.
 - iv. a) The management has represented that, to the best of its knowledge and belief, and as disclosed in the note 48(v) to the Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by

the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief and as disclosed in the note 48(vi) to the Ind AS financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares except that, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in note 43 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where audit trail has been enabled.

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

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 24061207BKBJWJ5715
Place of Signature: Bengaluru
Date: May 14, 2024

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

Re: Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited) (‘the Company’)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (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) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) As disclosed in note 48(i) to the accompanying Ind AS financial statements, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory excluding inventory lying with third parties at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2024. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification and confirmation.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company and hence not commented upon.
- (iii) The Company has not made investments, provided loans, advances in the nature of loans, provided guarantee or provided security to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, the requirement to report on clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

- (iv) There are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 ('the Act') are applicable. Accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company and hence not commented upon.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company and hence not commented upon.
- (vi) 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.
- (vii) (a) Undisputed statutory dues including goods and services tax, professional tax, provident fund, employees' state insurance, income-tax, custom duty, cess and other material statutory dues, as applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, professional tax, provident fund, employees' state insurance, income tax, customs duty, cess and other statutory dues which have not been deposited on account of any dispute.
- (viii) As disclosed in note 48(vii) to the accompanying Ind AS financial statements The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to the Holding Company. Further, the Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis in the form of trade payables and advance received from customers aggregating to Rs. 18,411 thousands for long-term purposes.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (b) During the year no report under sub-section (12) of section 143 of the Act has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.
- (xiii) 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 Ind AS 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) (a) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and (b) of the Order is not applicable to the Company and hence not commented upon.
- (xv) 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 and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The Group does not have more than one CIC as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year or the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 41 to the Ind AS financial statements, ageing and the expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering the Company has current liabilities exceeding current assets by Rs. Rs. 18,411 thousands as at March 31, 2024, the Company has obtained the letter of financial support from the Holding Company, nothing has come to our attention, which causes us to believe that Company is not capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.

We, further, state that this is not an assurance as to the future viability of the Company and that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The provisions of section 135 to the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

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

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 24061207BKBJWJ5715

Place of Signature: Bengaluru
Date: May 14, 2024

Annexure 2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Centum T&S Private Limited (formerly known as 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 have audited the internal financial controls with reference to the Ind AS financial statements of Centum T&S Private Limited ("the Company") as of March 31, 2024 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 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 Companies Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements

A company's internal financial controls 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 these Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls 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 these Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to these Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these Ind AS financial statements and such internal financial controls with reference to these Ind AS financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

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

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 24061207BKBJWJ5715
Place of Signature: Bengaluru
Date: May 14, 2024

Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)
Corporate Identification Number (CIN): U72900KA2016FTC098263
Ind AS Balance Sheet as at March 31, 2024

		(Rs. in thousands)	
	Notes	March 31, 2024	March 31, 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	15,832.84	17,070.30
(b) Other intangible assets	4	611.97	645.79
(c) Right-of-use assets	5	31,927.87	34,576.95
(d) Financial assets			
(i) Other financial assets	6	5,456.99	3,763.99
(e) Deferred tax assets (net)	7	13,661.54	7,557.49
(f) Other assets	8	73.00	82.04
Total non - current assets		67,564.21	63,696.56
(2) Current assets			
(a) Inventories	9	40,013.98	67,500.36
(b) Financial assets			
(i) Trade receivables	10	94,867.71	82,974.23
(ii) Cash and cash equivalents	11	3,943.29	26,188.29
(iii) Other financial assets	12	647.26	1,246.10
(c) Other assets	13	58,893.11	1,48,246.83
Total current assets		1,98,365.35	3,26,155.81
Total assets (1+2)		2,65,929.56	3,89,852.37
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	1,000.00	1,000.00
(b) Other equity	15	18,594.65	17,943.57
Total equity		19,594.65	18,943.57
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	-	10,000.00
(ii) Lease liabilities	5	26,324.28	29,177.35
(b) Net non-current employee defined benefit liabilities	16	3,234.76	2,335.16
Total non - current liabilities		29,559.04	41,512.51
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	10,000.00	10,122.30
(ii) Lease liabilities	5	10,912.03	11,198.06
(iii) Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		2,727.71	4,573.66
Total outstanding dues of creditors other than micro enterprises and small enterprises		68,876.17	46,378.66
(iv) Other financial liabilities	19	25,981.39	16,150.53
(b) Other liabilities	20	83,895.35	2,27,255.11
(c) Net current employee defined benefit liabilities	21	79.71	315.72
(d) Provisions	22	11,091.63	6,212.54
(e) Liabilities for current tax (net)	23	3,211.88	7,189.71
Total current liabilities		2,16,775.87	3,29,396.29
Total equity and liabilities (1+2+3)		2,65,929.56	3,89,852.37

Summary of material 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 Karmani
Partner
Membership number: 061207

Vinod Srinivasrao Chippalkatti
Director
DIN:07661636

Eric Pierre Rouchouze
Additional Director
DIN:10485019

Place: Bengaluru, India
Date: May 14, 2024

Place: Bengaluru, India
Date: May 14, 2024

Place: Ecully, France
Date: May 14, 2024

Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)
Corporate Identification Number (CIN): U72900KA2016FTC098263
Ind AS Statement of Profit and Loss for the year ended March 31, 2024

			(Rs. in thousands)
	Notes	March 31, 2024	March 31, 2023
I Income:			
Revenue from operations	24	5,81,242.61	3,80,802.39
Finance income	25	213.84	764.64
Other income	26	2,329.35	4,995.90
Total income		5,83,785.80	3,86,562.93
II Expenses:			
Cost of raw materials consumed	27	2,32,751.24	1,70,814.89
Purchase of services		59,392.02	17,172.97
Decrease / (increase) in inventories of work-in-progress and finished goods	28	7,521.70	16,835.87
Employee benefits expense	29	2,33,107.14	1,24,181.70
Finance costs	30	7,403.45	5,616.23
Depreciation and amortization expenses	31	10,894.51	8,694.51
Other expenses	32	31,268.40	18,460.11
Total expenses		5,82,338.46	3,61,776.28
III Profit / (loss) before tax (I - II)		1,447.34	24,786.65
IV Tax expenses	33		
(a) Current tax		6,580.98	7,785.91
(b) Deferred tax (credit) / expense		(6,023.64)	(1,431.15)
Total tax expenses		557.34	6,354.76
V Profit / (loss) for the year (III - IV)		890.00	18,431.89
VI Other comprehensive income			
(A) (i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
- Re-measurement (losses) / gains on defined benefit plans	38(b)(ii)	(319.33)	427.38
(ii) Income tax effect	33	80.41	(107.57)
Total other comprehensive income for the year		(238.92)	319.81
VII Total comprehensive income for the year (V + VI)		651.08	18,751.70
VIII Earnings per equity share (nominal value of Rs 10 each)	34		
Basic and diluted (Rs.)		8.90	184.32
Summary of material 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

