Centum T&S Group

Year ended March 31, 2024

Statutory auditor’s report on the consolidated financial statements

ERNST & YOUNG et Autres

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Centum T&S Group

Year ended March 31, 2024

Statutory auditor's report on the consolidated financial statements

To the General Manager,

Opinion

In our capacity as statutory auditor of Centum T&S Group and in accordance with your request we have audited the consolidated financial statements of Centum T&S Group and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects of the consolidated financial position of the Group as at March 31, 2024, and of its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in France, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Société de Commissaires aux Comptes

Siège social : 1-2, place des Saisons - 92400 Courbevoie - Paris-La Défense 1

In preparing the consolidated financial statements, Management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Restriction on Use of our Report

This report is addressed to you of the Entity. We assume or take no responsibility in respect of third parties to whom this report is distributed or made available.

This report is governed by, and construed in accordance with French law. The courts of France shall have exclusive jurisdiction in relation to any claim or dispute concerning the engagement letter or this report, and any matter arising therefrom. Each party irrevocably waives any right it may have to object to an action being brought in any of those courts and to claim that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

Lyon, May 21, 2024

The Statutory Auditor
ERNST & YOUNG et Autres

Benjamin Malherbe

Centum T & S Group SA
Consolidated Balance Sheet as at March 31, 2024

	Note	As at March 31, 2024	(in Euro) As at March 31, 2023
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	654 311	712 319
(b) Goodwill on consolidation	4a	-	-
(b) Other intangible assets	4a	3 112 235	1 581 512
(c) Intangible assets under development	4b	1 119 398	2 539 536
(d) Capital work-in-progress	4c	-	-
(d) Right-of-use assets	38	5 461 375	4 633 847
(e) Financial assets			
(i) Investments in associates	5a	985 722	973 509
(ii) Other Investments	5b	6 136	6 136
(iii) Other financial assets	6	1 246 802	1 255 936
(f) Deferred tax assets (net)	7	-	-
(g) Other non-current assets	12	968 724	3 957 888
Total non-current assets		**13 554 703**	**15 660 684**
(2) Current assets			
(a) Inventories	8	3 004 391	2 586 023
(b) Financial assets			
(i) Trade receivables	9	4 854 420	14 841 441
(ii) Cash and cash equivalents	10	1 853 888	2 107 232
(iii) Other financial assets	11	4 667 923	1 743 904
(c) Other current assets	12	8 601 642	6 740 535
Total current assets		**22 982 263**	**28 019 135**
Total assests (1+2)		**36 536 967**	**43 679 818**
Equity and liabilities			
(1) Equity			
(a) Equity share capital	13	5 405 416	5 405 416
(b) Other equity	14	(12 559 921)	(8 900 938)
Equity attributable to equity holders of the parent		**(7 154 505)**	**(3 495 522)**
Non-controlling interests		-	-
Total equity		**(7 154 505)**	**(3 495 522)**
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	3 813 917	6 468 479
(ii) Lease liabilities	38	4 401 772	3 829 863
(b) Net employee defined benefit liabilities	16	127 882	173 522
(c) Provisions	17	32 908	90 647
(d) Other non-current liabilities	20	1 205 987	-
Total non current liabilities		**9 582 466**	**10 562 511**
(3) Current liabilities			
(a)Financial liabilities			
(i) Borrowings	18	4 188 956	11 034 411
(ii) Lease liabilities	38	1 171 076	859 190
(iii) Trade payables	19	12 580 773	8 185 263
(b) Other current liabilities	20	13 705 431	14 092 565
(c) Provisions	21	2 462 769	2 441 400
Total current liabilities		**34 109 005**	**36 612 829**
Total equity and liabilities (1+2+3)		**36 536 966**	**43 679 818**
Summary of significant accounting policies	2,3		

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

As per our report of even date attached

for ERNST & YOUNG et Autres
Chartered Accountants
Firm registration number:

Benjamin MALHERBE
Partner
Membership Number:

Place: Lyon, France
Date: May 21, 2024

for and on behalf of Board of Directors of
Centum T & S Group SA

Eric ROUCHOUZE
Chief Executive Officer

Place: Ecully, France
Date: May 21, 2024

Anaïs BODIN
Legal Adviser

Centum T & S Group SA
Consolidated Statement of Profit and Loss for the year ended March 31, 2024

(in Euro)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I Income			
Revenue from operations	22	51 208 158	50 221 415
Other income	23	-	89 423
Finance Income	24	31 707	80 829
Total income		**51 239 865**	**50 391 667**
II Expenses			
Cost of materials consumed	25	17 422 894	13 681 208
(Increase) / decrease in inventories of work-in-progress	26	(579 846)	15 159
Employee benefit expenses	27	27 572 196	28 490 034
Finance costs	28	1 720 984	1 346 568
Depreciation and amortisation expenses	29	2 201 945	2 466 425
Other expenses	30	5 440 815	5 725 908
Total expenses		**53 778 988**	**51 725 302**
III Profit / (loss) before share of profit / (loss) of associates, exceptional items and tax (I - II)		**(2 539 123)**	**(1 333 635)**
IV Share of (loss)/ profit of associates (net)		-	148 602
V (Loss)/ profit before exceptional items and tax (III-IV)		**(2 539 123)**	**(1 185 033)**
VI Exceptional items (net)	31	(1 116 561)	-
VII (Loss)/ profit before tax (V-V1)		**(3 655 684)**	**(1 185 033)**
VIII Tax expenses			
(a) Current tax	7	-	-
(b) Deferred tax (credit) / expense	7	-	-
IX (Loss)/ profit for the year (VII-VIII)		**(3 655 684)**	**(1 185 033)**
X Other comprehensive income (net of tax)			
(A) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
(i) Exchange differences on translation of foreign operations		(4 643)	179 869
(ii) Income tax effect		-	-
(B) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(i) Remeasurement gains / (losses) on defined benefit plans		-	-
(ii) Income tax effect		-	-
Other comprehensive income for the year, net of tax		**(4 643)**	**179 869**
Total comprehensive income/ (expenses) for the year (XI+X)		**(3 660 327)**	**(1 005 164)**
(Loss)/ profit for the year		**(3 660 327)**	**(1 005 164)**
Attributable to			
(a) Equity holders of the parent		(3 660 327)	(1 005 164)
(b) Non controlling interest		-	-
Other comprehensive income for the year		**(4 643)**	**179 869**
Attributable to			
a) Equity holders of the parent		-	-
b) Non-controlling interests		-	-
Total comprehensive income for the year:		**(3 660 327)**	**(1 005 164)**
Attributable to			
(a) Equity holders of the parent		(3 660 327)	(1 005 164)
(b) Non controlling interest		-	-

Centum T & S Group SA
Consolidated Statement of Profit and Loss for the year ended March 31, 2024

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
XI Earnings per equity share (nominal value of EUR 8 each)	32		
Earnings per share (EUR):			
Basic and diluted, computed on the basis of profit/ (loss) attributable to equity holders of the parent (per-equity share of EUR 8 each)			
- Basic (EUR)		(5,42)	(1,49)
- Diluted (EUR)		(5,42)	(1,49)

Summary of significant accounting policies 2,3

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

As per our report of even date attached

for ERNST & YOUNG et Autres
Chartered Accountants
Firm registration number:

Benjamin MALHERBE
Partner
Membership Number:

Place: Lyon, France
Date: May 21, 2024

for and on behalf of Board of Directors of
Centum T & S Group SA

Eric ROUCHOUZE
Chief Executive Officer

Place: Ecully, France
Date: May 21, 2024

Anaïs BODIN
Legal Adviser

Centum T & S Group SA
Consolidated statement of cash flows for the year ended March 31, 2024

	For the year ended March 31, 2024	For the year ended March 31, 2023
		(in Euro)
Cash flow from operating activities		
(Loss)/ profit before tax	(3 655 684)	(1 185 033)
(Loss)/ profit before tax expenses	(3 655 684)	(1 185 033)
Non-cash adjustments to reconcile profit/ (loss) before tax to net cash flows:		
Depreciation and amortisation expenses	2 201 945	2 466 425
Provisions no longer required, written back	-	(89 423)
Provision for doubtful receivables	51 004	203 306
Finance income	(31 707)	(80 829)
Finance costs	1 720 984	1 346 568
Exceptional items	(1 116 561)	-
Share of loss / (profit) of associates	-	(148 602)
Operating profit/ (loss) before working capital changes	**(830 019)**	**2 512 412**
Working capital adjustments:		
(Increase) / decrease in inventories	(418 368)	200 935
Decrease/ (increase) in trade receivables	9 936 017	1 702 006
Decrease/ (increase) in non-current/current financial and other assets	(669 815)	151 060
(Decrease)/ increase in trade payables, provisions and other liabilities	5 181 641	1 231 376
Cash generated from operations	**13 199 455**	**5 797 790**
Direct taxes paid (net of refunds)	-	-
Net cash flow from / (used in) operating activities (A)	**13 199 455**	**5 797 790**
Cash flow from investing activities		
Purchase of property, plant and equipment, including intangible assets	(1 159 161)	(1 226 761)
Purchase of non-current investments	-	-
Investment in bank deposit (having original maturity of more than three months) and other bank balances	(451)	40 414
Interest received	(33 092)	16 030
Net cash flow (used in)/ from investing activities (B)	**(1 192 704)**	**(1 170 317)**
Cash flow from financing activities		
Proceeds / repayments of long term borrowings (net)	(2 516 730)	(3 232 303)
Proceeds / repayment of short term borrowings (net)	(6 998 992)	(34 684)
Payment of lease liabilities	(1 143 188)	(1 361 092)
Finance costs paid	(1 601 185)	(1 269 023)
Net cash flow (used in) / from financing activities (C)	**(12 260 095)**	**(5 897 102)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(253 344)	(1 269 629)
Cash and cash equivalents at the beginning of the year	2 107 232	3 376 861
Cash and cash equivalents at the end of the year	**1 853 888**	**2 107 232**

