CENTUM ADETEL GROUP SA

FINANCIAL STATEMENTS 2018-2019

Centum Adetel Group

Year ended March 31 2019

Statutory auditor's report on the consolidated financial statements

ERNST & YOUNG et Autres

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Centum Adetel Group

Year ended March 31 2019

Statutory auditor's report on the consolidated financial statements

To the General Manager,

Opinion

In our capacity as statutory auditor of Centum Adetel Group and in accordance with your request, we have audited the consolidated financial statements of Centum Adetel Group and its subsidiaries (the Group, which comprise the balance sheet and profit and loss as at March 31, 2019, and the balance sheet and profit and loss schedules and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2019 and 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' *Code of Ethics for Professional Accountants* (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.

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.

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

Restriction on Use of our Report

This report is addressed to the General Manager of the Entity. We assume or take no responsibility in respect of a third party which may use this report.

This report shall be 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 from them. 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 27, 2019

The Statutory Auditor
ERNST & YOUNG et Autres

Benjamin Malherbe

Centum Adetel Group S.A.
Consolidated balance sheet as at 31 March 2019

			(Euro in million)
	Note	**As at 31 March 2019**	**As at 31 March 2018**
Assets			
Non-current assets			
Property, plant and equipment	4	2.01	2.22
Capital work-in-progress	4	-	1.87
Investment Property	4.1	-	-
Goodwill	5	-	-
Other intangible assets	6	2.05	4.28
Intangible assets under development	6.1	0.36	1.35
Financial assets	7	-	-
Investment in Joint Ventures and Associates	7.1	0.69	
Loans	7.2	0.35	1.66
Other Investments	7.1	0.90	
Other financial assets			0.49
Deferred tax assets (net)	8	-	0.00
Non current tax assets	9	0.00	5.90
Other non current asset	10	-	-
Total non-current assets		**6.35**	**17.76**
Current assets			
Inventories	11	1.52	2.78
Financial assets	12	-	-
Trade receivables	12.1	29.16	29.06
Cash and cash equivalents	12.2	1.64	1.69
Bank balances other than cash and cash equivalents	12.3	-	-
Loan			
Other financial assets	12.4	1.15	-
Other current assets	13	6.19	5.68
Total current assets		**39.66**	**39.21**
Assets classified as held for disposal	48	17.45	-
Total assests		**63.46**	**56.97**
Equity And Liabilities			
Equity			
Equity share capital		5.41	5.41
Other equity		-0.59	-0.88
Equity attributable to owners		**4.82**	**4.53**
Non controlling interest		0.00	-0.08
Total equity		**4.82**	**4.45**
Non-current liabilities			
Financial liabilities	15		-
Borrowings	15.1	5.35	7.26
Other financial liabilities	15.2	2.71	1.96
Provisions	16	1.34	1.53
Deferred tax liabilities (net)	8.3	-	-
Other non-current liabilites	17	-	0.00
Total non current liabilities		**9.41**	**10.75**
Current liabilities			
Financial liabilities	18		
Borrowings	18.1	8.51	11.06
Trade payables	18.2	6.38	9.29
Other financial liabilities	18.3	6.57	2.37
Other current liabilities	19	12.67	17.30
Provisions	20	-	-
Current tax liabilities (net)	21	1.59	1.75
Total current liabilities		**35.72**	**41.76**
Liabilities held for disposal	48	13.52	-
Total equity and liabilities		**63.46**	**56.97**
Significant accounting policies	1		

The accompanying notes form an integral part of the 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 Adetel Group S.A.

Benjamin MALHERBE
Partner
Membership Number:

François SEBES
Chairman & Managing Director

Olivier PEQUET
Deputy General Director

Lucie VIOLAY-MESLET
Legal Adviser

Vincent FRADIN
Chief Financial Officer

Centum Adetel Group S.A.
Consolidated statement of profit and loss for the year ended 31 March 2019

	Note	For the year ended 31 March 2019	(Euro in million) For the year ended 31 March 2018
Income:			
Revenue from operations	22	53.55	57.11
Other income	23	0.41	0.22
Finance Income	23.1	-	-
Total income		**53.96**	**57.33**
Expenses:			
Cost of materials consumed	24	9.25	10.77
Changes in inventories of work-in-progress	25	0.15	1.37
Excise duty		-	-
Employee benefit expense	26	31.92	31.10
Finance costs	27	1.00	0.83
Depreciation and amortisation	28	1.16	1.14
Other expenses	29	7.71	7.78
Total expenses		**51.19**	**52.98**
Profit before exceptional items, share of net profits of equity accounted investees and tax		**2.77**	**4.35**
Exceptional items (income, net of expense)	32	0.04	0.57
Profit/ (loss) before tax		**2.73**	**3.78**
Share of Income from Associates		0.00	-0.14
Profit/ (loss) before tax		**2.73**	**3.65**
Tax expenses			
Current tax	8.1	-0.06	0.07
Deferred tax	8.1	0.00	-
Profit/ (loss) after tax from Continuning Operations		**2.79**	**3.58**
(profit) / loss on discontinued operations	**48**	**-2.47**	**-1.70**
Profit for the year		**0.32**	**1.88**
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement (gains) losses on defined benefit plans		-	-
Income tax relating to items that will not be reclassified to profit or loss			
		-	-
(ii) Items that will be reclassified subsequently to profit or loss			
Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of income tax		**0.00**	**0.00**
Total comprehensive income for the year, net of income tax		**0.32**	**1.88**
Profit attributable to :			
Equity holders of the parent		0.33	1.90
Non controlling interest		-0.02	-0.02
Profit for the year		**0.32**	**1.88**
Total comprehensive income attributable to:			
Equity holders of the parent		0.33	1.90
Non controlling interest		-0.02	-0.02
Total comprehensive income for the year		**0.32**	**1.88**
Earnings per share	32		
Basic		0.47	2.78
Diluted		0.47	2.78
Significant accounting policies	1		

The accompanying notes form an integral part of the 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 Adetel Group S.A.

Benjamin MALHERBE
Partner
Membership Number:

François SEBES
Chairman & Managing Director

Olivier PEQUET
Deputy General Director

Lucie VIOLAY-MESLET
Legal Adviser

Vincent FRADIN
Chief Financial Officer

7 Financial Assets: non current

7.1 Investments

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
		(Euro in million)
Unquoted		
Investment in equity instruments (At Cost)		
Investment in subsidiary	-	-
Investment in associate	0.69	0.69
Investment in Joint venture	-	-
	0.69	**0.69**
Investment in equity instruments (At Fair Value through Profit and Loss)		
Other investments	0.10	0.17
Investments in bonds		
0.80 millions unquoted Investment in Bond of Ausar Energy @ Euro 1 each (no change with previous year)	0.80	0.80
	0.90	**0.97**

Investments of associate include: Ausar Energy : 648,648 shares (represent 30,45%) valued Euro 0,691 millions. No change with 31 March 2018.