Eric Pierre Rouchouze
Additional Director
DIN:10485019

Place: Bengaluru, India
Date: May 14, 2024

Place: Bengaluru, India
Date: May 14, 2024

Place: Ecully, France
Date: May 14, 2024

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, 2024

6 Other non-current financial assets

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Unsecured, considered good unless otherwise stated		
Carried at amortised cost		
Security deposits	4,862.61	3,207.05
Non-current bank balance (refer note 11)	594.38	556.94
Total other non-current financial assets	5,456.99	3,763.99

7 Deferred tax assets (net)

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Deferred tax assets		
Impact of provision for inventory obsolescence	5,291.00	-
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	3,625.73	3,395.85
Property, plant and equipments: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	2,444.08	2,535.45
Impact of leases	1,336.03	1,045.70
Impact of deferred revenue	664.90	-
Others	299.80	580.49
Deferred tax assets (net)	13,661.54	7,557.49
Movement for the year	(6,104.05)	(1,323.58)
Reconciliation to the Ind AS statement of profit and loss		
(Credit) / expense during the year as above	(6,104.05)	(1,323.58)
Tax (income) / expense during the period recognized in OCI	(80.41)	107.57
(Credit) / expense during the year	(6,023.64)	(1,431.15)

8 Other non-current assets

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Prepaid expenses	3.84	12.88
Balance with statutory / government authorities		
Unsecured, considered good	69.16	69.16
Total other non-current assets	73.00	82.04

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

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Raw materials	39,502.10	59,466.78
[Includes raw material in transit Rs. 3,614.57 thousands (March 31, 2023: Rs. Nil)]		
Work-in-progress	511.88	6,544.65
Finished goods	-	1,488.93
Total inventories (valued at lower of cost and net realisable value)	40,013.98	67,500.36

10 Trade receivables

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Carried at amortised cost		
Unsecured, considered good		
Receivables from related parties (refer note 37)	74,522.76	26,511.02
Other trade receivables	20,344.95	56,463.21
Total trade receivables	94,867.71	82,974.23
Break-up for security details:		
	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Trade receivables:		
Unsecured, considered good	94,867.71	82,974.23
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	94,867.71	82,974.23
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	94,867.71	82,974.23

- 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.

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, 2024

Trade receivables ageing schedule

As at March 31, 2024 (Rs. in thousands)							
Particulars	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	70,186.15	24,681.56	-	-	-	-	94,867.71
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, 2023 (Rs. in thousands)							
Particulars	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	23,666.79	50,959.13	1,319.71	1,040.62	624.20	5,363.78	82,974.23
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, 2024	March 31, 2023
Balances with banks:		
- On current accounts ¹	907.18	4,698.65
- On exchange earners foreign currency (EEFC) accounts	-	21,482.54
Cash in transit	3,029.67	-
Cash on hand	6.44	7.10
(A)	3,943.29	26,188.29
Other bank balances		
Balance with banks		
- On margin money accounts ²	594.38	556.94
	594.38	556.94
Amount disclosed under other non-current financial assets (refer note 6)	(594.38)	(556.94)
	(594.38)	(556.94)
(B)	-	-
Total cash and cash equivalents	(A+B) 3,943.29	26,188.29

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, 2024	March 31, 2023
Unsecured, considered good unless otherwise stated		
Carried at amortised cost		
Staff advances	520.29	127.60
Other receivables (refer note 37)	124.04	1,118.50
Interest accrued but not due on fixed deposits	2.93	-
Total other current financial assets	647.26	1,246.10

13 Other current assets

(Rs. in thousands)		
	March 31, 2024	March 31, 2023
Unsecured considered good		
Advance to suppliers (refer note 37)	1,200.14	6,338.82
Balance with statutory / government authorities	4,262.13	10,191.23
Prepaid expenses	3,188.13	1,536.86
Contract assets (refer note 24(b) and 37)	50,242.71	1,30,179.92
Total other current assets	58,893.11	1,48,246.83

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, 2024

16 Net non-current employee defined benefit liabilities

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for gratuity (refer note 38)	3,234.76	2,335.16
Total net non-current employee defined benefit liabilities	3,234.76	2,335.16

17 Financial liabilities: Borrowings

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Unsecured		
Loans from related parties (refer note 37)	10,000.00	20,000.00
Interest payable (refer note 37)	-	122.30
Total borrowings	10,000.00	20,122.30
Non current	-	10,000.00
Current	10,000.00	10,122.30

Note:

Loan of Rs 10,000 thousands (March 31, 2023: Rs 20,000 thousands) carries an interest rate of 8% per annum (March 31, 2023: 8% per annum) . The loan is repayable in eight equal quarterly installments starting from June 2023.

18 Financial liabilities: Trade payables

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Carried at amortised cost		
Trade payables	27,010.09	19,068.29
Trade payables to related parties (refer note 37)	44,593.79	31,884.03
Total trade payables	71,603.88	50,952.32
The above amount includes		
Total outstanding dues of micro enterprises and small enterprises	2,727.71	4,573.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	68,876.17	46,378.66
	71,603.88	50,952.32

a) Trade payables include due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2016). 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:

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	2,727.71	4,573.66
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 40(c)(b).
- The dues to related parties are unsecured.