Explanatory notes to statement of cash flows

1. Changes in liabilities arising from financing activities:-

Particulars	Liabilities arising from financing activities		
	Long term borrowings (including current maturities of long term borrowings) (refer note 15 and 18)	**Short term borrowings (refer note 18)**	**Lease liabilities (refer note 38)**
As at April 1, 2023	**10 338 756**	**7 051 286**	**6 206 553**
Cash flows	(2 516 730)	(6 998 992)	(1 143 188)
Non-cash changes			
Changes in fair values((refer note 42)			104 094
Additions to lease liabilities (refer note 38)			1 922 889
As at March 31, 2024	**7 822 026**	**52 294**	**7 090 348**
As at April 1, 2022	**13 571 059**	**7 085 970**	**6 070 129**
Cash flows	(3 232 303)	(34 684)	(1 361 092)
Non-cash changes		-	-
Changes in fair values((refer note 42)		-	77 545
Additions to lease liabilities (refer note 38)		-	1 419 971
As at March 31, 2023	**10 338 756**	**7 051 286**	**6 206 553**

Summary of significant accounting policies 2,3

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

As per our report of even date attached

for ERNST & YOUNG et Autres
Chartered Accountants
Firm registration number:

for and on behalf of Board of Directors of
Centum T & S Group SA

Benjamin MALHERBE
Partner
Membership Number:

Eric ROUCHOUZE
Chief Executive Officer

Anaïs BODIN
Legal Adviser

Place: Lyon, France
Date: May 21, 2024

Place: Ecully, France
Date: May 21, 2024

Financial Assets: non current

5b Other Investment

(in Euro)

Particulars	As at March 31, 2024	As at March 31, 2023
Unquoted		
Investments carried at fair value through consolidated statement of profit and loss		
Investments in other companies	6 136	6 136
74,184 (March 31, 2023: 74,184) equity shares of USD 0.01 each, fully paid up.		
Total	**6 136**	**6 136**
Aggregate value of unquoted investments	6 136	6 136

1. Unquoted equity instruments for which cost has been considered as an appropriate estimate of fair value as cost represents the best estimate of fair value within that range.

6 Other non-current financial assets

(in Euro)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless otherwise stated		
Carried at amortised cost		
Subsidy Receivable	875 517	891 840
Non-current bank balances (refer note 10)	102 236	101 785
Security Deposits	269 049	262 311
	1 246 802	**1 255 936**

7 Deferred tax

(in Euro)

Particulars	As at March 31, 2024	As at March 31, 2023
Current income tax:		
- relating to current period	-	-
- relating to earlier years	-	-
Current tax expense reported in the statement of profit or loss	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Minimum alternate tax credit entitlement	-	-
Deferred tax expense reported in the statement of profit or loss	-	-

	As at March 31, 2024	As at March 31, 2023
Tax losses carried forward		
Tax losses for which no deferred tax asset was recognised expire as follows.		
Expire		
Never Expire	68 996 130	68 996 130
	68 996 130	**68 996 130**

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

(in Euro)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	2 054 237	2 215 715
[includes raw material in transit: 86,853 (March 31, 2023: Nil)]		
Work-in-progress	950 154	370 308
	3 004 391	**2 586 023**

9 *Trade receivables*

(in Euro)

Particulars	Non-current As at March 31, 2024	Non-current As at March 31, 2023	Current As at March 31, 2024	Current As at March 31, 2023
Carried at amortised cost				
Receivables from related parties (refer note 35)	-	-	1 300 232	1 666 528
Other trade receivables	-	-	3 554 187	13 174 913
Total Trade Receivables	-	-	4 854 420	14 841 441
Break-up for security details:				
Unsecured, considered good	-	-	4 775 305	14 648 840
Trade Receivables - which have significant increase in credit risk	-	-	191 286	726 365
	-	-	4 966 591	15 375 206
Impairment allowance (allowance for bad and doubtful debts)				
Unsecured, considered good	-	-	-	-
Trade Receivables - which have significant increase in credit risk	-	-	(112 171)	(533 765)
Total Trade Receivables	-	-	4 854 420	14 841 441

Trade receivables Ageing Schedule

(in Euro)

As at March 31, 2024

	Outstanding for following periods from due date of payment						
	Curent but not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables- considered good	1 637 505	1 761 918	532 554	119 005	281 099	443 224	**4 775 305**
Undisputed Trade Receivables- which have significant increase in credit risk	-	1 980	33 306	120 000	-	36 000	**191 286**
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	-	-	-	-	-	-	-
	1 637 505	**1 763 898**	**565 860**	**239 005**	**281 099**	**479 224**	**4 966 591**

As at March 31, 2023

	Outstanding for following periods from due date of payment						
	Curent but not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables- considered good	9 476 469	3 834 249	577 554	30 217	391 674	338 678	**14 648 840**
Undisputed Trade Receivables- which have significant increase in credit risk	-	-	120 000	342 060	143 821	120 484	**726 365**
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	-	-	-	-	-	-	-
	9 476 469	**3 834 249**	**697 554**	**372 278**	**535 494**	**459 162**	**15 375 206**

- The carrying amount of trade receivables include receivables amounting to EUR Nil (March 31, 2023: EUR 10,091,981) which are subject to factoring arrangement entered into with the factoring agency / bank. Under this arrangement, the Group has transferred the relevant receivables to the bank in exchange of cash and transfered all rights and actions attached to the aforementioned receivables. As the risk for non recovery lies with the Group, it continues to recognise the transferred assets in its entirety in balance sheet. The amount repayable under the factoring arrangement is presented as unsecured borrowing in note 18.

- During the current year, the Group has entered into a factoring arrangement with the factoring agency / bank. Under this arrangement, the Group has transferred the relevant receivables to the bank in exchange of cash and transfered all rights and actions attached to the aforementioned receivables. The risk for non recovery does not lies with the Group. Balance amount receivable from the factor is classified under other receivable (note 11).

- 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.

- Unbilled revenue consists of contract assets that primarily relate to the Groups' rights to consideration for services provided but not billed at the reporting date. The contract assets are transferred to the receivables as and when rights become unconditional and is current but not due.

- Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

10 Cash and cash equivalents

(in Euro)

Particulars		As at March 31, 2024	As at March 31, 2023
Balance with banks			
- On current accounts		1 853 888	2 107 232
	(A)	1 853 888	2 107 232
Bank balances other than cash and cash equivalents			
Balance with banks			
- On margin money accounts		102 236	101 785
		102 236	101 785
Less: Amount disclosed under other non current financial assets (refer note 6)		(102 236)	(101 785)
	(B)	-	-
Total cash and cash equivalents	(A+B)	1 853 888	2 107 232

Balance with banks on current accounts does not earn interest. Short-term deposits are made for varying periods ranging from 1 day to 3 months, depending on the immediate cash requirement of the Group, and earn interest at the respective short-term deposit rates.

11 Other current financials assets

(in Euro)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured considered good unless otherwise stated		
Subsidy receivables	1 662 620	1 743 904
Other Receivable	3 005 302	
	4 667 923	1 743 904

12 Other assets

(in Euro)

Particulars		Non current		Current	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured considered good					
Prepaid expenses		496 980	372 126	887 994	826 443
Balances with government authorities		-	-	724 715	1 015 771
Advance to suppliers		-	-	1 192 607	370 495
Other current asssets (refer note 35)		-	-	43 942	20 970
Prepaid rent		-	-	-	-
Contract assets (refer note 35)		471 744	3 585 762	5 752 384	4 506 856
	(A)	968 724	3 957 888	8 601 642	6 740 535
Contract assets which have significant increase in credit risk		269 469	-	-	-
Less: Impairment allowance on contract assets which have significant increase in credit risk		(269 469)	-	-	-
	(B)	-	-	-	-
	(A+B)	*968 724*	*3 957 888*	*8 601 642*	*6 740 535*

Financial liabilities: non current

15 *Borrowings*

Particulars	As at March 31, 2024	(in Euro) As at March 31, 2023
Term loan		
From banks		
Term loan (secured)[1]	85 196	288 390
Term loan (unsecured)[2]	2 917 980	4 914 720
From Financial Institutions		
Interest free loan from government[3]	810 741	1 265 369
Bonds[4]	-	-
	3 813 917	**6 468 479**
The above amount includes		
Secured borrowings	85 196	288 390
Unsecured borrowings	3 728 721	6 180 089
	3 813 917	**6 468 479**

1. Foreign currency term loans availed by Centum T & S Group SA, Centum T&S (Technologies and Solutions) SAS (formerly known as Centum Adeneo, SAS), Centum T&S (Technologies and Solutions) Quebec Inc (formerly known as Centum Adetel Solution) and Centum E&S (Equipements & Systemes) Quebec Inc (formerly known as Centum Adetel Equipment) amounting to EUR 289,667 (March 31, 2023: EUR 695,528) (including current maturities of long term borrowings) carries interest rate ranging from 0% to 14% (March 31, 2023: 0% to 8.35%.) and is secured by way of pledge of respective receivables and all other assets present and future of the borrowers along with the bank guarantee.