Other investment include: Erocca = 0,090 (529 shares) + Transpolis = 0,006 (3,733 shares).
31 March 2018 : Erocca = 0,090 (529 shares) + CMS Industrie = 0,069 (295 shares) + Transpolis = 0,006 (3,733 shares).

7.2 Loans

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
		(Euro in million)
Security Deposits	0.35	0.49
	0.35	**0.49**

8 Income tax

8.1 Amounts recognised in profit or loss

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
		(Euro in million)
Current income tax:		
- relating to current period	(0.06)	0.07
- relating to earlier years	-	-
Current tax expense reported in the statement of profit or loss	**(0.06)**	**0.07**
Deferred tax:		
Relating to origination and reversal of temporary differences	0.00	-
Minimum alternate tax credit entitlement	-	-
Deferred tax expense reported in the statement of profit or loss	**(0.00)**	**0.00**

8.2 Amounts recognised in other comprehensive income

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
		(Euro in million)
Deferred tax related to items recognised in OCI during in the year:		
Income tax charged to OCI on net loss/(gain) on remeasurements of defined benefit plans	-	-

8.3 Recognised deferred tax assets and liabilities

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
		(Euro in million)
Deferred tax liabilities		
Fair valuation of security deposits	-	-
Fair valuation of asset and liabilities as per PPA report on Adetel acquisition	-	-
	0.00	**0.00**
Deferred tax asset		
Property, plant and equipment and intangible assets	-	-
Allowance for credit loss on receivables	-	-
Allowance for doubtful advances	-	-
Provision for employee benefits	-	-
Current liabilities and provisions	-	-
Site restoration obligation	-	-
Loss on fair value forward contract	-	-
	0.00	**0.00**
Net deferred tax assets (liabilities)	**0.00**	**0.00**

8.4 Reconciliation of tax expense and the accounting profit multiplied by French domestic tax rate for 31 March 2018 and 31 March 2019:

(Euro in million)

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Accounting profit before income tax	**0.00**	**0.00**
Income tax = 0. At French statutory income tax rate of 33,33 % (31 March 2018: 33,33 %)		
Adjustments in respect of current income tax of previous years		
Additional deduction claimed for tax purposes:		
Income tax expense reported in the statement of profit and loss		

8.5 Movement in temporary differences

(Euro in million)

	Balance as at 01 April 2017	**Recognised in profit or loss**	**Recognised in OCI**	**Balance as at 31 March 2018**
Fair valuation of security deposits	-	-		-
Property, plant and equipment and intangible assets	-	-		-
Allowance for credit loss on receivables	-	-		-
Allowance for doubtful advances	-	-		-
Provision for employee benefits	-	-		-
Current liabilities and provisions	-	-		-
Site restoration obligation	-	-		-
Loss on fair value forward contract	-	-		-
	0.00	**0.00**	**0.00**	**0.00**

	Balance as at 01 April 2018	**Recognised in profit or loss**	**Recognised in OCI**	**Balance as at 31 March 2019**
Fair valuation of security deposits	-	-		-
Property, plant and equipment and intangible assets	-	-		-
Allowance for credit loss on receivables	-	-		-
Allowance for doubtful advances	-	-		-
Provision for employee benefits	-	-		-
Current liabilities and provisions	-	-		-
Site restoration obligation	-	-		-
Loss on fair value forward contract	-	-		-
	0.00	**0.00**	**0.00**	**0.00**

8.6 Unrecognised deferred tax liabilities and assets

8.7 Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows.

	As at 31 March 2019	**As at 31 March 2018**
Expire	-	-
Never Expire	-	-
	-	-

9 Other non current tax asset

(Euro in million)

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Advance tax, net of provision for tax	0.00	5.90
	0.00	**5.90**

10 Other non current asset

(Euro in million)

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Capital advances	-	-
Amount paid under protest	-	-
Balance with government authorities	-	-
Prepaid rent	-	-
Prepaid expenses	-	-
	0.00	**0.00**
Unsecured, considered doubtful		
Balance with government authorities		
Less: Allowance for doubtful advances	-	-
	-	-

11 Inventories

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials*	1.15	2.25
Work-in-progress*	0.37	0.53
Stores and spares*	-	-
	1.52	**2.78**

[*Refer significant accounting policy note '1(X) ' for mode of valuation]

12 Financial assets: current

12.1 Trade receivables

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
- Considered good	26.17	29.16
- Doubtful	0.04	-0.10
Other trade receivables	2.95	
	29.16	29.06
Less		
Loss allowance- unsecured ,considered good	-	-
Loss allowance- doubtful	-	-
	29.16	**29.06**
Out of the above, trade receivables from related parties are as below :		
Receivables from related parties	0.16	0.35
Less: Loss allowance	-	-
Net trade receivables	**0.16**	**0.35**

12.2 Cash and cash equivalents

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance with banks	-	-
- on current account	1.64	1.69
	1.64	**1.69**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following

Balances with banks:		
– On current accounts	1.64	1.69
Less – Bank overdraft	0.00	-11.06
	1.64	**-9.37**

(Euro in million)

12.3 Particulars	As at 31 March 2019	As at 31 March 2018
Balance with banks		
- on current account*	-	-
- on margin money accounts**	-	-
- on deposit account with original maturity of more than three months	-	-
	0.00	**0.00**

12.4 Other financials assets

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Subsidy Receivable	1.15	
	1.15	**0.00**

13 Other current assets

Particulars	As at 31 March 2019	(Euro in million) As at 31 March 2018
Prepaid expenses	1.13	0.70
Balances with government authorities	0.76	1.38
Advance to suppliers	0.13	0.13
Other current assets	4.17	3.47
	6.19	**5.68**

14.1 Share Capital

Particulars	As at 31 March 2019	(Euro in million) As at 31 March 2018
Authorised 5,405 millions (31 March 2018 : 5,405 millions) equity shares of Euro 8 each, fully paid	5.41	5.41
Equity share capital 5,405 millions (31 March 2018 : 5,405 millions) equity shares of Euro 8 each, fully paid	5.41	5.41
	5.41	**5.41**

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

	As at 31 March 2019		As at31 March 2018	
	Number	**Euro in million**	**Number**	**Euro in million**
Number and value of shares at the beginning of the year	675,677	5.41	675,677	5.41
Number of shares issued during the year	-	-	-	0.00
Number and value of shares outstanding at the end of the year	**675,677**	**5.41**	**675,677**	**5.41**

b Details of equity shareholders holding more than 5% shares in the company

	As at 31 March 2019		As at 31 March 2018	
Name of the shareholder	**Number**	**% of holding**	**Number**	**% of holding**
Centum Electronics UK Ltd	365,847	54.15%	365,847	54.15%
Francois SEBES	65,000	9.62%	65,000	9.62%
Xavier BENOIT	56,090	8.30%	56,090	8.30%
Olivier PEQUET	37,990	5.62%	37,990	5.62%

c Rights, preferences and restrictions attached to equity shares
There are no preferences or restrictions attached to the shares.