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18.1 Trade payables ageing schedule

(Rs. in thousands)						
As at March 31, 2024						
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
Undisputed outstanding dues of micro enterprises and small enterprises	302.68	2,425.03	-	-	-	2,727.71
Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	33,200.59	35,675.58	-	-	-	68,876.17
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	33,503.27	38,100.61	-	-	-	71,603.88

(Rs. in thousands)						
As at March 31, 2023						
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
Undisputed outstanding dues of micro enterprises and small enterprises	684.47	3,889.19	-	-	-	4,573.66
Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	8,967.72	36,861.42	-	-	549.52	46,378.66
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	9,652.19	40,750.61	-	-	549.52	50,952.32

19 Other current financial liabilities

(Rs. in thousands)		
	March 31, 2024	March 31, 2023
Carried at amortised cost		
Accrued salaries and benefits	24,595.33	15,716.04
Payable for capital goods	1,386.06	434.49
Total other current financial liabilities	25,981.39	16,150.53

20 Other current liabilities

(Rs. in thousands)		
	March 31, 2024	March 31, 2023
Advance from customers	55,252.54	2,19,392.21
Statutory dues payable	12,046.38	7,862.90
Deferred revenue	2,641.59	-
Other liabilities (refer note 37)	13,954.84	-
Total other current liabilities	83,895.35	2,27,255.11

21 Net current employee defined benefit liabilities

(Rs. in thousands)		
	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for gratuity (refer note 38)	79.71	315.72
Total net current employee defined benefit liabilities	79.71	315.72

22 Provisions

(Rs. in thousands)		
	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for compensated absences	10,204.54	6,212.54
Provision for loss making contracts	887.09	-
Total provisions	11,091.63	6,212.54

The following table summarises the changes in the provision for loss making contracts:

(Rs. in thousands)		
Particulars	March 31, 2024	March 31, 2023
Opening balance	-	-
Amount provided / (reversed) during the year	887.09	-
Amount utilised during the year	-	-
Closing balance	887.09	-

23 Liabilities for current tax (net)

(Rs. in thousands)		
	March 31, 2024	March 31, 2023
Provision for current tax (net of advance income tax)	3,211.88	7,189.71
Total liabilities for current tax (net)	3,211.88	7,189.71

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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, 2024

24 Revenue from operations

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Sale of services (refer note 37)	1,53,142.04	1,32,369.27
Sale of products (refer note 37)	4,28,100.57	2,48,433.12
	<u>5,81,242.61</u>	<u>3,80,802.39</u>

Notes to revenue from contracts with customers:

a) Timing of rendering of services - March 31, 2024

	Performance obligation satisfied at point in time	Performance obligation satisfied over time	Total
Sale of services (refer note 37)		1,53,142.04	1,53,142.04
Sale of products (refer note 37)	11,176.32	4,16,924.25	4,28,100.57
	<u>11,176.32</u>	<u>5,70,066.29</u>	<u>5,81,242.61</u>

Timing of rendering of services - March 31, 2023

	Performance obligation satisfied at point in time	Performance obligation satisfied over time	Performance obligation satisfied over time
Sale of services (refer note 37)	-	1,32,369.27	1,32,369.27
Sale of products (refer note 37)	82,263.24	1,66,169.88	2,48,433.12
	<u>82,263.24</u>	<u>2,98,539.15</u>	<u>3,80,802.39</u>

b) Contract balances:

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Trade receivables (refer note 10)		
- Current (Gross)	94,867.71	82,974.23
Contract assets (refer note 13)		
- Current	50,242.71	1,30,179.92
Advance received from customers (refer note 20)		
- Current	55,252.54	2,19,392.21
Deferred revenue (refer note 20)		
- Current	2,641.59	-

c) Revenue recognised during the year

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Arising out of contract liabilities as at the beginning of the year	2,18,871.90	32,158.04

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, 2023: Rs. Nil)

25 Finance income

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Interest income on security deposits	173.47	213.23
Interest income - bank deposits	40.37	551.41
	<u>213.84</u>	<u>764.64</u>

26 Other income

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Foreign exchange differences (net)	-	4,468.30
Provisions/ liabilities no longer required, written back	2,329.35	527.60
	<u>2,329.35</u>	<u>4,995.90</u>

27 Cost of raw materials consumed

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Inventory at the beginning of the year	59,466.78	13,459.78
Add: Purchases (refer note 37)	2,12,786.56	2,16,821.89
	<u>2,72,253.34</u>	<u>2,30,281.67</u>
Less: Inventory at the end of the year	(39,502.10)	(59,466.78)
Cost of raw materials consumed	<u>2,32,751.24</u>	<u>1,70,814.89</u>

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

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Inventories at the end of the year	511.88	8,033.58
- Work-in-progress / finished goods		
Inventories at the beginning of the year		24,869.45
- Work-in-progress / finished goods	8,033.58	
Decrease / (increase) in inventories	<u>7,521.70</u>	<u>16,835.87</u>

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, 2024

29 Employee benefits expense

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Salaries, wages and bonus	2,20,587.00	1,14,002.24
Contribution to provident and other funds (refer note 38(a))	3,230.15	1,951.28
Gratuity expenses (refer note 38(b))	2,040.47	1,156.27
Staff welfare expenses	5,868.76	3,328.30
Recruitment expenses	1,380.76	3,743.61
	2,33,107.14	1,24,181.70

30 Finance costs

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Interest on borrowings (refer note 37)	1,253.15	1,600.00
Bank charges	2,375.05	904.95
Interest on lease liabilities (refer note 5)	3,038.89	2,590.15
Interest on income tax	736.36	521.13
	7,403.45	5,616.23

31 Depreciation and amortization expenses

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment (refer note 3)	2,581.85	1,657.10
Amortization of intangible assets (refer note 4)	233.82	74.59
Depreciation of right-of-use assets (refer note 5)	8,078.84	6,962.82
	10,894.51	8,694.51

32 Other expenses *

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Equipment lease charges	4,032.18	2,960.21
Rates and taxes	38.18	78.87
Power and fuel	2,182.22	1,535.62
Repairs and maintenance	2,805.53	3,894.33
Insurance	2,215.45	1,483.42
Legal and professional fees (includes payment to auditor (refer details below))	6,173.89	3,623.55
Foreign exchange differences (net)	2,177.37	-
Travelling and conveyance	6,038.94	1,740.01
Freight outwards	3,970.53	1,624.49
Miscellaneous expenses	1,634.11	1,519.61
	31,268.40	18,460.11

* Refer note 37 for transactions with related parties.