2. Foreign currency term loan availed by Centum T & S Group SA and its subsidiaries, amounting to EUR 3,429,446 (March 31, 2023: EUR 5,047,446) (including current maturities of long term borrowings) carries interest at 0% p.a for the first year and thereafter carries interest rate between 0.7% to 0.8% upto end of the tenure and the loans are guaranteed to the extent of 90% by the French government within framework of the COVID -19 health crisis. The term loan is repayable in forty eight equal installments commencing from 2023 till 2026. Foreign currency term loan availed by Centum T & S Group SA and its subsidiaries, amounting to EUR 1,485,274 (March 31, 2023: EUR 1,500,000) (including current maturities of long term borrowings) which carries interest at 0% p.a. for the first year and thereafter shall carry interest rate between 0.7% and 2.35% upto the end of the tenure and will be repaid over the term of 4 years starting from 2023 till 2027.

3. Interest free loan from government amounting to EUR 1,297,091 (March 31, 2023: EUR 1,775,233) (including current maturities of long term borrowings) has been provided to carry out research and development activities and is payable on the successful outcome of the research and development.

4. Bonds having coupon rate of 14% p.a. amounting to EUR 999,985 (March 31, 2023: EUR 999,985) are secured by way of mortgage of immovable properties, plant and machinery and other movable assets of Centum T & S Group SA. The bonds are payable in December 2024.

5.There is no continuing default in the repayment of the principal and interest amounts at the balance sheet date.

16 **Net non-current employee defined benefit liabilities**

Particulars	As at March 31, 2024	(in Euro) As at March 31, 2023
Provision for employee benefits		
Provision for pension (refer note 37)	127 882	173 522
	127 882	**173 522**

17 **Non-current provisions**

Particulars	*As at March 31, 2024*	(in Euro) *As at March 31, 2023*
Provisions for litigations and contingencies	-	-
Provisions for loss making contracts*	32 908	90 647
	32 908	**90 647**

	Provisions for litigations and contingencies	Provisions for loss making contracts*
As at April 1, 2022	***1 527 000***	***107 713***
Provision made/ (reversed) during the year and amount utilised during the year (net)	(1 505 000)	(17 066)
As at March 31, 2023	**22 000**	**90 647**
Provision made/ (reversed) during the year and amount utilised during the year (net)	10 000	(57 739)
As at March 31, 2024	**32 000**	**32 908**
Current	32 000	32 908
Non-current	-	-

*The provision for losses includes provision for estimated losses on onerous contracts

Financial Liabilities: current

18 Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
		(in Euro)
Short term loans from banks		
- Cash credit (secured)[5]	330 595	21 651
- Customers bill discounted / factored (secured)[1]	-	7 307 936
- Current maturities of long-term borrowings[3,4] (refer note 15)	3 687 546	3 549 714
Interest accrued but not due on borrowings	170 815	155 110
	4 188 956	11 034 411
The above amount includes		
Secured borrowings	705 881	7 891 835
Unsecured borrowings	3 483 075	3 142 576
	4 188 956	11 034 411

Notes:

1. Customer's bill discounted / factored receivables carries interest rate of NIL (March 31, 2023: 0.09%) of the factored invoices including VAT and have recourse to Centum T&S (Technologies and Solutions) SAS (formerly known as Centum Adeneo, SAS), Centum R&D (Recherche & developement) (formerly known as Centum Adeneo CRD) and Centum Adetel Transportation System SAS and are guaranteed by the cession of the current account balance. During the current year, the Group has entered into factoring arrangement of bills discounting which carries interest rate of 0.09% of factored invoices excluding VAT and does not have recourse to the Centum T&S (Technologies and Solutions) SAS (formerly known as Centum Adeneo, SAS), Centum R&D (Recherche & developement) (formerly known as Centum Adeneo CRD) and Centum Adetel Transportation System SAS.

2. There is no default in the repayment of the principal and interest amounts.

3. Refer note 15 for securities, covenants, interest rate and repayment details.

4. The details of current maturities of long-term borrowings are as follows:

Foreign currency term loan	204 471	407 138
Euro Term Loan	1 996 740	1 632 726
Bonds (unsecured)	999 985	999 985
Interest free loan from government	486 350	509 865
	3 687 546	3 549 714

5. Cash credit / overdraft availed from banks amounting to EUR 330,595 (March 31, 2023: EUR 21,651) .

19 *Trade payables*

Particulars	As at March 31, 2024	As at March 31, 2023
		(in Euro)
Trade payables	8 218 511	6 628 725
Trade payables to related parties (refer note 35)	4 362 262	1 556 538
	12 580 773	8 185 263

Trade payables Ageing Schedule

As at March 31, 2024

(in Euro)

	Current but not due	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 dues of creditors	4 670 423	7 140 098	589 515	110 993	69 745	12 580 773
Disputed dues of creditors	-	-	-	-	-	-
	4 670 423	7 140 098	589 515	110 993	69 745	12 580 773

As at March 31, 2023

(in Euro)

	Current but not due	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 dues of creditors	3 892 319	3 839 221	303 452	69 618	80 653	8 185 263
Disputed dues of creditors	-	-	-	-	-	-
	3 892 319	3 839 221	303 452	69 618	80 653	8 185 263

a) Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing
- For explanations on the Group's credit risk management processes, refer to note 42.
- The dues to related parties are unsecured

20 Other current liabilities

Particulars	Non-current As at March 31, 2024	Current As at March 31, 2024	Non-current As at March 31, 2023	Current As at March 31, 2023
Advance from customers (refer note 35)	-	1 587 871	-	1 686 358
Withholding and other taxes and duties payable	1 205 987	6 009 894	-	5 440 942
Deferred Revenue (refer note 35)	-	3 615 820	-	4 357 326
Accrued salaries and benefits	-	2 064 386	-	2 151 556
Other current liabilities (refer note 35)	-	427 460	-	456 383
	1 205 987	*13 705 431*	-	*14 092 565*

21 Current provisions

Particulars	As at March 31, 2024	As at March 31, 2023
		(in Euro)
Provision (short-term)	32 000	22 000
Provision for compensated absences	2 430 769	2 419 400
Total	2 462 769	2 441 400

22 Revenue from operations

(in Euro)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products (refer note 35)	15 879 501	12 896 099
Sale of services (refer note 35)	30 377 787	32 837 041
Other operating revenues	-	-
Income from government grants	3 429 556	3 542 362
Management fees (refer note 35)	1 521 314	945 913
	51 208 158	50 221 415

1. Refer note 43 for disclosures under IFRS 15

23 Other income

(in Euro)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Liabilities no longer required written back	-	89 423
Gain on account of foreign exchange fluctuations (net)	-	-
Other non-operating income	-	-
	-	89 423

24 Finance Income

(in Euro)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income- others	31 707	80 829
	31 707	80 829

25 Cost of materials consumed

(in Euro)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	2 215 715	2 401 491
Add: Purchases (refer note 35)	17 261 416	13 495 432
Inventory at the end of the year	2 054 237	2 215 715
Cost of materials consumed	17 422 894	13 681 208

26 (Increase) / decrease in inventories of work-in-progress

(in Euro)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Work-in-progress	370 308	385 467
Less: Inventories at the end of the year		
Work-in-progress	950 154	370 308
(Increase) / decrease in inventories of work-in-progress	(579 846)	15 159

27 Employee benefits expenses

(in Euro)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	19 842 404	20 663 101
Contribution to provident and other funds (refer note 37)	7 729 792	7 826 933
	27 572 196	28 490 034

28 Finance costs

(in Euro)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on debt and borrowings(refer note 35)	1 349 052	1 031 274
Other borrowing costs	267 838	237 749
Interest on lease liabilities (refer note 38)	104 094	77 545
	1 720 984	1 346 568

29 Depreciation and amortisation expense

(in Euro)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of tangible assets (refer note 3)	261 762	371 604
Amortisation of intangible assets (refer note 4a)	844 822	807 369
Depreciation of right-of-use assets (refer note 38)	1 095 361	1 287 452
	2 201 945	2 466 425

30 Other expenses

(in Euro)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent (refer note 38)	402 913	422 830
Rates and taxes	808 260	834 496
Repairs and maintenance	949 729	794 699
Insurance	367 163	356 326
Legal and professional fees*	700 858	760 998
Travelling and conveyance	1 221 927	1 085 861
Postage, telephones and telegrams	115 586	132 186
Advertisement and promotion	153 669	102 161
Provision for doubtful advances	51 004	203 306
Foreign exchange differences (net)	66 023	480 057
Recruitment and training	184 442	113 183
Power and fuel	303 224	331 416
Miscellaneous expenses	116 017	108 389
	5 440 815	5 725 908

* Legal and professional fees includes remuneration to auditors as mentioned below

Payment to auditor (exclusive of taxes)	March 31, 2024	March 31, 2023
As auditor:		
Audit fee (including fees for internal controls over financial reporting, consolidated financial statements of the company and quarterly limited reviews)	158 631	119 998
In other capacity		
Reimbursement of expenses	-	-
	158 631	119 998