d Buy back of shares, issue of bonus share and share allotted as fully paid up pursuant to contract(s) without payments being received in cash
N/A

e Shares reserved for issue under options and contracts / commitments for the sale of shares / divestment, including the terms and amounts -
N/A

14.2 Other equity

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Securities premium account Amounts received on issue of shares in excess of the par value has been classified as securities premium	3.39	3.39
General reserve This represents appropriation of profit by the Company	8.18	8.18
Retained earnings Retained earnings comprise of the Company's prior years' undistributed earnings after taxes including and remeasurement of net defined benefit liability/asset	-12.48	-14.33
Add Profit	0.33	1.90
Share option outstanding account The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.	-	-
Other equity This consist of liability on fair value of Put option with Non Controlling Interest	-	-
Translation reserve This consist of foreign exchange differences arising on translation of foreign operations recognised in the statement of profit and loss as 'other comprehensive income'	-0.01	-0.01
Cash flow hedge reserve This consist of liability on unfavourable change in fair value of fixed for floating interest rate swap on USD loan with term of five years	-	-
Total	**-0.59**	**-0.88**

15 Financial liabilities: non current

15.1 Borrowings

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Secured	-	-
Bonds/debentures	-	-
Term loans from Bank	1.35	3.26
- From others	-	-
Long-term maturities of finance lease obligations	-	-
Unsecured	-	-
Loans and advances from related parties	-	-
Financial Liability CMCIC/ FTQ bonds	4.00	4.00
	5.35	**7.26**

Term loans from bank:
The repartition of the term bank loans between the companies is: 1,10 for Centum Adeneo - 0,25 for Centum Adetel Group - 0,01 for Centum Adetel Solution. The interest rates are included between 2,83% (Centum Adeneo) and 11% (Centum Adetel Group for Centum Adetel Solution). They are secured by way of pledging of a business (Centum Adeneo), a bank guarantee of EURO 0,221 million (Centum Adetel Group) and 3 first ranking hypotecs (Centum Adetel Solution) : CAD 1,3 millions on all assets present and future (for Royal Bank of Canada) + CAD 0,71 millions and CAD 0,5 million for Investissement Québec .

Bonds: 82,491 bonds of EURO 48.49 each, valued at Euro 4 millions. They carry an interest rate of 4% par year. The due date is August 2020. The reimbursement premium to be paid in the case of non-conversion is EURO 1,016,938

15.2 Other financial liabilities

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Put option liability	-	-
Rachet payment shares	-	-
Interest free loan from Government	2.71	1.96
Interest rate swap	-	-
	2.71	**1.96**

16 Provisions

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity	0.30	0.16
Provision (long term)	0.96	1.37
Provision against long term contracts	0.08	
	1.34	**1.53**

17 Other non-current liabilites

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
	-	-
	-	-
	-	-
	0.00	**0.00**

18 Financial Liabilities: current

18.1 Borrowings

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
- Cash credit from banks	0.00	11.06
Customers bills discounted / factored	8.51	
	8.51	**11.06**

Cash credit of Euro 0,11 million (31 March 2018: Euro 0,21 million) carrying interest rates of about 4 % per year. And Factoring (CM-CIC Factor) of Euro 8,39 millions (31 March 2018: Euro 10,84 millions) carrying interest rate of 0,09% of the factored invoices including VAT, and guaranted by the cession of the current account balance.

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

18.2 Trade payables

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Dues to others	6.38	9.29
	6.38	**9.29**

18.3 Other financial liabilities

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Accrued salaries and benefits	3.43	-
Other financial liability (current maturity of long term loan and int accrued but not due	3.14	2.37
	6.57	**2.37**

19 Other current liabilities

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Advance from customers	0.00	5.70
Other current liabilities	7.26	5.79
Withholding and other taxes and duties payable	5.41	5.81
	12.67	**17.30**

20 Provisions

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity	-	-
Compensated absences	-	-
Provision (short-term)	-	-
Total Provisions	**0.00**	**0.00**

21 Current tax liabilities

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for taxation, net of advance tax	1.59	1.75
	1.59	**1.75**

Particulars	As at 31 March 2019	As at 31 March 2018
Liabilities directly associated with assets classified as held for disposal	13.52	0.00
	13.52	**0.00**

22 Revenue from operations

(Euro in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products (including excise duty)	7.76	24.84
Sale of services	38.98	37.69
Other operating revenues	1.07	5.06
Income from government grants	5.75	
Management fees		
	53.55	**67.59**

23 Other income

(Euro in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on bank deposits	0.17	0.03
Interest income on security deposits	-	-
Rental income	-	-
Profit on sale of fixed assets	-	0.01
Liabilities no longer required written back	0.02	0.95
Foreign exchange gain, net	0.01	-
Miscellaneous income	0.21	0.83
Governmant Grants	-	-
	0.41	**1.82**

(Euro in million)

23 Finance Income	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income on a loan to an associate	-	-
Interest income from available-for-sale investments	-	-
	0.00	**0.00**

24 Cost of raw material consumed

(Euro in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventory of materials at the beginning of the year	2.25	2.73
Add: Purchases	8.15	18.67
Less: Inventory of materials at the end of the year	1.15	2.25
Cost of material consumed	**9.25**	**19.16**
	20.79	**42.81**

25 Change in inventories of work-in-progress

(Euro in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening Stock		
Work-in-progress	0.53	3.40
Closing Stock	-	-
Work-in-progress	0.37	0.53
Decrease/(increase) in inventories of work-in-progress	**0.15**	**2.87**

26 Employee benefits expense

(Euro in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	23.47	24.38
Contribution to provident and other funds	8.46	8.48
	31.92	**32.86**

27 Finance costs

(Euro in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense	0.79	0.92
Other borrowing cost	0.21	0.02
	1.00	**0.94**

28 Depreciation and amortization expense

(Euro in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment	1.16	2.26
	1.16	**2.26**

29 Other expenses

(Euro in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Rent	2.13	2.26
Rates and taxes	1.18	1.28
Repairs and maintenance		
- Plant and equipment	0.70	0.75
Insurance	0.32	0.29
Professional and legal fees	0.89	0.86
Travelling and conveyance	1.60	2.08
Purchase of services	0.16	0.12
Postage, telephones and telegrams	0.16	0.19
Advertisement and promotion	0.08	0.17
Foreign exchange loss, net	0.00	0.18
Loss on sale of fixed assets	0.00	0.01
Provision for doubtful advances	0.23	0.70
Other financial revenues and expense	0.00	-
Miscellaneous expenses	0.27	0.35
	7.71	**9.24**

Payment to auditors (included above in Professional and legal expenses)		
As auditor		
Statutory audit	0.13	0.24
Tax audit	-	-
Out of pocket fees	-	-
	0.13	**0.24**

Exceptional items (net)

(Euro in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit on sale of Investment	0.04	-
	0.04	**0.00**

Centum Adetel Group S.A.