Payment to auditor (exclusive of taxes and surcharge)

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
As auditor:		
Audit fee (including fees for internal controls over financial reporting)	700.00	700.00
In other capacity:		
Reimbursement of expenses	-	28.00
	700.00	728.00

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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, 2024

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 Ind AS statement of profit and loss consist of the following:

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
(a) Current tax	6,580.98	7,785.91
(b) Deferred tax (credit) / expense	(6,023.64)	(1,431.15)
(c) Deferred tax (credit) / expense related to items recognized in OCI during the period	(80.41)	107.57
Total tax expenses	476.93	6,462.33

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, 2024	March 31, 2023
Profit before taxes	1,447.34	24,786.65
Other Comprehensive Income	(319.33)	427.38
Applicable tax rates in India	25.17%	25.17%
Computed tax charge	283.90	6,345.87
<u>Tax effect of items on which deferred taxes has not been accounted:</u>		
Tax effect on permanent non-deductible expenses	185.33	131.16
Others	7.70	(14.70)
Total tax expenses	476.93	6,462.33

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, 2024	March 31, 2023
Face value of equity shares (Rs. per share)	10.00	10.00
Profit attributable to equity shareholders (A) (Rs. in thousands)	890.00	18,431.89
Weighted average number of equity shares used for computing EPS (basic and diluted) (B)	1,00,000	1,00,000
EPS - basic and diluted (A/B) (Rs.)	8.90	184.32

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Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)
Corporate Identification Number (CIN): U72900KA2016FTC098263
Ind AS Statement of Cash Flows for the year ended March 31, 2024

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	1,447.34	24,786.65
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Net foreign exchange differences (unrealised)	(82.82)	(2,233.45)
Depreciation and amortization expenses	10,894.51	8,694.51
Provisions/ liabilities no longer required, written back	(2,329.35)	(527.60)
Provision for inventory obsolescence	21,023.10	-
Provision for onerous contract	887.09	-
Finance costs	7,403.45	5,616.23
Finance income	(213.84)	(764.64)
Operating profit / (loss) before working capital changes	39,029.48	35,571.70
Working capital adjustments:		
Decrease / (increase) in trade receivables, inventories, other financial assets and other assets	83,181.74	(1,85,262.75)
(Decrease) / increase in trade payables, provisions, other financial liabilities and other liabilities	(1,07,209.98)	1,58,882.80
Cash generated from operations	15,001.24	9,191.75
Direct taxes paid (net of refunds)	(11,295.17)	(2,988.34)
Net cash flows from / (used in) operating activities	3,706.07	6,203.41
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including other intangible assets	(592.82)	(15,542.84)
Interest income received	-	535.08
Net cash flows (used in) / from investing activities	(592.82)	(15,007.76)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(10,000.00)	-
Finance costs paid	(3,750.50)	(2,382.65)
Payment of principal portion of lease liabilities	(8,568.86)	(7,077.89)
Payment of interest portion of lease liabilities	(3,038.89)	(2,590.15)
Net cash flows (used in) / from financing activities	(25,358.25)	(12,050.69)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(22,245.00)	(20,855.04)
Cash and cash equivalents at the beginning of the year	26,188.29	47,043.33
Cash and cash equivalents at the end of the year	3,943.29	26,188.29
Total cash and cash equivalents (note 11)	3,943.29	26,188.29

Explanatory notes to statement of cash flows

Changes in liabilities arising from financing activities:-

	(Rs. in thousands)	
	Liabilities arising from financing activities	
	Financial liabilities:	Lease liabilities
Particulars	Borrowings	(including current
	(refer note 17)	portion of lease
		liabilities) (refer note 5)
As at April 01, 2023	20,122.30	40,375.41
Cash flows	(10,122.30)	(11,607.75)
Recognition of lease liabilities (refer note 5)	-	5,429.76
Non-cash changes		
Accretion of interest (refer note 5)	-	3,038.89
As at March 31, 2024	10,000.00	37,236.31
As at April 01, 2022	20,000.00	25,314.58
Cash flows	-	(9,668.04)
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
As at March 31, 2023	20,122.30	40,375.41

Summary of material 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

Eric Pierre Rouchouze
Additional Director
DIN:10485019

Place: Bengaluru, India
Date: May 14, 2024

Place: Bengaluru, India
Date: May 14, 2024

Place: Ecully, France
Date: May 14, 2024

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, 2024

3. Property, plant and equipment

(Rs. in thousands)							
Particulars	Leasehold improvements	Plant and equipments	Computers	Office equipments	Furniture and fixtures	Electrical installations	Total
At cost / deemed cost							
As at April 01, 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/discard during the year	-	-	-	-	-	-	-
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
Additions	-	187.83	575.08	226.11	355.37	-	1,344.39
Disposals/discard during the year	-	-	-	-	-	-	-
As at March 31, 2024	28,568.67	1,928.72	2,440.61	817.18	3,667.72	1,137.76	38,560.66
Accumulated Depreciation							
As at April 01, 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/discard during the year	-	-	-	-	-	-	-
As at March 31, 2023	15,553.17	549.60	1,771.68	360.10	1,508.06	403.36	20,145.97
Charge for the year	1,716.38	227.07	114.34	91.60	318.68	113.78	2,581.85
Disposals/discard during the year	-	-	-	-	-	-	-
As at March 31, 2024	17,269.55	776.67	1,886.02	451.70	1,826.74	517.14	22,727.82
Net book value							
As at March 31, 2024	11,299.12	1,152.05	554.59	365.48	1,840.98	620.62	15,832.84
As at March 31, 2023	13,015.50	1,191.29	93.85	230.97	1,804.29	734.40	17,070.30