Centum T & S Group SA
Consolidated Statement of Changes in Equity for the year ended March 31, 2024

(a) Equity share capital

Equity shares of EUR 8 each issued, subscribed and fully paid	Number	Amount
Balance as at April 1, 2022	675 677	5 405 416
Issue of share capital (refer note 13)	-	-
Balance as at March 31, 2023	675 677	5 405 416
Issue of share capital (refer note 13)	-	-
Balance as at March 31, 2024	675 677	5 405 416

(b) Other equity

(in Euro)

Particulars	Attributable to equity shareholders				Total equity
	Reserves and surplus				
	Securities premium account (refer note 14)	General reserve (refer note 14)	Retained earnings (refer note 14)	Foreign Currency Translation reserve (refer note 14)	
For the year ended March 31, 2024					
As at April 1, 2023	3 385 029	8 179 408	(20 681 608)	216 233	(8 900 938)
(Loss)/ profit for the year	-	-	(3 655 684)	-	(3 655 684)
Others	-	-	1 344	(4 643)	(3 299)
Balance as at March 31, 2024	3 385 029	8 179 408	(24 335 948)	211 590	(12 559 921)
For the year ended March 31, 2023					
As at April 1, 2022	3 385 029	8 179 408	(19 492 740)	36 364	(7 891 939)
(Loss)/ profit for the year	-	-	(1 185 033)	-	(1 185 033)
Others	-	-	(3 835)	179 869	176 034
Balance as at March 31,2023	3 385 029	8 179 408	(20 681 608)	216 233	(8 900 938)

Summary of significant accounting policies 2.3

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

As per our report of even date attached

for ERNST & YOUNG et Autres
Chartered Accountants
Firm registration number:

for and on behalf of Board of Directors of
Centum T & S Group SA

Benjamin MALHERBE
Partner
Membership Number:

Eric ROUCHOUZE
Chief Executive Officer

Anaïs BODIN
Legal Adviser

Place: Lyon, France
Date: May 21, 2024

Place: Ecully, France
Date: May 21, 2024

1 Corporate Information

Centum T & S Group("T &S" or "the Company" or "the Holding Company) is established since 1994 and located in France. It has subsidiaries in Canada. The Company along with its subsidiaries and its associates (hereinafter collectively referred to as "the Group"), are primarily involved in the design and manufacturing of energy conversion and storage systems and information management systems. The industry segments are Transport & Automotive, Defense & Aerospace, Industrial & Energy, Medical and Communication.

The consolidated financial statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on May 3, 2024.

2 Significant accounting policies

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

2,1 Basis of Consolidation

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated 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 Group is Euro which is the currency of the primary economic environment in which the Group operates.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

· Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
· Exposure, or rights, to variable returns from its involvement with the investee, and
· The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
· The contractual arrangement with the other vote holders of the investee.
· Rights arising from other contractual arrangements.
· The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
• Derecognises the assets (including goodwill) and liabilities of the subsidiary at their caryying amounts at the date when control is lost
• Derecognises the carrying amount of any non-controlling interests
• Derecognises the cumulative translation differences recorded in equity
• Recognises the fair value of the consideration received
• Recognises the fair value of any investment retained
• Recognises any surplus or deficit in profit or loss
• Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2,2 Changes in accounting policies and disclosures:

New standards and amendments:

(i) IFRS 17 Insurance Contracts
IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:
• A specific adaptation for contracts with direct participation features (the variable fee approach)
• A simplified approach (the premium allocation approach) mainly for short-duration contracts
The new standard had no impact on the Group's consolidated financial statements.

(ii) Definition of Accounting Estimates - Amendments to IAS 8
The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements.

(iii) Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. 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 Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

(iv) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's consolidated financial statements.

(v) International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12
The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:
• A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
• Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.
The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.
The amendments had no impact on the Group's consolidated financial statements.

2,3 Significant accounting policies

a) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IFRS 12 Income Tax and IFRS 19 Employee Benefits respectively.

- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with IFRS 12- Income Tax.

- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payments at the acquisition date.

- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets held for Sale and Discontinued Operations are measured in accordance with that standard.

- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of IAS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its associate is accounted for using the equity method after making necessary adjustments to achieve uniformity in application of accounting policies. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

When the Group's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c) Current versus non-current classification

The Group presents assets and liabilities in the consolidated 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

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.

d) Fair value measurement

The Group 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 Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their 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 Group 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 consolidated 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; and
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 consolidated financial statements on a recurring basis, the Group 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 Group 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)

e) Revenue Recognition

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 Group expects to be entitled in exchange for those goods or services. The Group 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 Group 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 Group 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 Group 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.

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. Depending on the contracts, the degrees of progress is determined according to the input method (notably according to the costs borne by the project and hours spent) or the output method (notably according to the deliverables made). In the event of an unexpected excess of total contract costs over total contract revenues, the expected losses on completion are provisioned.

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.

Management fees income

Income from management fees is recognised as per the terms of the agreement on the basis of services rendered.

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 Group 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. 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 of Financial instruments.

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 (q) Financial instruments.

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 Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

f) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

g) Taxes on income

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

h) Non-current assets held for sale/ disposal

The Group classifies non-current assets as held for sale / disposal if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,
b) An active programme to locate a buyer and complete the plan has been initiated,
c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

i) Property, plant and equipment

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. Plant and equipment are stated at cost, net of 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 Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

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 Group 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 Group 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.

The Group provides depreciation based on estimated useful lives of the property, plant and equipment as determined by the management of such subsidiaries and associates. In view of different sets of environment in which such foreign subsidiaries and associates operate in their respective countries, depreciation is provided based on local laws and management estimates. These entities follow straight line method of depreciation spread over the useful life of each individual asset.

Land is carried at historical cost and is not depreciated. Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis. 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.

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.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset categories	Years
Plant & equipment	3-5 years
Electrical installation	5-10 years
Furniture & fixtures	5-10 years
Office equipment	3-8 years
Computer	3-5 years

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.

j) 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 Group's intangible assets is, as follows:

Intangible assets	**Useful lives**	**Amortisation method used**	**Internally generated or acquired**
Goodwill (including goodwill arising on consolidation)	Indefinite	No amortisation	Acquired
Customer relationship	Definite (8 years)	Straight-line basis	Acquired
Computer software	Definite (5 years)	Straight-line basis	Acquired
Intellectual property rights	Definite (8 years)	Straight-line basis	Acquired

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of cost of such asset until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognized as an expense in the year in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l) Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 Group 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 Group 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 (n) Impairment of non-financial assets.

ii)Lease Liabilities

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

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

The Group 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.

m) Inventories

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.

n) Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, intangible assets, including goodwill and investment in associate 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. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

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 Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group 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 Group 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 is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

o) Provisions and contingent liabilities

General
Provisions are recognised when the Group 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 Group 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 consolidated 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 Group 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 Group 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 Group 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 Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. 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 Group does not recognize a contingent liability but discloses its existence in the consolidated 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 consolidated 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. The impact of climate-related matters on remediation of environmental damage is considered with determining the decommissioning liability on the manufacturing facility.

p) Employment benefits

Post retirement obligations

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service.

Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

The Company has the following employee benefit plans:

Provident fund & employee state insurance : The company makes a contribution towards provident fund and employee's state insurance which is a defined contribution scheme, are charged to the statement of profit and loss in the period in which the employee renders services.

The Group does not have any post employment benefits that are classifies as defined benefit plans

q) Financial instruments

Financial assets and financial liabilities are recognised when the Group 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 consolidated 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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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 Group has applied the practical expedient are measured at the transaction price as disclosed in section 2.3.(e) 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.

Investment in equity instruments issued by associates are measured at cost less impairment.

Effective interest method

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 excluding investment in associate

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 Group 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 IAS 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 approximates fair value due to the short maturity of these instruments.

De-recognition of financial assets

The Group 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 IAS 109.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.
If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group 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 consolidated statement of profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group 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 Group 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 debt 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 consolidated 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 Group 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 IAS 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 consolidated statement of profit and loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

r) Cash and cash equivalents

Cash and cash equivalent in the consolidated 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 Group's cash management.

s) Foreign currencies

The Group's consolidated financial statements are presented in EUR, which is also the Holding company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances:

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an 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 with the exception of the following:
•Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
•Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
•Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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).