Consolidated statement of cash flows for the year ended 31 March 2019

	For the year ended 31 March 2019	(Euro in million) For the year ended 31 March 2018
Operating activities		
Profit before tax	0.32	1.95
Income tax		-
Adjustments to reconcile profit before tax to net cash flows:		
Result of equity method companies	2.41	(0.68)
Amortization and provisions	1.22	-
Deferred taxation variation	0.00	0.14
Capital gains net of taxes	(2.13)	0.65
	1.81	**4.21**
Working capital adjustments:		
Changes in working capital	**-0.51**	
Increase/ (decrease) in trade payables, other liabilities and provisions		
(Increase)/ decrease in inventories		
(Increase)/ decrease in trade and other receivables		
(Increase)/ decrease in other bank balances		
Net cash (used in) / generated from operating activities	**1.31**	**1.48**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	0.14	0.01
Purchase of financial instruments	3.06	(0.01)
Dividend received from subsidiary company	-	
Purchase of property, plant and equipment	(1.39)	(2.52)
Realization of Margin Money Deposit		-
Net cash (used in)/ flow from investing activities	**1.81**	**(2.52)**
Cash flow from financing activities		
Proceeds from borrowings	1.12	5.26
Repayment of borrowings	(1.74)	(1.91)
Proceeds from issue of share capital	0.00	-
Finance cost		(0.65)
Dividend paid (including dividend distribution tax and amount transferred to Investor Education and Protection Fund)	-	-
Net cash (used in)/provided by financing activities	**(0.63)**	**2.70**
Net increase in cash and cash equivalents	2.49	0.98
Cash and cash equivalents at the beginning of the year	(9.37)	(10.31)
Effect of exchange differences on translation of foreign currency cash and cash equivalent	0.01	(0.03)
Cash and cash equivalents at the end of the year	**(6.87)**	**(9.37)**
As per Balance Sheet		
Cash credit from banks	(8.51)	(11.06)
Cash and cash equivalents	1.64	1.69
At the end of the year	**(6.87)**	**(9.37)**

This is the cash flow statement referred to in our report attached

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 Adetel Group S.A.

Benjamin MALHERBE
Partner
Membership Number:

François SEBES
Chairman & Managing Director

Olivier PEQUET
Deputy General Director

Lucie VIOLAY-MESLET
Legal Adviser

Vincent FRADIN
Chief Financial Officer

1 Corporate Information

Centum Adetel Group is established since 1994 and located in France. It has subsidaries in Canada. The company activities are 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.

2 Significant Accounting Policies

1. Company Information

Centum Adetel Group ("the Company") is established since 1994 and located in France. It has subsidaries in Canada.

The Company designs, manufactures and also exports electronic products. It also provides design and consulting services to its customers. These include systems, subsystems and modules, besides complex electronic components. The industry segments are Transport & Automotive, Defense & Aerospace, Industrial & Energy, Medical and Communication.

2. Basis of preparation, measurement and significant accounting policies

2.1 Basis of preparation and measurement

a) Basis of Preparation

These financial statements have been prepared in accordance with the IFRS Accounting Standards.

The financial statements of the Company for the year ended 31st March, 2019 were approved for issue in accordance with the resolution of the Board of Directors on 23rd May, 2019.

b) Basis of measurement

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies. 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, regardless of whether that price is directly observable or estimated using another valuation technique

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

2.2 Key Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results could differ from those estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

2.3 Recent accounting developments

The Group has applied for the first time IFRS 15 and IFRS 9, whose application is mandatory for the financial years open from April 1, 2019:

IFRS 15 "Revenues from ordinary operations drawn from the contracts concluded with customers": The new standard IFRS 15 replaces IAS 18 "Revenues from ordinary operations" and IAS 11 "Construction contracts" and draws up a new model in five steps, which is applicable to income from contracts concluded with clients.
As per this standard, the income is recognized to reflect the transfer of goods and services promised to clients for amounts that reflect the consideration that an entity expects to receive in exchange of these goods and services.
No significant impact has been identified in the consolidated accounts for the first application of IFRS 15.

IFRS 9 "Financial instruments": This standard defines new principles in matters of classification and evaluation of financial instruments, depreciation of financial assets for credit risk and hedge accounting.
No significant impact has been identified in the consolidated accounts for the first application of IFRS 9.

2.4 Significant Accounting Policies

a) Property, Plant & Equipment

(i) Recognition and measurement

Items of Plant, property and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The cost of property, plant and equipment not ready for their intended use at the balance sheet date are disclosed as capital work in progress. Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are disclosed as 'capital advances'. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation and amortization

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

Leasehold improvements are amortized over the period of lease or the estimated useful life whichever is lower.

Freehold land is not depreciated.

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
Electrical installation	5 - 10
Furniture & fixtures	5 - 10
Office equipment	3 - 8
Computer	3 - 5

b) Intangible assets

(i) Recognition and measurement

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Computer software licenses are capitalised on the basis of costs incurred to acquire and put to use the specific software. Operating software is capitalised and amortized along with the related fixed asset.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Depreciation and amortization

Intangible asset (software) is amortized on a straight line basis over the estimated useful life being 1-5 years.

The amortization period and method used for intangible assets are reviewed at the end of each financial year and adjusted if appropriate.

c) Investment in subsidiaries, associates & joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

d) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price and all incidental expenses (other than those subsequently recoverable by the enterprise from the tax authorities) incurred in bringing the inventory to its present location and condition. The basis of determining cost is set out as below:

Raw materials and components	Weighted average cost method
Work in progress and finished goods	Weighted average cost method

e) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

f) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity. Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets at amortized cost, non-derivative financial liabilities at amortized cost.

a) Non-derivative financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial 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 (SPPI) on the principal amount outstanding.

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset

b) Non-derivative financial liabilities at amortized cost

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest rate method.

Financial liabilities are subsequently measured at amortized cost using the EIR method.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

g) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past event where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

h) Revenue Recognitions

Revenues corresponds to sales of services and sales of goods made by all consolidated companies of the Group.
The accounting method used to recognize revenues and costs depends on the nature of the services. Moreover, when the result of a transaction cannot be estimated reliably and the recovery of costs incurred is unlikely, revenues are not recognized and the costs incurred are expensed.

Sale of goods

Revenue from sale of goods is recognized when the control of the goods have passed to the buyer, usually on the delivery of the goods. Sales are accounted inclusive of excise duty and exclude sales tax and trade and quantity discounts and are net of sales returns.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sale of services

Revenue from services is recognised as and when services are rendered as per the terms of the contract.