4. Other intangible assets

(Rs. in thousands)		
Particulars	Computer software	Total
At cost / deemed cost		
As at April 01, 2022	576.82	576.82
Additions	717.56	717.56
Disposals	-	-
As at March 31, 2023	1,294.38	1,294.38
Additions	200.00	200.00
Disposals	-	-
As at March 31, 2024	1,494.38	1,494.38
Accumulated amortization		
As at April 01, 2022	574.00	574.00
Charge for the year	74.59	74.59
Disposals	-	-
As at March 31, 2023	648.59	648.59
Charge for the year	233.82	233.82
Disposals	-	-
As at March 31, 2024	882.41	882.41
Net book value		
As at March 31, 2024	611.97	611.97
As at March 31, 2023	645.79	645.79

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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, 2024

5. Leases

Company as a lessee

The Company has lease contracts for office facilities. The lease term of the office facilities is generally 3-8 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:

(Rs. in thousands)	
Particulars	Office Buildings
Gross block	
As at April 01, 2022	36,702.17
Additions during the year	22,138.72
Modification of right-of-use assets/other adjustments	(6,946.59)
As at March 31, 2023	51,894.30
Additions during the year	5,429.76
As at March 31, 2024	57,324.06
Accumulated depreciation	
As at April 01, 2022	17,301.12
Charge for the year (refer note 31)	6,962.82
Modification of right-of-use assets/other adjustments	(6,946.59)
As at March 31, 2023	17,317.35
Charge for the year (refer note 31)	8,078.84
As at March 31, 2024	25,396.19
Net block as on March 31, 2024	31,927.87
Net block as on March 31, 2023	34,576.95

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

(Rs. in thousands)	
Particulars	Lease liabilities
As at April 01, 2022	25,314.58
Additions	22,138.72
Accretion of interest (refer note 30)	2,590.15
Payment of lease liabilities (refer note 37)	(9,668.04)
As at March 31, 2023	40,375.41
Additions	5,429.76
Accretion of interest (refer note 30)	3,038.89
Payment of lease liabilities (refer note 37)	(11,607.75)
As at March 31, 2024	37,236.31

	(Rs. in thousands)	
	March 31, 2024	March 31, 2023
Current	10,912.03	11,198.06
Non-current	26,324.28	29,177.35

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

The effective interest rate for lease liabilities is 8% (March 31, 2023: 8%).

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

(Rs. in thousands)		
Particulars	March 31, 2024	March 31, 2023
Depreciation expense of right-of-use assets (refer note 31)	8,078.84	6,962.82
Interest expense on lease liabilities (refer note 30)	3,038.89	2,590.15
Expense relating to leases of low-value asset (included in other expenses) (refer note 32)	4,032.18	2,960.21
Total amount recognised in Ind AS statement of profit or loss	15,149.91	12,513.18

The Company had total cash outflows for leases of Rs. 15,639.93 thousands (March 31, 2023: Rs. 12,628.25 thousands) for the year ended March 31, 2024.

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14. Equity share capital

Authorised share capital:

At April 01, 2022
Increase / (decrease) during the year
At March 31, 2023
Increase / (decrease) during the year
At March 31, 2024

Equity shares of Rs. 10 each	
In numbers	Rs. in thousands
1,00,000	1,000.00
-	-
1,00,000	1,000.00
-	-
1,00,000	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, 2022
Increase / (decrease) during the year
At March 31, 2023
Increase / (decrease) during the year
At March 31, 2024

In numbers	Rs. in thousands
1,00,000	1,000.00
-	-
1,00,000	1,000.00
-	-
1,00,000	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, 2024		March 31, 2023	
In numbers	Rs. in thousands	In numbers	Rs. in thousands
1,00,000	1,000.00	1,00,000	1,000.00
-	-	-	-
1,00,000	1,000.00	1,00,000	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, 2024		March 31, 2023	
	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%

*Represents shareholders in promoter's group. There is no change in the share holding of the promoter's group in the last two years.

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.

15. Other equity

Retained earnings

Balance as at April 01, 2022
Add: Profit / (loss) for the year
Add: Remeasurement gains / (losses) of defined benefit plans
Balance as at March 31, 2023
Add: Profit / (loss) for the year
Add: Remeasurement (losses) / gains of defined benefit plans
Balance as at March 31, 2024

Rs. in thousands
(808.13)
18,431.89
319.81
17,943.57
890.00
(238.92)
18,594.65

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 loss.

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, 2024

Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed price contracts for test bench projects as the management believes that entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date based on terms of the contract.

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.

36 Commitments and contingent liabilities

(a) Capital commitments

		(Rs. in thousands)
Particulars	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	26,350.87	-

(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)
(i) Particulars of guarantees	March 31, 2024	March 31, 2023
Bank guarantees (refer note 11)	594.38	556.94

(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. Certain sections of the Code came into effect on May 03, 2023, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

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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, 2024

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 (Centum Technologies ET Solutions), France (formerly known as Centum Adeneo SAS) Centum T&S Group SA, France (formerly known as Centum Adetel Group SA, France) Centum T&S (Centum Technologies ET Solutions), Canada (formerly known as Centum Adetel Solution) Centum E&S (Centum Equipments ET Systemes), Canada (formerly known as Centum Adetel Equipment) Centum T&S (Technologies & Solutions) Belgium SRL (formerly known as Centum Adeneo Belgium)
Key managerial personnel	Mr. Vinod Srinivasrao Chippalkatti - Director Mr. Eric Pierre Rouchouze - Additional director (appointed w.e.f. January 31, 2024) Mr. Bruno Jacques Philippe Baudot - Director (resigned w.e.f. January 31, 2024)