Group companies:

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

t) Research and development expenditure

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:
i.The technical feasibility of completing the intangible asset so that it will be available for use or sale
ii.Its intention to complete the asset
iii.Its ability to use or sell the asset
iv.How the asset will generate future economic benefits
v.The availability of adequate resources to complete the development and to use or sell the asset
vi.The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset. The cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the consolidated statement of profit and loss. During the period of development, the asset is tested for impairment annually.

u) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the parent 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 Standards issued but not yet effective

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

i) Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

ii) Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

***iii)* Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

3. Property, plant and equipment

(in Euro)

	Freehold land	Building	Plant and equipment	Electrical installations	Computers	Office equipment	Vehicles	Total
As at April 1, 2022	**15 445**	**433 492**	**2 249 647**	**1 544 405**	**358 161**	**349 472**	**11 442**	**4 962 064**
Additions	-	-	1 120	19 310	51 180	2 549	-	74 159
Exchange differences - translation adjustment	-	-	(49 223)	(16 033)	(6 212)	(4 549)	(439)	(76 456)
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2023	**15 445**	**433 492**	**2 201 544**	**1 547 682**	**403 129**	**347 472**	**11 003**	**4 959 767**
Additions	-	-	45 360	128 087	31 241	1 963	-	206 651
Exchange differences - translation adjustment	-	-	3 604	1 173	454	333	32	5 596
Disposals	-	-	-		-	-	-	
As at March 31, 2024	**15 445**	**433 492**	**2 250 508**	**1 676 942**	**434 824**	**349 768**	**11 035**	**5 172 014**
Accumulated Depreciation								
As at April 1, 2022	-	**269 967**	**1 800 292**	**1 234 869**	**313 794**	**316 659**	**10 225**	**3 945 807**
Charge for the year	-	14 406	250 130	75 724	22 314	8 784	246	371 604
Exchange differences - translation adjustment	-	-	(43 790)	(16 034)	(5 878)	(3 875)	(386)	(69 963)
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2023	-	**284 373**	**2 006 632**	**1 294 559**	**330 230**	**321 568**	**10 085**	**4 247 448**
Charge for the year	-	11 130	137 909	75 057	29 585	8 081	-	261 762
Exchange differences - translation adjustment	-	3 277	3 122	1 173	428	281	213	8 493
Disposals	-	-	-		-	-	-	-
As at March 31, 2024	-	**298 780**	**2 147 663**	**1 370 789**	**360 243**	**329 930**	**10 298**	**4 517 703**
Net block								
As at March 31, 2024	**15 445**	**134 712**	**102 845**	**306 153**	**74 581**	**19 838**	**737**	**654 311**
As at March 31, 2023	**15 445**	**149 119**	**194 912**	**253 123**	**72 899**	**25 904**	**918**	**712 319**

4a. Other intangible assets (in Euro)

	Computer software	Intellectual property rights (including R&D credits)	Total
As at April 1, 2022	**1 905 761**	**14 429 046**	**16 334 807**
Additions	48 216	-	48 216
Exchange differences - translation adjustment	(5 639)	(17 035)	(22 674)
Disposals	-	-	-
As at March 31, 2023	**1 948 338**	**14 412 011**	**16 360 349**
Additions	20 004	2 355 256	2 375 260
Exchange differences - translation adjustment	414	1 247	1 661
Disposals	-	-	-
As at March 31, 2024	**1 968 756**	**16 768 514**	**18 737 270**
Accumulated Amortisation			
As at April 1, 2022	**1 875 187**	**12 119 049**	**13 994 236**
Charge for the year	22 052	785 317	807 369
Exchange differences - translation adjustment	(5 237)	(17 531)	(22 768)
Disposals	-	-	-
As at March 31, 2023	**1 892 002**	**12 886 835**	**14 778 837**
Charge for the year	29 415	815 407	844 822
Exchange differences - translation adjustment	382	994	1 376
Disposals	-	-	-
As at March 31, 2024	**1 921 799**	**13 703 236**	**15 625 035**
Net block			
As at March 31, 2024	**46 957**	**3 065 278**	**3 112 235**
As at March 31, 2023	**56 336**	**1 525 176**	**1 581 512**

4b. Intangible assets under development

Particulars	(in Euro)
As at April 1, 2022	**1 428 751**
Exchange differences - translation adjustment	28 266
Additions	1 130 735
Capitalised during the year	(48 216)
As at March 31, 2023	**2 539 536**
Exchange differences - translation adjustment	21 508
Additions	933 614
Capitalised during the year	(2 375 260)
As at March 31, 2024	**1 119 398**

Intangible assets under development ageing schedule

As at March 31, 2024

	Amount in IAUD for a period of				(in Euro)
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	294 519	276 527	397 231	151 121	1 119 398
Projects temporarily suspended	-	-	-	-	-
Total	**294 519**	**276 527**	**397 231**	**151 121**	**1 119 398**

As at March 31, 2023

	Amount in IAUD for a period of				(in Euro)
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	1 130 736	542 479	495 424	370 897	2 539 536
Projects temporarily suspended	-	-	-	-	-
Total	**1 130 736**	**542 479**	**495 424**	**370 897**	**2 539 536**

4c. Capital work in progess

Particulars	(in Euro)
As at April 1, 2022	-
Exchange differences - translation adjustment	-
Additions	74 159
Capitalised during the year	(74 159)
As at March 31, 2023	-
Exchange differences - translation adjustment	-
Additions	-
Capitalised during the year	-
As at March 31, 2024	-

5a Investment in associate

(i) Details of Associate

Name of the Entity	Place of Business	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting right held as at		Nature of Activities	Accounting Method
(a) Other associates:							
Ausar Energy SAS[3]	France	30,45%	30,45%	30,45%	30,45%	Engaged in the consulting, engineering, research and development in Energy sector.	Equity Method

Notes:
1. Aggregate amount of unquoted investment in associates EUR 9,85,722 (March 31, 2023: EUR 9,73,509)
2. The country of incorporation of the above entity is same as its principal place of business.
3. There is a quarter lag in the reporting dates of the associate with that of the parent Company whose management certified financial statements for the year/period ended on and as at December 31 were considered for the purpose of consolidated financial statements of the Group.

(ii) Financial information in respect of other associate

(in Euro)

Particulars	March 31, 2024	March 31, 2023
Aggregate carrying amount of investments in equity shares of individually immaterial associate	-	-
Investment at amortised cost		
Investment in 800,000(March 31, 2023: 800,000) unquoted bonds of Euro 1 in Ausar Energy SAS*	985 722	973 509
Total investment in other associate	**985 722**	**973 509**
Aggregate amount of group's share of :		
- (Loss) / profit for the year	-	148 602
- Other comprehensive income for the year	-	-
- Total comprehensive income for the year	-	148 602

*During the year ended March 31, 2024, the Group has an accrued interest on bonds amounting to EUR 22,972 (March 31, 2023: EUR 173,509) which has been included in the carrying value of investment.

(vi) Contingent liabilities of associates
The associate had no contingent liabilities as at March 31, 2024 and March 31, 2023. The Group has no contingent liabilities relating to its interests in its associates.

(vii) Commitments of / towards associates
The associate had no commitments as at March 31, 2024 . The Group has no commitments relating to its interests in its associates.

(viii) Carrying amount of investments in associates

(in Euro)

Particulars	March 31, 2024	March 31, 2023
Other associates	985 722	973 509
Total	**985 722**	**973 509**

(ix) Share in profits / (loss) of associates (net)

(in Euro)

Particulars	March 31, 2024	March 31, 2023
Fair value gain on investment in material associate	-	-
Other associates	-	148 602
Total	-	**148 602**

13 Equity share capital

	Equity shares of Euro 8 each (in Euro)	
	In Numbers	**Amount**
Authorised share capital:		
At April 1, 2022	675 677	5 405 416
Increase / (decrease) during the year	-	-
At March 31, 2023	675 677	5 405 416
Increase / (decrease) during the year	-	-
At March 31, 2024	675 677	5 405 416

(a) Issued equity share capital:
Equity shares of EUR 8 each issued, subscribed and fully paid

	In Numbers	**Amount**
At April 1, 2022	675 677	5 405 416
Issue of equity shares	-	-
At March 31, 2023	675 677	5 405 416
Issue of equity shares	-	-
At March 31, 2024	675 677	5 405 416

(b) Terms/rights attached to equity shares
The Company has only one class of equity shares having par value of Euro 8 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Euro. 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 Euro 8 each fully paid				
Centum Electronics UK Ltd	608 676	90,08%	525 469	77,77%
Francois SEBES	-	-	65 000	9,62%
Xavier BENOIT	-	-	18 207	2,69%
Olivier PEQUET	-	-	-	-

(d) Details of shares held by promoters

As at March 31, 2024

Particulars	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of Euro 8 each fully paid	Centum Electronics UK Ltd	525 469	83 207	608 676	90,08%	12,31%
Total		525 469	83 207	608 676	90,08%	12,31%

As at March 31, 2023

Particulars	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of Euro 8 each fully paid	Centum Electronics UK Ltd	436 879	88 590	525 469	77,77%	13,11%
Total		436 879	88 590	525 469	77,77%	13,11%

14 Other equity

		(in Euro)
Securities premium[1]		
Balance as at April 1, 2022		3 385 029
Balance as at March 31, 2023		3 385 029
Balance as at March 31, 2024	**(A)**	**3 385 029**
General reserve[2]		
Balance as at April 1, 2022		8 179 408
Balance as at March 31, 2023		8 179 408
Balance as at March 31, 2024	**(B)**	**8 179 408**
Retained earnings[3]		
Balance as at April 1, 2022		**(19 492 740)**
(Loss) / profit for the year		(1 185 033)
Others		(3 835)
Balance as at March 31, 2023		**(20 681 608)**
(Loss) / profit for the year		(3 655 684)
Others		1 344
Balance as at March 31, 2024	**(C)**	**(24 335 948)**
Foreign currency translation reserve (FCTR)[4]		
Balance as at April 1, 2022		**36 364**
Movement during the year		179 869
Balance as at March 31, 2023		**216 233**
Movement during the year		(4 643)
Balance as at March 31, 2024	**(D)**	**211 590**
Total other equity	**(A+B+C+D)**	**(12 559 921)**
Balance as at March 31, 2023		**(8 900 938)**
Balance as at March 31, 2024		**(12 559 921)**

Nature and purpose of reserves

1. **Securities Premium**
   Securities Premium Reserve is used to record the premium on issue of shares.