Rental income and commission income

Rental income from lease of properties under operating lease is recognised in the income statement on a straight line basis over the term of the lease.

Commission income is recognised at the time when services are rendered in accordance with the rates as per the agreements entered into with the parties.

Interest income

Interest income other than interest on fixed deposits is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Time and material contracts

These contracts, which are subject to a 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 (T&M) contracts is recognized as the services are performed.

Fixed-price contracts

These contracts, which have a performance obligation, either provide for a 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 recognized based on the stage of completion and the expected profit on completion. Depending on the contract, the degree 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 expected excess of total contract costs over total contract revenues, the expected losses on completion are provisioned.
This method is compliant with the progress method defined by the standard IFRS 15 “Income from ordinary activities”.

i) Government Grants

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received. Government grants mainly relate to research tax credits which are recognized in the operating result in accordance with IAS 20.

j) Employee 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:

a) 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.

b) Gratuity: The costs of providing benefits under these plans are determined on the basis of actuarial valuation determined using projected unit credit method at each balance sheet date.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

k) Impairment of non-financial assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

l) Income Taxes

Income tax expense for the year comprises of current tax and deferred tax.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in current tax expense.

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.

m) Leases

A lease is classified on the inception date as a finance or an operating lease.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or if lower the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases under which substantially all the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

n) Foreign Currencies

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost and are translated at the exchange rate prevalent at the date of transaction.

o) Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

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

p) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalized as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized as an expense in the year in which they are incurred.

q) Functional Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the “functional currency”). The financial statements are presented in Euros, the national currency of France, which is the functional currency of the Company.

r) Research & Development

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the product and the costs can be measured reliably.

2.5 Assets and liabilities held for sale and Discontinued operations

IFRS 5 defines the accounting treatment, presentation and disclosure for assets held for sale (or disposal groups) and discontinued operations. A discontinued operation is a component of an entity that has either been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations.
The standard requires separate disclosure on the balance sheet if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the
case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable (within one year of the reporting date).

Assets classified as held for sale and discontinued operations are measured and recognized at the lower of carrying amount and fair value less costs to sell, and deprecation on such assets ceases. Net income from discontinued operations, before eliminating intra-Group transactions, is presented as a separate line item on the income statement for the current and prior years used for year-on-year comparison.

Centum Adetel Group S.A.
Notes to the consolidated financial statements for the year ended 31 March 2019

Statement of Changes in Equity

Equity share capital

(Euro in million)

Particulars	
Balance as at 31 March 2017	**5.41**
Changes in equity share capital during 2017-18	0.00
Balance as at 31 March 2018	**5.41**
Changes in equity share capital during 2018-19	0.00
Balance as at 31 March 2019	**5.41**

Other equity

(Euro in million)

Particulars	Reserves and Surplus					Other comprehensive income			Total
	Securities premium account	General reserve	Retained earnings + profit	Share options outstanding account	Other equity	Translation reserve	Cash flow hedge reserve	Other items	
Balance as at March 31, 2017	**3.39**	**8.18**	**(15.60)**	**0.00**	**0.00**	**(0.10)**	**0.00**	**0.00**	**(4.14)**
Profit for the year			1.90						1.90
Premium on issue of equity shares during the year									-
Interim dividend									-
Change in translation reserve						0.09			0.09
Corporate dividend tax									-
Change of methods									-
Others			1.27						1.27
Items recognized in other comprehensive income (net of taxes)									-
Balance as at March 31, 2018	**3.39**	**8.18**	**(12.43)**	**0.00**	**0.00**	**(0.01)**	**0.00**	**0.00**	**(0.88)**
Profit for the year			0.33						0.33
Premium on issue of Equity shares during the year									-
Interim dividend									-
Change in translation reserve						(0.04)			(0.04)
Corporate dividend tax									-
Change of methods									-
Others									0.00
Items recognized in other comprehensive income (net of taxes)									-
Balance as at March 31, 2019	**3.39**	**8.18**	**(12.10)**	**0.00**	**0.00**	**(0.05)**	**0.00**	**0.00**	**(0.59)**

Centum Adetel Group S.A.
Notes to the consolidated financial statements for the year ended 31 March 2019

4. Property, plant and equipment

(Euro in million)

Particulars	Gross carrying amount						Accumulated depreciation						Net carrying amount
	Deemed cost As at 1 April 2018	Addition on account of Adetel acquisition	Translation adjustment	Additions during the year	Deletions during the year	As at 31 March 2019	As at 1 April 2018	Addition on account of Adetel acquisition	Translation adjustment	Charge for the year	Deletions during the year	As at 31 March 2019	As at 31 March 2019
Property, plant and equipment, owned													
Freehold land	0.02	-	-	-	-	0.02	-	-	-	-	-	-	0.02
Leasehold improvements	-					0.00	-					-	-
Building	0.43	-	-	-	-	0.43	0.21	-	-	0.01	-	0.23	0.21
Plant and equipment	2.57	-1.48	1.01	0.03	-	2.14	1.37	-0.75	0.02	0.23	-	0.87	1.28
Electrical installation	1.45	-0.14		0.03		1.33	0.82	-0.01		0.14		0.94	0.39
Computers	0.76	-0.09		0.03	-0.13	0.57	0.65	-0.06		0.04	-0.13	0.50	0.07
Office equipment	0.35	-0.03		0.01		0.33	0.33	-0.07		0.02		0.28	0.05
Furniture and fixtures	-					0.00	-					-	-
Vehicles	0.01		0.00			0.01	0.01		0.00	0.00		0.01	0.00
Property, plant and equipment, leased													
Computer	-					-	-						-
Leasehold land (Refer note 1 below)	-					-	-						-
TOTAL	**5.59**	**-1.74**	**1.02**	**0.09**	**-0.13**	**4.83**	**3.37**	**-0.89**	**0.02**	**0.45**	**-0.13**	**2.82**	**2.01**

Particulars	Gross carrying amount						Accumulated depreciation						Net carrying amount
	Deemed cost As at 1 April 2017	Addition on account of Adetel acquisition	Translation adjustment	Additions during the year	Deletions during the year	As at 31 March 2018	As at 1 April 2017	Addition on account of Adetel acquisition	Translation adjustment	Charge for the year	Deletions during the year	As at 31 March 2018	As at 31 March 2018
Property, plant and equipment, owned													
Freehold land	0.02					0.02	-					-	0.02
Leasehold improvements	-					-	-					-	-
Building	0.43					0.43	0.20			0.01		0.21	0.22
Plant and equipment	2.24			0.33		2.57	1.05			0.32		1.37	1.21
Electrical installation	1.34			0.10		1.45	0.72			0.10		0.82	0.63
Computers	0.78			0.04	-0.07	0.76	0.62			0.08	-0.05	0.65	0.11
Office equipment	0.35			0.01	0.00	0.35	0.30			0.03	0.00	0.33	0.02
Furniture and fixtures	-					-	-					-	-
Vehicles	0.01			0.00		0.01	0.00			0.00		0.01	0.01
Property, plant and equipment, leased													
Computer	-					-	-						-
Leasehold land (Refer note 1 below)	-					-	-						-
TOTAL	**5.17**	**0.00**	**0.00**	**0.49**	**-0.07**	**5.59**	**2.89**	**0.00**	**0.00**	**0.54**	**-0.05**	**3.37**	**2.22**