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

(Rs. in thousands)		
Particulars	March 31, 2024	March 31, 2023
i) Sale of services		
Parties where control exists		
- Centum Electronics Limited	990.28	5,299.15
Parties under common control		
- Centum T&S (Centum Technologies ET Solutions), France	53,344.56	42,360.03
- Centum T&S (Centum Technologies ET Solutions), Canada	41,854.21	8,943.35
- Centum T&S (Technologies & Solutions) Belgium SRL	8,588.78	9,247.47
ii) Sale of products		
Parties where control exists		
- Centum Electronics Limited	4,665.17	3,903.16
Parties under common control		
- Centum T&S (Centum Technologies ET Solutions), France	2,412.24	125.46
iii) Purchase of goods and services		
Parties where control exists		
- Centum Electronics Limited	3,107.42	1,465.82
Parties under common control		
- Centum T&S Group SA, France	17,944.86	-
- Centum T&S (Centum Technologies ET Solutions), France	82,580.99	1,06,029.57
iv) Finance cost - Interest on borrowings		
Parties where control exists		
- Centum Electronics Limited	1,253.15	1,600.00
v) Payment of lease liabilities		
Parties where control exists		
- Centum Electronics Limited	3,746.98	1,873.49
vi) Repayment of borrowings		
Parties where control exists		
- Centum Electronics Limited	10,000.00	-
vii) Other expenses - Travel and conveyance / Legal and professional fees / Miscellaneous expenses		
Parties where control exists		
- Centum Electronics Limited	204.21	-
Parties under common control		
- Centum T&S (Centum Technologies ET Solutions), France	564.59	1,311.01
viii) Expense incurred on behalf of the Company by:		
Parties where control exists		
- Centum Electronics Limited	3,585.59	1,905.88
ix) Expense incurred on behalf of the Group Company:		
Parties where control exists		
- Centum Electronics Limited	-	54.21
Parties under common control		
- Centum T&S (Centum Technologies ET Solutions), France	4,705.25	-
- Centum T&S (Centum Technologies ET Solutions), Canada	443.53	-

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, 2024

x) Recovery of expenses:		
Parties where control exists		
- Centum Electronics Limited	39,908.59	-

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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, 2024

(Rs. in thousands)		
Particulars	March 31, 2024	March 31, 2023
xi) Outstanding balances as at the year ended:		
a) Trade receivables (including contract assets)		
Parties where control exists		
- Centum Electronics Limited	35,360.13	5,721.69
Parties under common control		
- Centum T&S (Centum Technologies ET Solutions), Canada	23,544.88	16,320.32
- Centum T&S (Centum Technologies ET Solutions), France	14,964.39	6,514.66
- Centum E&S (Centum Equipments ET Systemes), Canada	-	83.75
- Centum T&S (Technologies & Solutions) Belgium SRL	653.36	1,773.76
b) Trade payables		
Parties where control exists		
- Centum Electronics Limited	1,711.05	1,499.45
Parties under common control		
- Centum T&S (Centum Technologies ET Solutions), Canada	21,413.09	-
- Centum T&S Group SA, France	12,179.65	-
- Centum T&S (Centum Technologies ET Solutions), France	9,290.00	30,384.58
c) Financial liabilities - Borrowings (including interest accrued)		
Parties where control exists		
- Centum Electronics Limited	10,000.00	20,122.30
d) Lease liabilities (Current and Non-Current)		
Parties where control exists		
- Centum Electronics Limited	19,069.72	21,221.71
e) Other liabilities		
Parties where control exists		
- Centum Electronics Limited	13,954.84	-
f) Other current assets - Advance to suppliers		
Parties where control exists		
- Centum Electronics Limited	-	525.00
g) Other current financial assets - Other receivables		
Parties where control exists		
- Centum Electronics Limited	-	1,118.50
Parties under common control		
- Centum T&S (Centum Technologies ET Solutions), France	124.04	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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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:

	(Rs. in thousands)	
Particulars	March 31, 2024	March 31, 2023
Contribution to provident fund and other funds	3,230.15	1,951.28
	3,230.15	1,951.28

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 funded partially through contributions made to SBI Life Insurance Company Limited.

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

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

	(Rs. in thousands)	
Particulars	March 31, 2024	March 31, 2023
Current service cost	1,792.71	985.44
Interest cost on defined benefit obligation	247.76	170.83
Net benefit expenses	2,040.47	1,156.27

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

	(Rs. in thousands)	
Particulars	March 31, 2024	March 31, 2023
Actuarial loss/ (gain) on obligations arising from changes in experience adjustments	187.30	(366.92)
Actuarial loss/ (gain) on obligations arising from changes in financial assumptions	132.03	(60.46)
Actuarial loss/ (gain) recognised in OCI	319.33	(427.38)

iii. Net defined benefit liability

	(Rs. in thousands)	
Particulars	March 31, 2024	March 31, 2023
Defined benefit obligation	4,839.47	2,650.88
Fair value of plan assets	(1,525.00)	-
Liability recognised in the balance sheet	3,314.47	2,650.88

	(Rs. in thousands)	
Particulars	March 31, 2024	March 31, 2023
Defined Benefit Obligation - Current	79.71	315.72
Defined Benefit Obligation - Non-current	3,234.76	2,335.16
	3,314.47	2,650.88

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

	(Rs. in thousands)	
Particulars	March 31, 2024	March 31, 2023
Opening defined benefit obligation	2,650.88	1,921.99
Current service cost	1,792.71	985.44
Interest cost on defined benefit obligation	247.76	170.83
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	187.30	(366.92)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	132.03	(60.46)
Benefits paid	(171.21)	-
Closing defined benefit obligation	4,839.47	2,650.88

v. Changes in the fair value of plan assets are as follows:

	(Rs. in thousands)	
Particulars	March 31, 2024	March 31, 2023
Opening fair value of plan assets	-	-
Interest income on plan assets	-	-
Benefits paid	-	-
Contributions by the employer	1,525.00	-
Return on plan assets (lesser)/greater than discount rate	-	-
Closing fair value of plan assets	1,525.00	-

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

	(Rs. in thousands)	
Particulars	March 31, 2024	March 31, 2023
Within the next 12 months	79.71	315.72
Between 1 and 2 years	135.43	56.23
Between 2 and 3 years	163.68	94.82
Between 3 and 4 years	211.41	113.68
Between 4 and 5 years	305.93	140.23
Between 5 and 10 years	1,650.06	773.44

The average duration of the defined benefit plan obligation at the end of the reporting period is 11.29 years (March 31, 2023: 10 years).