2. **General Reserve**
   General reserve is a free reserve available to the Group.

3. **Retained earnings**
   Retained Earnings are the profits of the Group earned till date net of appropriations.

4. **Foreign currency translation reserve (FCTR)**
   Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Euro) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

33 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, 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 include determining control over entities and accounting thereof, impairment of investments in associates, impairment of goodwill, fair value measurement of financial instruments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments, contingencies, provision for inventory obsolesce and efforts

(i) Judgements

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

(a) Determination of control and accounting thereof:

As detailed in the accounting policy, consolidation principles under IFRS necessitates assessment of control of the subsidiaries independent of the majority shareholding. Consolidation principles under IFRS are different from the previous GAAP, especially with respect to assessment of control of the subsidiaries. Based on the assessment made, the management of the Group believes that it has control over Centum T & S Group SA and its underlying subsidiaries. Further, the management of the Group assessed that it exercises significant influence over Ausar Energy SAS, based on their assessment of the share purchase agreement.

(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 Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

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 39 for further disclosures

The Group has EUR 68,996,130 (March 31, 2023: EUR 68,996,130) carried forward of tax losses. These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by EUR 17,249,032.

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 42 for further disclosures.

Intangible asset under development
The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. As at March 31, 2024, the carrying amount of intangible assets under development is EUR 1,119,398. (March 31, 2023: EUR 2,539,536)

Provision for inventory obsolescence
Inventory obsolescence provision are determined using policies framed by the Company and in accordance with the methodologies that the Company deems appropriate to the business. There is a significant level of judgment involved in assessing whether provision for obsolescence for slow moving, excess or obsolete inventory items should be recognized considering orders in hand, expected orders, alternative usage, etc.

Revenue recognition
The group uses the percentage-of-completion method in accounting for its fixed-price contract. Use of the percentage-of-completion method requires the Group 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.

Leases - Determining the lease term of contracts with renewal and termination options – Group as lessee and estimating the incremental borrowing rate
The Group determines the lease term as the non-cancellable term of the lease.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group 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).

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

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

2.5 ***The entities consolidated in the consolidated financial statements are listed below:***

Sl No.	Name of the Entity	Country of Incorporation	Relationship as at March 31, 2024	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		Net Assets, i.e. total assets minus total liabilities*				Share in total comprehensive income*			
								March 31, 2024		March 31, 2023		March 31, 2024		March 31, 2023	
				March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	As a % of consolidated net assets	EUR	As a % of consolidated net assets	EUR	As % of total comprehensive income	EUR	As % of total comprehensive income	EUR
	Parent														
1	Centum T&S Group SA *(formerly known as Centum Adetel Group SA)*	France	Holding Company					-183,03%	13 094 934	-383,53%	13 406 448	8,52%	(311 792)	8,43%	(99 851)
	Foreign Subsidiaries														
2	Centum T&S (Technologies and Solutions) SAS *(formerly known as Centum Adeneo SAS)*	France	Subsidiary	100%	100%	100%	100%	-30,50%	2 182 187	-93,63%	3 272 928	29,98%	(1 097 362)	-145,33%	1 902 058
3	Centum R&D (Recherche & developement) *(formerly known as Centum Adeneo CRD SAS)*	France	Subsidiary	100%	100%	100%	100%	2,12%	(151 889)	5,03%	(175 956)	-0,66%	24 067	-6,59%	78 098
4	Centum Adetel Transportation System SAS	France	Subsidiary	100%	100%	100%	100%	103,09%	(7 375 454)	201,49%	(7 042 975)	9,08%	(332 478)	4,53%	(53 694)
5	Centum E&S (Equipements & Systemes) Quebec Inc *(formerly known as Centum Adetel Equipment)*	Canada	Subsidiary	100%	100%	100%	100%	28,51%	(2 040 061)	43,47%	(1 519 406)	14,12%	(516 804)	102,47%	(1 214 336)
6	Centum T&S (Technologies and Solutions) Quebec Inc *(formerly known as Centum Adetel Solution)*	Canada	Subsidiary	100%	100%	100%	100%	163,32%	(11 685 084)	295,14%	(10 316 771)	37,34%	(1 366 785)	156,74%	(1 857 393)
7	Centum T&S (Technologies & Solutions) Belgium SRL *(formerly known as Centum Adeneo Belgium)*	Belgium	Subsidiary	100%	100%	100%	100%	-1,39%	99 705	-4,55%	159 053	1,62%	(59 173)	-7,71%	91 352
	Associate**														
8	Ausar Energy SAS	France	Associate	30,45%	30,45%	30,45%	30,45%	17,87%	(1 278 843)	36,59%	(1 278 843)	0,00%	-	-12,54%	148 602
	Total							**100,00%**	**(7 154 505)**	**100,00%**	**(3 495 522)**	**100,00%**	**(3 660 327)**	**100,00%**	**(1 005 164)**

* The figures have been considered from the respective financial statements and the consolidated net asset figure has been arrived at after consolidation adjustments/eliminations.

**The financial statements of subsidiaries have been drawn up to the same reporting date as of the Company, i.e. March 31, 2024. There is a quarter lag in the reporting dates of the associates with that of the parent Company whose management certified financial statements for the year/period ended on and as at December 31 were considered for the purpose of consolidated financial statements of the Group.

31 Exceptional items

(in Euro)

Particulars	As at March 31, 2024	As at March 31, 2023
Impairment of unbilled revenue	507 824	-
Restructuring expenses	608 737	-
Total	**1 116 561**	-

32 Earnings per share

Basic EPS amounts are calculated by dividing the profit/ loss for the year attributable to equity shareholders of the parent 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:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to equity holders of the parent for basic / diluted earnings per share	(3 660 327)	(1 005 164)
Weighted average number of equity shares used for computing EPS (basic)	675 677	675 677
Add: Effect of dilutive issues of stock options	-	-
Weighted average number of equity shares used for computing EPS (diluted)	675 677	675 677
Earnings per share - Basic	(5,42)	(1,49)
Earnings per share - Diluted	(5,42)	(1,49)

*Considering that the Group has incurred losses during the years ended March 31, 2024 and March 31, 2023, the allotment of stock options would decrease the loss per share for the years ended March 31, 2024 and and March 31, 2023 and accordingly had not been considered for the purpose of calculation of diluted earnings per share.

34 Holding of Centum T & S Group SA in its subsidiary:

Name of the subsidiary	As at March 31, 2024	As at March 31, 2023
Centum T&S (Technologies and Solutions) SAS *(formerly known as Centum Adeneo SAS)*	100,00%	100,00%
Centum R&D (Recherche & developement) *(formerly known as Centum Adeneo CRD)*	100,00%	100,00%
Centum T&S (Technologies & Solutions) Belgium SRL *(formerly known as Centum Adeneo Belgium SRL)*	100,00%	100,00%
Centum Adetel Transportation System SAS	100,00%	100,00%
Centum T&S (Technologies and Solutions) Quebec Inc *(formerly known as Centum Adetel Solution)*	100,00%	100,00%
Centum E&S (Equipements & Systemes) Quebec Inc *(formerly known as Centum Adetel Equipment)*	100,00%	100,00%

35 Related parties

a) Names of related parties and description of relationship

Description of relationship	Name of related parties
Ultimate Holding Company	Centum Electronics Limited
Holding Company	Centum Electronics UK Limited
Subsidiary Companies	Centum T&S (Technologies and Solutions) SAS *(formerly known as Centum Adeneo SAS)* Centum R&D (Recherche & developement) *(formerly known as Centum Adeneo CRD)* Centum T&S (Technologies and Solutions) Quebec Inc *(formerly known as Centum Adetel Solution)* Centum E&S (Equipements & Systemes) Quebec Inc *(formerly known as Centum Adetel Equipment)* Centum Adetel Transportation System SAS Centum T&S (Technologies & Solutions) Belgium SRL *(formerly known as Centum Adeneo Belgium SRL)*
Fellow subsidiary	Centum T&S Private Limited *(formerly known as Centum Adeneo India Private Limited)*
Associate Companies	Ausar Energy SAS
Key managerial personnel and their relatives	Eric ROUCHOUZE, CEO Xavier BENOIT, Chief Technical Officer Vincent FRADIN, Chief Financial Officer

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

(in Euro)

	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Sale of products and services		
Centum Electronics Limited	1 011 153	142 734
Centum T&S Private Limited	1 026 839	1 239 985
Ausar Energy SAS	297 650	286 662
ii) Management fees		
Centum T&S Private Limited	297 552	-
ii) Finance / other income		
Ausar Energy SAS	22 972	72 035
iii) Purchase of goods and services		
Centum Electronics Limited	3 437 216	2 071 964
Centum T&S Private Limited	1 192 827	722 926
iv) Employee benefit expenses		
Remuneration to key managerial personnel	388 284	386 828
v) Exceptional items		
Impairment of unbilled revenue		
Centum T&S Private Limited	238 355	-
vi) Outstanding balances as at the year ended:		
(a) Trade receivables		
Centum Electronics Limited	104 000	246 879
Centum T&S Private Limited	204 478	585 580
Ausar Energy SAS	991 755	813 099
(b) Contract assets		
Centum Electronics Limited	112 787	-
Centum T&S Private Limited	285 945	
(c) Other current assets		
Ausar Energy SAS	43 942	20 970
(c) Trade payables		
Centum Electronics Limited	3 920 378	1 280 939
Centum T&S Private Limited	441 884	275 599
(d) Other current liability		
Centum Electronics UK Limited	350 000	350 000
(e) Deferred Revenue		
Centum Electronics Limited	-	2 369
AUSAR Energy	108 919	50 962
Centum T&S Private Limited	-	45 525
(f) Advance from customers		
Centum Electronics Limited	363 520	370 562

Notes:
(i) Refer note 5a as regards investments in associates.