Capital work in progress

(Euro in million)

Particulars	Net carrying amount	
	31-Mar-19	31-Mar-18
Capital work in progress	0.00	1.87
Total	**0.00**	**1.87**

Note:-

5. Goodwill (Euro in million)

Particulars	Gross carrying amount						Charge during the year						Net carrying amount
	Deemed cost As at 1 April 2018	Addition on account of Adetel acquisition	Translation adjustment	Additions during the year	Deletions during the year	As at 31 March 2019	As at 1 April 2018	Addition on account of Adetel acquisition	Translation adjustment	Impairment for the year	Deletions during the year	As at 31 March 2019	As at 31 March 2019
Goodwill on Consolidation	5.41	-0.40	-	-	-	5.01	5.41	-0.40	-	-	-	5.01	0.00
TOTAL	**5.41**	**-0.40**	**-**	**-**	**-**	**5.01**	**5.41**	**-0.40**	**-**	**-**	**-**	**5.01**	**0.00**

(Euro in million)

Particulars	Gross carrying amount						Charge during the year						Net carrying amount
	Deemed cost As at 1 April 2017	Addition on account of Adetel acquisition	Translation adjustment	Additions during the year	Deletions during the year	As at 31 March 2018	As at 1 April 2017	Addition on account of Adetel acquisition	Translation adjustment	Impairment for the year	Deletions during the year	As at 31 March 2018	As at 31 March 2018
Goodwill on Consolidation	5.41					5.41	5.41					5.41	0.00
TOTAL	**5.41**	**0.00**	**-**	**-**	**-**	**5.41**	**5.41**	**-**	**-**	**-**	**-**	**5.41**	**0.00**

6. Other Intangible assets, owned (Euro in million)

Particulars	Gross carrying amount						Accumulated amortization						Net carrying amount
	Deemed cost As at 1 April 2018	Addition on account of Adetel acquisition	Translation adjustment	Additions during the year	Deletions during the year	As at 31 March 2019	As at 1 April 2018	Addition on account of Adetel acquisition	Translation adjustment	Charge for the year	Deletions during the year	As at 31 March 2019	As at 31 March 2019
Computer software	1.83	-0.06	0.01	0.02	-	1.80	1.63	-0.04	0.00	0.11	-	1.70	0.09
Work in progress	1.35	-0.09	-1.49	0.58	-	0.36	-	-	-	-	-	-	0.36
Intellectual property	16.06	-4.74	1.00	0.27	-	12.59	11.98	-1.90	0.00	0.56	-	10.64	1.96
TOTAL	**19.25**	**-4.89**	**-0.48**	**0.87**	**0.00**	**14.75**	**13.61**	**-1.94**	**0.00**	**0.67**	**0.00**	**12.34**	**2.41**

Particulars	Gross carrying amount						Accumulated amortization						Net carrying amount
	Deemed cost As at 1 April 2017	Addition on account of Adetel acquisition	Translation adjustment	Additions during the year	Deletions during the year	As at 31 March 2018	As at 1 April 2017	Addition on account of Adetel acquisition	Translation adjustment	Charge for the year	Deletions during the year	As at 31 March 2018	As at 31 March 2018
Computer software	1.82		-0.01	0.03	-0.01	1.83	1.53		0.00	0.12	-0.01	1.63	0.20
Work in progress	1.60		-1.21	0.96		1.35	-					-	1.35
Intellectual property	14.50		1.21	0.34		16.06	10.61			1.37		11.98	4.08
TOTAL	**17.93**	**0.00**	**-0.01**	**1.34**	**-0.01**	**19.25**	**12.14**	**0.00**	**0.00**	**1.49**	**-0.01**	**13.61**	**5.63**

6.1 Intangible assets Under Development (Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Work in progress	0.36	1.35
TOTAL	**0.36**	**1.35**

30 Share Based Payments

The company do not have any share based payment as a part of employee compensation scheme.

31 Segment information

Operating segments to be identified in line with the IFRS and necessary details to be provided therein for each of the segments identified.

Operating segments

A Basis of segmentation

The Company operates primarily as a single segment called “Electronic System Design and Manufacturing (ESDM)” to reflect the evolved business of the company appropriately. The Board of Directors of the Company evaluates the Company's performance, allocate resources based on the analysis of various performance indicator of the Company as a Single Unit. Therefore, there is no reportable segment for the Company as per the requirements of IND IFRS 8 "Operating Segments".

B Geographical information

i) Revenues from external customers

Geography	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
(i) France	36.41	43.46
(ii) Outside France	11.39	13.66
Total Revenue	**47.81**	**57.11**

ii) Non current assets*

Geography	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
(i) France	7.37	13.97
(ii) Outside France	2.14	1.64
Unallocable	-	-
Total non current assets	**9.51**	**15.62**

** other than financial instruments and deferred tax assets*

C Information about major customers

Revenue from external customers are more than 10 % of the company's total revenue amounting Euro 17,635 millions (previous year : Euro 24,403 millions).

32 Exceptional items

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Sale of shares	0.04	-
Total	**0.00**	**0.00**

Note

The sale of 50,000 shares of SandHi (valued in books at EURO 1 each = 0,05 million) and 250 shares of CMS Industrie (valued in books at EURO 277,70 each = 0,07 million) generated a profit of EURO 0,04 million.

33 Earnings per share

The computation of earnings per share is set out below: **(Euro in million)**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit for the year	0.32	1.88
Weighted average number of equity shares outstanding at the beginning of the year (in numbers)	675,677	675,677
Weighted average number of shares issued during the year	-	-
Weighted average number of equity shares outstanding during the year	675,677	675,677
Face value of equity shares	8	8
Earnings per share - basic	0.47	2.78
Weighted average number of equity shares outstanding during the year - basic	675,677	675,677
Add: Effect of dilutive issues of stock options		
Weighted average number of equity shares and potential equity shares outstanding during the year (in numbers)	675,677	675,677
Earnings per share dilutive	0.47	2.78

The Company has no potentially dilutive equity shares other than that included above.