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, 2024

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

Particulars	March 31, 2024	March 31, 2023
Discount rate (in %)	7.09%	7.31%
Salary escalation (in %)	10.00%	10.00%
	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%
	Age 55 - 59 Yrs : 1%	Age 55 - 59 Yrs : 1%
Employee Turnover/ Withdrawal Rate		
	60 years	60 years
Retirement age	Indian Assured Lives	Indian Assured Lives
	Mortality (2012-14)	Mortality (2012-14)
Mortality Rate	Ultimate Table	Ultimate Table

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.

viii. A quantitative sensitivity analysis for significant assumption as at March 31, 2023 and March 31, 2022 is as shown below:

Particulars	March 31, 2024	March 31, 2023
(Rs. in thousands)		
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(561.79)	(286.43)
Impact on defined benefit obligation due to 1% decrease in discount rate	669.07	343.07
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	279.79	137.62
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(299.66)	(152.31)
Attrition rate		
Impact on defined benefit obligation due to 1% increase in attrition rate	(16.16)	(11.72)
Impact on defined benefit obligation due to 1% decrease in attrition rate	49.63	28.15

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, 2024

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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
India	3,41,592.72	1,60,387.96	48,445.68	52,375.08
Europe	1,97,795.68	2,11,471.08	-	-
North America	41,854.21	8,943.35	-	-
Total	5,81,242.61	3,80,802.39	48,445.68	52,375.08

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

**Non-current assets excludes financial instruments and tax assets and are determined for the Company as a whole.

(c) Revenue from one external customer group having more than 10% each of the company's total revenue amounting to Rs. 420,581.89 thousands (March 31, 2023: Rs. 295,698.94 thousands). Also refer note 37 for related party transactions.

(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, 2024	March 31, 2023
Borrowings (refer note 17)	10,000.00	20,122.30
Less: Cash and cash equivalents (refer note 11)	3,943.29	26,188.29
Total debts (i)	6,056.71	(6,065.99)
Capital components		
Equity share capital (refer note 14)	1,000.00	1,000.00
Other equity (refer note 15)	18,594.65	17,943.57
Total Capital (ii)	19,594.65	18,943.57
Capital and borrowings (iii = i + ii)	25,651.36	12,877.58
Gearing ratio (i / iii)	24%	**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

** 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, 2024

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, 2024 and March 31, 2023.

As at March 31, 2024					(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	-	-	94,867.71	94,867.71	94,867.71
(ii) Cash and cash equivalents	-	-	3,943.29	3,943.29	3,943.29
(iii) Other financial assets	-	-	6,104.25	6,104.25	6,104.25
Total	-	-	1,04,915.25	1,04,915.25	1,04,915.25
Financial liabilities					
(i) Borrowings	-	-	10,000.00	10,000.00	10,000.00
(ii) Lease liabilities	-	-	37,236.31	37,236.31	37,236.31
(iii) Trade payables	-	-	71,603.88	71,603.88	71,603.88
(iv) Other financial liabilities	-	-	25,981.39	25,981.39	25,981.39
Total	-	-	1,44,821.58	1,44,821.58	1,44,821.58

As at March 31, 2023					(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	-	-	82,974.23	82,974.23	82,974.23
(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
Total	-	-	1,14,172.61	1,14,172.61	1,14,172.61
Financial liabilities					
(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	-	-	50,952.32	50,952.32	50,952.32
(iv) Other financial liabilities	-	-	16,150.53	16,150.53	16,150.53
Total	-	-	1,27,600.56	1,27,600.56	1,27,600.56

(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) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2024 and March 31, 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, 2024

(c) Financial risk management objectives and policies

The Company's principal financial liabilities comprise 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		Effect on profit or loss after tax	
		Strengthening	Weakening	Strengthening	Weakening
March 31, 2024					
EURO	5%	3,255.51	(3,255.51)	2,436.17	(2,436.17)
USD	5%	(100.17)	100.17	(74.96)	74.96
March 31, 2023					
EURO	5%	9,404.90	(9,404.90)	7,037.87	(7,037.87)
CAD	5%	351.80	(351.80)	263.26	(263.26)
USD	5%	(231.01)	231.01	(172.87)	172.87

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2024 and March 31, 2023.

(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 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. 155,157.96 thousands and Rs. 244,352.53 thousands as at March 31, 2024 and March 31, 2023 respectively, being the total carrying value of trade receivables, contract assets, 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 one external customer group which contribute to 37% (March 31, 2023: 83%) of total trade receivables and contract assets for the year ended March 31, 2024.

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, 2024

(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.

(Rs. in thousands)				
Particulars	0 to 1 years	1 to 5 years	> 5 years	Total
March 31, 2024				
Borrowings	10,000.00	-	-	10,000.00
Lease liabilities	13,458.12	26,010.11	5,308.22	44,776.45
Trade payables	71,603.88	-	-	71,603.88
Other current financial liabilities	25,981.39	-	-	25,981.39
	1,21,043.39	26,010.11	5,308.22	1,52,361.72
March 31, 2023				
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	50,952.32	-	-	50,952.32
Other current financial liabilities	16,150.53	-	-	16,150.53
	88,423.21	39,697.78	9,055.19	1,37,176.18

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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, 2024

- 42 MCA has amended the Rule 3 of the Companies (Accounts) Rules, 2014 (the “Accounts Rules”) vide notification dated August 05, 2022, relating to the mode of keeping books of account and other books and papers in electronic mode. Back-ups of the books of account and other books and papers of the company maintained in electronic mode are now required to be retained on a server located in India on daily basis (instead of back-ups on a periodic basis as provided earlier) as prescribed under Rule 3(5) of the Accounts Rules. With respect to the above, the Company has complied with the requirement for all the IT applications.
- 43 The Company has used certain accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that, audit trail feature is not enabled for certain changes made, if any, to data using privileged/ administrative access rights in so far it relates to the aforesaid applications. Further, no instances of audit trail feature being tampered with respect to the above accounting software has been noted where audit trail has been enabled. Further, the Company has also used certain accounting softwares which are operated by a third-party software service providers, for maintaining its books of account which has complied with all the requirements for audit trail based on SOC 2- Type 2 report issued by an external expert.
- 44 **Corporate social responsibility expenditure**
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, 2024 and March 31, 2023.
- 45 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, 2024, 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.