36 During the year endeds 31 March 2024 and 31 March 2023, no material foreseeable loss was incurred for any long-term contract including derivative contracts.

38 Leases

Group as a lessee

The Group has lease contracts for office facilities and equipment (including vehicles, computer and furniture). The lease term for office facilities is generally 3 to 12 years and for equipment is 2 to 6 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group also has certain leases of computer and computer equipment with low value. The Group applies 'lease of low value assets' recognition exemption for the leases.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group 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).

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

(in Euro)

Particulars	Building	Computer	Vehicles	Total
As at April 1, 2022	**7 218 769**	**315 156**	**954 779**	**8 488 703**
Additions	1 084 466	191 696	143 808	1 419 971
Disposals	(3 045 719)	(61 294)	(177 824)	(3 284 837)
Translation adjustment	-	-	-	-
As at March 31, 2023	**5 257 516**	**445 558**	**920 763**	**6 623 837**
Additions	1 332 884	394 315	195 691	1 922 889
Disposals	-	(80 054)	(127 425)	(207 479)
Translation adjustment	-	-	-	-
As at March 31, 2024	**6 590 399**	**759 819**	**989 029**	**8 339 247**
Accumulated Amortisation				
As at April 1, 2022	**2 694 865**	**143 574**	**505 841**	**3 344 280**
Charge for the year	935 746	106 079	245 627	1 287 452
Disposals	(2 402 624)	(61 294)	(177 824)	(2 641 742)
Translation adjustment	-	-	-	-
As at March 31, 2023	**1 227 987**	**188 359**	**573 644**	**1 989 990**
Charge for the year	697 263	178 212	219 886	1 095 361
Disposals	-	(80 054)	(127 425)	(207 479)
Translation adjustment		-	-	-
As at March 31, 2024	**1 925 250**	**286 517**	**666 105**	**2 877 872**
Net block				
As at March 31, 2024	**4 665 150**	**473 302**	**322 924**	**5 461 375**
As at March 31, 2023	**4 029 529**	**257 199**	**347 119**	**4 633 847**

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

(in Euro)

Particulars	Amount
As at April 1, 2022	**5 195 724**
Additions to right-of-use asset	1 419 971
Accretion of Interest	77 545
Reversal of lease liabilities on disposal of asset	(643 095)
Payments	(1 361 091)
As at March 31, 2023	**4 689 053**
Additions to right-of-use asset	1 922 889
Accretion of Interest	104 094
Reversal of lease liabilities on disposal of asset	-
Payments	(1 143 188)
As at March 31, 2024	**5 572 848**

(in Euro)

Particulars	March 31, 2024	March 31, 2023
Current	1 171 076	859 190
Non Current	4 401 772	3 829 863
Total	**5 572 848**	**4 689 053**

The maturity analysis of lease liabilities are disclosed in Note 42. The effective interest rate for lease liabilities is about 1.6% (depending of the term and the type of asset).

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

(in Euro)

Particulars	March 31, 2024	March 31, 2023
Depreciation expense of right-of-use assets	1 095 361	1 287 452
Interest expense on lease liabilities	104 094	77 545
Expenses relating to short-term leases and leases of low-value assets (included in other expenses) (refer note 30)	402 913	422 830
Total amount recognised in profit or loss	**1 602 368**	**1 787 827**

The Group had total cash outflows for leases of EUR 1,143,188 in March 31, 2024 (March 31, 2023: EUR 1,361,091).

39 Commitments and Contingencies

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for

(in Euro)

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)	-	-

(b) Contingent liabilities

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its consolidated financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated 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 Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operation or cash flow.

Contingent liabilities (with details)		
Claims against the Company not acknowledged as debts in respect of:		
Human resource litigation	26 000	26 000
Supplier litigation	-	-

The Group is subject to legal proceeding and claims, which have arisen in the ordinary course of business. The Group has reviewed all its pending litigations and proceedings and is not carrying provisions for all the above mentioned amounts in its books of account, as the Group's Management is confident of successfully litigating the matters and these are disclosed as contingent liability, where applicable in its consolidated financial statements. The Group's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial condition.

37 Gratuity and other post-employment benefits plans

(a) Defined contribution plans

The Group's contribution to provident fund and superannuation fund are considered as defined contribution plans. The contributions are charged to the consolidated statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund and superannuation fund for the year aggregated to EUR 7,729,792 (March 31, 2023: EUR 7,826,933).

Particulars	March 31, 2024	March 31, 2023
Contribution to pension fund	7 729 792	7 826 933
	7 729 792	**7 826 933**

(b) Defined benefit plans

The Group's contribution to pension plan is considered as post-employment defined benefit plans. The pension plan entitles an employee, who has rendered at least 10 years of continuous service, to receive between one-half and 2 months' salary at the time of retirement/exit. The pension plan is not funded by any plan assets.

Retirement gratuity :

Number of years of service in the company	*Retirement taken at the employee's initiative*
Less than 10 years	-
Between 10 years and 15 years	1 half month's salary
Between 15 years and 20 years	1 month's salary
Between 20 years and 30 years	1 month and a half's salary
30 years and more	2 months' salary

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

(in Euro)

Particulars	March 31, 2024	March 31, 2023
Current service cost	(40 810)	49 854
Net benefit expenses	**(40 810)**	**49 854**

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

(in Euro)

Particulars	March 31, 2024	March 31, 2023
Actuarial (gain)/ loss on obligations arising from change sin experience, demographic and fianncial adjustments	-	-
Actuarial (gain)/ loss recognised in OCI	-	-

iii. Net defined benefit asset/ (liability)

(in Euro)

Particulars	March 31, 2024	March 31, 2023
Defined benefit obligation	(127 882)	(173 522)
Fair value of plan assets	-	-
Asset / (liability) recognised in the balance sheet	**(127 882)**	**(173 522)**

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

(in Euro)

Particulars	March 31, 2024	March 31, 2023
Opening defined benefit obligation	173 522	128 939
Current service cost	(40 810)	49 854
Benefits paid	(4 830)	(5 271)
Interest cost on the defined benefit obligation	-	-
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	-	-
Actuarial (gain)/ loss on obligations arising from changes in demographic adjustments		
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	-	-
Closing defined benefit obligation	**127 882**	**173 522**

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

(in Euro)

Particulars	March 31, 2024
March 31, 2025	4 539
March 31, 2026	32 643
March 31, 2027	14 582
March 31, 2028	3 501
March 31, 2029 to March 31, 2033	36 080
	91 345

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

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate (in %)	3,32%	3,62%
Mortality table	INSEE 2018-2020	INSEE 2018-2020
Salary escalation rate (in %)	3,0%	3,0%
Employee turnover	22,66%	19,38% - 25%
Retirement age	68 years	68 years

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.

40 Segment information

(a) Information about reportable segments- Disclosure pursuant to IFRS 8 "Operating Segments"

Basis of identifying operating segments / reportable segments:

(i) Basis of identifying operating segments:
Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Group's other components); (b) whose operating results are regularly reviewed by the Group'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 along with its subsidiaries and associates are an integrated business unit which addresses the Electronics System Design and Manufacturing ("ESDM") and accordingly there is only one reportable segment called ESDM in accordance with the requirement of IFRS 8 - "Operating segments".

(b) Geographical information

(in Euro)

Geography	Segment revenue*		Non-current assets**	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(i) India	2 566 318	3 257 886	-	-
(ii) Europe & UK	4 590 587	2 718 062	107 900	56 655
(iii) North America	3 319 666	3 597 187	2 691 585	932 815
(iv) France	40 470 822	40 347 145	9 169 766	12 435 633
(v) Rest of the world	260 764	301 135	-	-
Total	**51 208 158**	**50 221 415**	**11 969 251**	**13 425 103**

*Revenue by geographical area are based on the geographical location of the customers.
**Non-current assets exclude financial assets and tax assets.

C Information about major customers

Revenue from external customers are more than 10 % of the company's total revenue amounting EUR 18,156,464 as on March 31, 2024 (March 31, 2023: EUR 19,991,471).

41 Capital Management

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

The Group 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 long term and short term bank borrowings.

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is total borrowing divided by total capital plus total borrowing. The Group's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenants are complied with.

(in Euro)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings (refer note 15 and 18)	8 002 873	17 502 890
Less: Cash and cash equivalents (refer note 10)	(1 853 888)	(2 107 232)
Total debts (A)	**6 148 985**	**15 395 658**
Capital components		
Equity share capital (refer note 13)	5 405 416	5 405 416
Other equity (refer note 14)	(12 559 921)	(8 900 938)
Total Capital (B)	**(7 154 505)**	**(3 495 522)**
Capital and borrowings (C = (A+B))	**(1 005 520)**	**11 900 136**
Gearing ratio (D=(A/C))	**-612%**	**129%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

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

42 Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments of the Group 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(o), to the financial statements.