34 Capital commitments and contingent liabilities

(Euro in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Capital commitments (with details)		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	0.05	0.01
Details :		
- Product Lifecycle Management software	*0.05*	
- Office chairs		*0.00*
- Movable walls		*0.01*
Contingent liabilities (with details)		
Claims against the Company not acknowledged as debts in respect of:		
Human resource litigation	0.17	0.17
Supplier litigation	0.01	0.01
Customer litigation	-	0.04

Human resource litigation :

Centum Adeneo : Litigation with a protected employee (unionized and member of the work council). The employee is claiming for the judicial termination of his employment contract. Judgment on the 6th July 2017 : the Court dismissed the employee's claims in full. The employee has appealed the judgment. The court decision is expected for 2019.
Estimated risk : ~100 K€ Provision : 0 K€

Centum Adeneo : A dispute has arisen on 2017 with an executive staff member dismissed for serious misconduct. The court decision is expected for mid 2019.
Estimated risk : ~120 K€ Provision : 50 K€

Supplier litigation :

Centum Adetel Transportation : Litigation with Ecoverter, a supplier of electronic components. Ecoverter is claiming for the payment of its invoices amounting 13.725 €, which are contested by CAT for non-conformity of the delivered components. CAT claims for ~200 K€.
A first judgment was rendered on 14 February 2019 and dismissed the parties' claims because the court declared itself incompetent.
Ecoverter reassigned CAT before the competent court (Lyon). The requests remain unchanged.
Next court hearing: June 5th, 2019 Provision : 0 K€

Customer litigation :

None

35 Leases

(a) Finance lease
The Group has not entered into finance lease arrangements.

(b) Operating lease
The Company has taken office facilities, car and computer under cancelable operating lease agreement. The Company intends to renew the agreement in the normal course of its business. Total lease rentals recognised in the profit and loss for the year in respect of the aforementioned lease is Euro 2,141 millions (previous year: Euro 2,258 millions).

The company has not entered into non cancellable operating lease.

36 Holding of Centum Adetel Group in its subsidiary:

Name of the subsidiary	**Country**	**As at 31 March 2019**	**As at 31 March 2018**
Centum Adeneo	France	100.00%	100.00%
Centum Adeneo CRD	France	100.00%	100.00%
Centum Adetel Transportation System	France	100.00%	100.00%
Centum Adetel Transportation	France	100.00%	100.00%
Centum Adetel Synergies	France	100.00%	100.00%
Centum Adetel Solution	Canada	100.00%	100.00%
Centum Adetel Equipment	Canada	100.00%	100.00%
Centum Adeneo India	India	-	100.00%
Adetel Maroc	Morocco	96.11%	96.11%
Adetel Equipment Maroc	Morocco	96.08%	96.08%

37 Related party disclosures

A. Parties where control exists:
Centum Electronics Ltd

Jointly controlled entity
Nil

Associate
Ausar Energy

B. Other related parties where transactions have taken place during the year:
Nil

C. Key executive management personnel represented on the Board:
François SEBES, CEO
Olivier PEQUET, CEO of Centum Adetel Transportation division
Xavier BENOIT, Chief Technical Officer
Vincent FRADIN, Chief Financial Officer

D. Key managerial personnel
François SEBES, CEO
Olivier PEQUET, CEO of Centum Adetel Transportation division
Xavier BENOIT, Chief Technical Officer
Vincent FRADIN, Chief Financial Officer

E. Transactions with Key management personnel
(i) Key Management Personnel Compensation

(Euro in million)

	For the year ended 31 March 2019	**For the year ended 31 March 2018**
Short term employee benefits	0.80	0.57
Post-employment defined benefits		
Compensated absences		
Total Compensation	**0.80**	**0.57**

F. The following is a summary of transactions with related parties by the Company:

(Euro in million)

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of goods and services			
Centum Electronics Ltd		0.02	0.30
Ausar Energy		0.01	0.08
Other operating income			
Centum Adeneo India		0.00	
Ausar Energy		0.01	0.01
Purchase of goods			
Centum Electronics Ltd			0.09
Centum Adeneo India		0.56	
Interest income			
Ausar Energy	*Interest income on bonds*	0.01	0.01
Ausar Energy	*Interest income on cash advance*	0.00	0.00

Related party disclosures (continued)
G. The balances receivable from and payable to related parties are as follows:

(Euro in million)

Particulars		As at 31 March 2019	As at 31 March 2018
Borrowings (including current maturities of long-term debt)			
Centum Electronics UK Ltd	*Cash advance (debt)*	0.35	0.35
Trade receivables			
Centum Electronics Ltd		0.04	0.05
Centum Adeneo India		0.01	
Ausar Energy		0.12	0.30
Trade payables			
Centum Electronics Ltd		0.01	0.09
Centum Adeneo India		-0.11	
Other assets			
Ausar Energy	*Bonds*	0.80	0.80
Ausar Energy	*Interest on bonds to be received*	0.06	0.05
Centum Adeneo India	*Cash advance*	0.35	
Ausar Energy	*Cash advance*	0.25	0.20
Ausar Energy	*Interest on cash advance to be received*	0.01	0.01

38 During the year ended 31 March 2019, no material foreseeable loss was incurred for any long-term contract including derivative contracts.

39 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated financial statements

Name of the Entity	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 profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As At 31 March 2019	As At 31 March 2018	As At 31 March 2019	As At 31 March 2018	As a % of consolidated net assets	Euro in million	As a % of consolidated profit or loss	Euro in million	As a % of consolidated other comprehensive income	Amount	As a % of consolidated profit or loss	Euro in million
Parent												
CENTUM ADETEL GROUP	100.00%	100.00%	100.00%	100.00%	100.00%	20.35	100.00%	-0.30	100.00%		100.00%	-0.30
Indian Subsidiaries												
CENTUM ADENEO INDIA	-	100.00%	-	100.00%	-	0.00	-	-0.12	-		-	-0.12
Foreign Subsidiaries												
CENTUM ADENEO	100.00%	100.00%	100.00%	100.00%	100.00%	2.48	100.00%	3.38	100.00%		100.00%	3.38
CENTUM ADENEO CRD	100.00%	100.00%	100.00%	100.00%	100.00%	-0.30	100.00%	0.14	100.00%		100.00%	0.14
CENTUM ADETEL SYNERGIES	100.00%	100.00%	100.00%	100.00%	100.00%	-0.49	100.00%	-0.21	100.00%		100.00%	-0.21
CENTUM ADETEL TRANSPORTATION SYSTEM	100.00%	100.00%	100.00%	100.00%	100.00%	-0.59	100.00%	-0.15	100.00%		100.00%	-0.15
CENTUM ADETEL EQUIPMENT	100.00%	100.00%	100.00%	100.00%	100.00%	-0.18	100.00%	-0.17	100.00%		100.00%	-0.17
CENTUM ADETEL SOLUTION	100.00%	100.00%	100.00%	100.00%	100.00%	-8.51	100.00%	0.23	100.00%		100.00%	0.23
ADETEL MAROC	-	96.11%	-	96.11%	-	0.00	-	-0.05	-		-	-0.05
ADETEL EQUIPMENT MAROC	-	96.09%	-	96.09%	-	0.00	-	-0.01	-		-	-0.01
Total												
Adjustment arising out of Consolidation												
Minority Interests in all Subsidiaries /Associates (Investment as per the Equity method)												
Minority interest in Subsidiaries												
Discontinued operation												
CENTUM ADETEL TRANSPORTATION	100.00%	100.00%	100.00%	100.00%	100.00%	-7.35	100.00%	-2.41	100.00%		100.00%	-2.41
Associates												
AUSAR ENERGY	30.45%	30.45%	30.45%	30.45%	30.45%	-0.59	30.45%	0.00	30.45%		30.45%	0.00
Joint Ventures												
SANDHI	-	50.00%	-	50.00%	-	0.00	-	0.00	-		-	0.00
Total						**4.82**		**0.33**		**0.00**		**0.33**