46 **Unhedged foreign currency exposure:**

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

Particulars	Currency	March 31, 2024		March 31, 2023	
		Amount in foreign currency (in thousands)	Amount (Rs. in thousands)	Amount in foreign currency (in thousands)	Amount (Rs. in thousands)
Trade payable	EURO	477.14	43,047.42	339.08	30,384.58
	USD	24.03	2,003.40	57.21	4,703.88
Trade receivables and contract assets	EURO	1,165.27	1,05,128.03	2,198.41	1,96,999.96
	CAD	-	-	115.81	7,035.97
	USD	-	-	1.02	83.75
Cash and cash equivalents	EURO	33.58	3,029.67	239.73	21,482.54

- 47 As at March 31, 2024, Trade payables amounting to Rs.4,059.88 thousands (March 31, 2023: Rs. Nil), Trade receivables amounting to Rs. Nil (March 31, 2023: Rs. 7,985.33 thousands) and advance from customers amounting to Rs. 469.13 thousands (March 31, 2023: Rs. 27,981.18 thousands) towards purchase and 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, 2024

48 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).

- 49** 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 Karnani
Partner
Membership number: 061207

Vinod Srinivasrao Chippalkatti
Director
DIN:07661636

Eric Pierre Rouhouze
Additional Director
DIN:10485019

Place: Bengaluru, India
Date: May 14, 2024

Place: Bengaluru, India
Date: May 14, 2024

Place: Ecully, France
Date: May 14, 2024

Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)
Notes to the financial statements for the year ended March 31, 2024

1. Corporate information

Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited) ("Centum" or "the Company") is a private limited company domiciled in India. The Company was incorporated as a private limited company on December 6, 2016 under the Companies Act, 2013. The registered office of the Company is located at Bangalore, India.

The Company has been formed principally for the design and engineering services relating to customers to help them realize complex products and sub systems catering to the communications, aerospace, transportation and industrial electronics markets.

Information on related party relationships of the Company is provided in Note 37.

The Ind AS financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on May 14, 2024.

In the FY 2019-20, the Company has got the registration done under the provisions of Micro, Small and Medium Enterprise Development Act ("MSMED") Act, 2006 vide Udyog Aadhaar number ("UAN") KR03D0122525 dated January 10, 2020.

1.1 Going Concern

On the basis of the financial ratios disclosed in Note 41 to the Ind AS financial statements, ageing and the expected dates of realization of financial assets and payment of financial liabilities, profitable operations, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering the Company has current liabilities exceeding current assets by Rs. 18,410.52 thousands as at March 31, 2024, the Holding Company has committed to provide financial and operational support to the Company for its continued operation in the foreseeable future. Accordingly, the financial statements of the Company have been prepared on a going concern basis and do not include any adjustments relating to the carrying amount and classification of assets or the amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

2. Material accounting policies

The material accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

2.1. Basis of Preparation

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

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

The functional and presentation currency of the Company is Indian Rupee ("Rs.") which is the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest thousand (INR 000), except when otherwise indicated.

The Company has prepared the Ind AS financial statements on the basis that it will continue to operate as a going concern.

2.2. Change in accounting policies and disclosures:

New Standards and amendments:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023. The Company applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's Ind AS financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's Ind AS financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

Since, these balances qualify for offset as per requirements of paragraph 74 of Ind AS 12, there is no impact on the Ind AS balance sheet. There was also no impact on the opening retained earnings as at April 01, 2023.

Apart from these, consequential amendments and editorials have been made to other IndAs like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

2.3 Summary of material accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the Ind AS balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle,
- ii. Held primarily for the purpose of trading,
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle,
- ii. It is held primarily for the purpose of trading,
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

b. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ▶ Disclosures for valuation methods, significant estimates and assumptions
- ▶ Quantitative disclosures of fair value measurement hierarchy
- ▶ Investment in unquoted equity shares
- ▶ Financial instruments (including those carried at amortised cost)

c. Revenue Recognition

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Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products and services

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of services, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Fixed price contracts

These contracts which have a performance obligation either provide for the fixed price for the entire project or a price defined in a framework agreement for each type of service ordered by the customer as the project is performed.

Revenues from fixed price contracts is recognised based on the stage of completion and the expected profit on completion. The Company uses the percentage-of-completion method in accounting for its fixed price contracts for such projects as the management believes that entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date based on terms of the contract

Revenues are recognised on the percentage of completion method, in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of billing has been reflected under "Other current assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen.

Time and material contracts

These contracts, which are subject to best efforts clause, have a variable price determined according to the time spent and the seniority of the staff employed for these projects. Revenues generated by time and material contracts is recognised as the services are performed.

Interest income

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer (which consist of unbilled revenue). If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (o) Financial instruments below.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments below.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

d. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

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Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

e. Property, plant and equipment ('PPE')

Capital work in progress includes cost of property, plant and equipment under installation / under development, net of accumulated impairment loss, if any, as at the balance sheet date. Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category of asset*	Estimated useful life
Plant and equipments (including the related intellectual property)	8 years*
Office equipments	5 years
Furniture and fixtures	10 years
Computers	3 years
Electrical Installations	10 years

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* The Company, based on technical assessment made by the technical expert and management estimate, depreciates certain items of plant and equipment (including the related intellectual property) over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Machinery spares are depreciated on a systematic basis over the period of the remaining useful life of the fixed assets for which they are utilised.

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer software	Definite (3 years)	Straight-line basis	Acquired

g. Leases

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

Company as a lessee

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

i) Right-of-use assets:

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (h) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

h. Inventories

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Inventories are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- a) Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Cost of raw materials, stores and spares, work-in-progress and finished goods is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i. Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and
- (ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net fair value less costs of disposal and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset.

(or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

j. Provisions and contingent liabilities

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

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

Provisions and contingent liability are reviewed at each balance sheet.

Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

k. Retirement and other employee benefits

Retirement benefit in the form of provident fund and pension fund are defined contribution scheme. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to provident fund and pension fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company

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recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

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

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- a) The date of the plan amendment or curtailment, and
- b) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b) Net interest expense or income.

I. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as disclosed in section 2.3.(c) Revenue recognition.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Effective interest method

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The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(i) Financial assets

Financial assets at amortised cost

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

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The Company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Financial Instruments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

b) De-recognition

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

Off-setting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

n. Foreign currencies

The Ind AS financial statements are presented in INR, which is also the Company's functional currency.

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Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

o. Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

p. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Company by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.4 Standard notified but not yet effective

There are no standards that are notified and not yet effective as on the date.

2.5 Climate – related matters

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the Ind AS financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation.

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