(a) Financial assets and liabilities

The following table represents 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 (in Euro)

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) Investments (other than investments in associates)	6 136	-	-	6 136	6 136
(ii) Trade receivables	-	-	4 854 420	4 854 420	4 854 420
(iii) Cash and cash equivalents	-	-	1 853 888	1 853 888	1 853 888
(iv) Other financial assets	-	-	5 914 724	5 914 724	5 914 724
Total	**6 136**	**-**	**12 623 032**	**12 629 168**	**12 629 168**
Financial liabilities					
(i) Borrowings	-	-	8 002 873	8 002 873	8 002 873
(ii) Lease liabilities	-	-	5 572 848	5 572 848	5 572 848
(iii) Trade payables	-	-	12 580 773	12 580 773	12 580 773
Total	**-**	**-**	**26 156 494**	**26 156 494**	**26 156 494**

As at March 31, 2023 (in Euro)

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) Investments (other than investments in associates)	6 136	-	-	6 136	6 136
(ii) Trade receivables	-	-	14 841 441	14 841 441	14 841 441
(iii) Cash and cash equivalents	-	-	2 107 232	2 107 232	2 107 232
(iv) Other financial assets	-	-	2 999 840	2 999 840	2 999 840
Total	**6 136**	**-**	**19 948 513**	**19 954 649**	**19 954 649**
Financial liabilities					
(i) Borrowings	-	-	17 502 890	17 502 890	17 502 890
(ii) Lease liabilities	-	-	4 689 053	4 689 053	4 689 053
(iii) Trade payables	-	-	8 185 263	8 185 263	8 185 263
Total	-	-	**30 377 206**	**30 377 206**	**30 377 206**

(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.

(in Euro)

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
March 31, 2024				
Financial assets				
Investments (other than investments in associate)	6 136	-	-	6 136
March 31, 2023				
Financial assets				
Investments (other than investments in associate)	6 136	-	-	6 136

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

(ii) Foreign exchange forward contracts and interest rate swaps are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) 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 Group 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.

(iv) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2024 and March 31, 2023.

(c) Financial risk management objectives and policies

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

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Group 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 interest rate risks 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 and interest rate fluctuations on the Group'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 interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Market risk- Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(in Euro)

Particulars	Increase / decrease in basis points	Effect on profit before tax
March 31, 2024		
	+50	-
	-50	-
March 31, 2023		
	+50	-
	-50	-

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(b) 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 exposure

The following table demonstrates the unhedged exposure in USD / CAD exchange rate as at March 31, 2024 and March 31, 2023. The Group's exposure to foreign currency changes for all other currencies are not material.

(in Euro)

Particulars	Currency	March 31, 2024	March 31, 2023
Trade payables and borrowings (including short term borrowing and long term borrowing)	USD	(4 615 637)	(1 793 131)
Trade receivables and cash and cash equivalents	USD	1 494 463	1 293 086
Net assets / (liabilities) in USD	USD	(3 121 174)	(500 045)
Net assets / (liabilities) in EUR	EUR	(2 858 080)	(459 812)

(in Euro)

Particulars	Currency	March 31, 2024	March 31, 2023
Trade payables and borrowings (including short term borrowing and long term borrowing)	CAD	-	-
Trade receivables and cash and cash equivalents	CAD	27	220
Net assets / (liabilities) in CAD	CAD	27	220
Net assets / (liabilities) in EUR	EUR	19	149

Foreign currency sensitivity

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

(in Euro)

Particulars	Change in currency	Effect on profit or loss	
		Strengthening	Weakening
March 31, 2024			
USD	*0,50%*	15 606	(15 606)
CAD	*0,50%*	0	(0)
March 31, 2023			
USD	*0,50%*	(2 299)	2 299
CAD	*0,50%*	1	(1)

The sensitivity analysis has been based on the composition of the financial assets and liabilities at March 31, 2024 and March 31, 2023 of entities within the Group having exposure other than their functional currency. The period end balances are not necessarily representative of the average debt outstanding during the period.

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, investments, cash and cash equivalents and derivatives.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Euro 12,509,168 and Euro 19,954,649 as at March 31, 2024 and March 31, 2023, respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments (other than investments in associates) and other financial assets (excluding assets held for disposal).

Customer credit risk is managed by each entity / business unit based on the Group'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 Group does not hold collateral as security.

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

Credit risk from balances with bank and financial institutions is managed by the Group's treasury department in accordance with the Group'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.

The Group have made certain strategic investments which have been approved by the Board of Directors.

Liquidity risk

Liquidity risk refers to the risk that the Group 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 Group has obtained fund and non-fund based working capital limits from various banks. The Group invests its surplus funds in bank fixed deposit, which carry no or low market risk.

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

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Group's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

(in Euro)

Particulars	0-1 year	1 to 5 years	> 5 years	Total
March 31, 2024				
Borrowings	4 188 956	3 813 917	-	8 002 873
Lease liabilities	1 171 076	3 418 923	982 849	5 572 848
Trade payables	12 580 773	-	-	12 580 773
	17 940 805	**7 232 840**	**982 849**	**26 156 494**
March 31, 2023				
Borrowings	11 034 411	6 445 729	22 750	17 502 890
Lease liabilities	859 190	2 714 039	1 273 059	4 846 288
Trade payables	8 185 263	-	-	8 185 263
	20 078 864	**9 159 768**	**1 295 809**	**30 534 441**

43 *Disclosure under IFRS 15*

a) **Timing of rendering of services**

(in Euro)

Particulars	March 31, 2024			March 31, 2023		
	Performance obligation satisfied at point in time	Performance obligation satisfied over time*	Total	Performance obligation satisfied at point in time	Performance obligation satisfied over time*	Total
Sale of products	15 879 501	-	15 879 501	12 896 099	-	12 896 099
Sale of services	-	30 377 787	30 377 787	-	32 837 041	32 837 041
Income from government grants	-	3 429 556	3 429 556	-	3 542 362	3 542 362
Management fees	-	1 521 314	1 521 314	-	945 913	945 913
Total	**15 879 501**	**35 328 657**	**51 208 158**	**12 896 099**	**37 325 316**	**50 221 415**

* The Group recognises revenue from these sources over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

b) **Contract Balances:**

(in Euro)

Particulars	March 31, 2024	March 31, 2023
Receivables (refer note 9)		
- Current (Gross)	4 966 591	15 375 206
- Impairment allowance (Allowance for bad and doubtful debts)	(112 171)	(533 765)
Contract assets (refer note 12)		
- Current (Gross)	5 752 384	4 506 856
- Impairment allowance	-	-
- Non current (Gross)	741 213	3 585 762
- Impairment allowance	(269 469)	-
Contract Liabilities* (refer note 20)		
Deferred revenue		
- Current	3 615 820	4 357 326
Advance from customers		
- Current	1 587 871	1 686 358

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

c) **Revenue recognised during the year:**

(in Euro)

Particulars	March 31, 2024	March 31, 2023
Arising out of contract liabilities at the beginning of the year	4 224 078	2 728 739
Arising out of advance from customers at the beginning of the year	890 796	115 539
Total	***5 114 874***	***2 844 278***

d) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to Euro.NIL

44 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0,67	0,77	-12%	-
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(1,12)	(5,01)	-78%	Due to Reduction of debt
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	(0,02)	(0,43)	-95%	Due to Reduction of debt
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0,69	0,40	-72%	Due to Increase in loss
Inventory Turnover ratio	Cost of goods sold	Average Inventory	6,03	5,10	18%	-
Trade Receivable Turnover Ratio	Revenue from sale of products + Revenue from sale of services	Average Trade Receivable	3,82	2,25	70%	Increased due to change in Factoring arrengement
Trade Payable Turnover Ratio	Purchases made during the year	Average Trade Payables	1,66	1,78	-7%	-
Net Capital Turnover Ratio	Revenue from sale of products + Revenue from sale of services	Working capital = Current assets – Current liabilities	(4,16)	(5,32)	22%	Due to Reduction in borrowings
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	(0,08)	(0,03)	163%	Due to increased in loss
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0,57	0,02	-2759%	Due to Reduction in debt
Return on Investment	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	-

45 Other Statutory Information

(i) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(ii) The Group 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 group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(iii) The Group 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 Group 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

(iv) The Group has not been declared as a wilful defaulter by any banks or financial institutions.

46 Subsequent to year ended March 31, 2024, the Group has received EUR 2,000,000 as current account advance from Centum Electronics UK Limited ("Holding Company") as per agreement dated April 02, 2024. The said advance carries interest rate of 2% p.a and is refundable after a period of 3 years upon written request from the Holding Company.

47 Previous year numbers have been reclassified/regrouped wherever necessary to confirm to current year classifications. The management believes that such reclassifications of items are not material as they would, individually or collectively, not influence the economic decisions that users make on the basis of the consolidated financial statements.

As per our report of even date attached

for ERNST & YOUNG et Autres
Chartered Accountants
Firm registration number:

Benjamin MALHERBE
Partner
Membership Number:

Place: Lyon, France
Date: May 21, 2024

for and on behalf of Board of Directors of
Centum T & S Group SA

Eric ROUCHOUZE
Chief Executive Officer

Anaïs BODIN
Legal Adviser

Place: Ecully, France
Date: May 21, 2024