40 Capital Management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.The management and the board of directors monitors the return on capital as well as the level of dividends to shareholders. The company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

41 Financial instruments- Fair values & risk management

i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
a. *Financial instruments measured at Level 2 fair value*			
Forward exchange forward contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable	Not applicable
Interest rate swaps	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the respective company and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable	Not applicable
b. *Financial instruments not measured at fair value*			
Borrowing and other financial liabilities	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable

ii. Investment in equity instruments measured at level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Opening Balance of investment in equity shares of CMS Industrie	0.07	0.05
Changes in fair value during the year	-0.07	0.02
Closing balance of investment in equity shares of CMS Industrie	**0.00**	**0.07**

B. Financial Risk Management Objective And Policies

Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.The Board of Directors has entrusted the risk management to the select functions within the Company and these functions are responsible for developing and monitoring the company's risk management policies.The Company reports regularly to the board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the company, to set appropriate risk limits and controls and to monitor risk and adherance to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.The company through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks arising from its use of financial instruments:

i. **Credit risk**
ii. **Liquidity risk**
iii. **Market risk**

Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.The Board of Directors has entrusted the risk management to the select functions within the Company and these functions are responsible for developing and monitoring the company's risk management policies.The Company reports regularly to the board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the company, to set appropriate risk limits and controls and to monitor risk and adherance to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.The company through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

i Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their contractual obligations. The Company's principal financial assets includes trade receivables, security deposit, advance to employees and cash and cash equivalents that derive directly from its operations of which exposure to credit risk primarily relates to trade receivables. The Company monitors and limits its exposure to credit risk on a continuous basis. To manage this, the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

a Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

b Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date are as follows:

Particulars	31 March 2019	31 March 2018
Trade and other receivables	26.21	29.06
Cash and cash equivalents	1.64	1.69
Bank balance other than cash and cash equivalents	-	-
Other financial assets	1.15	-
	29.00	**30.75**

c Expected credit loss assessment (ECL) for trade receivables:

Provision for loss allowance is made basis the expected credit loss model. To estimate the amount of loss allowance, the Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. As a practical expedient the Company uses a provision matrix to determine the impairment loss on its trade receivables. The provision matrix is based on historically observed default rates and is adjusted for forward looking estimates.

31 March 2019

Particulars	Gross Carrying Amount	Loss allowance	Whether credit impaired
Current (not past due)	21.44		No
0-90 days	3.32		No
91-180 days	0.63		No
More than 180 days	0.78	0.04	No
	26.17	**0.04**	**-**

31 March 2018

Particulars	Gross Carrying Amount	Loss allowance	Whether credit impaired
Current (not past due)	22.27		No
0-90 days	5.47		No
91-180 days	0.28		No
More than 180 days	1.13	-0.10	No
	29.16	**-0.10**	**-**

d Movement in the allowance for impairment in respect of trade receivable

Particulars	31 March 2019	31 March 2018
Balance at the beginning of the year	-0.10	-0.03
Amount Written off	0.06	0.00
Net measurement of loss allowance	0.08	-0.08
Balance at the end of the year	**0.04**	**-0.10**

ii Liquidity risk

Liquidity risk represents the inability of the Company in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Company's financial liabilities include trade payables, Employee benefit payable and creditors for capital goods. The following table shows a maturity analysis of the Company's financial liabilities based on the contactually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

As at 31 March 2019	Carrying Amount	Total	Payable within 1 Year	Payable 1 to 5 Years	Payable more than 5 Years
Borrowings	13.86	13.86	8.51	5.35	-
Trade payables	6.38	6.38	6.38	-	-
Other financial liabilities	2.71	2.71	-	2.12	0.59
Total	**22.95**	**22.95**	**14.89**	**7.47**	**0.59**

As at 31 March 2018	Carrying Amount	Total	Payable within 1 Year	Payable 1 to 5 Years	Payable more than 5 Years
Borrowings	18.31	18.31	11.06	7.26	-
Trade payables	9.29	9.29	9.29	-	-
Other financial liabilities	1.96	1.96	-	1.96	-
Total	**29.56**	**29.56**	**20.34**	**9.22**	**0.00**

iii Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of the Financial instrument. The market risks are mainly arises out of foreign exchange rates, interest rate and equity prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is mainly exposed to currency risk on certain transactions that are denominated in a currency other than the respective entity's functional currency; hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchases are denominated and the functional currency of the company. A significant portion of the Company's revenues, purchases and borrowings are in EURO which is a home and functional currency and there is a no exposure to currency risk. However the Group exposure in foreign currency as on the reporting date is summarised in the table below.

The Company has not taken any derivative contracts and accordingly no derivatives are outstanding as at the reporting date.

a) Exposure to currency risk

	31 March 2019		31 March 2018	
	Amount (foreign currency)	Amount (EUR)	Amount (foreign currency)	Amount (EUR)
Trade & bank Receivables				
USD	1.67	1.44	1.35	1.11
CAD	0.23	0.17	1.32	0.87
Total (A)	**1.90**	**1.61**	**2.67**	**1.97**
Trade & bank Payables				
USD	1.10	0.95	0.56	0.46
CAD	0.63	0.42	0.88	0.55
Total (B)	**1.72**	**1.37**	**1.43**	**1.01**
Net exposure in respect of recognised assets and liabilities (A-B)	**0.18**	**0.24**	**1.24**	**0.97**

ii) **Sensitivity Analysis**

No senstivity analysis has been done.

42 The following table sets out the status of the retirement plan as required under IAS 26.

Post retirement benefit - Defined contribution plans

The Company's contribution to social fund is considered as defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to social fund for the year aggregated to Euro 8,47 millions (31 March 2018: Euro 8,48 millions).

Post retirement benefit - Defined benefit plans

The Company'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

A. Assets and liabilites relating to employee benefits

(Euro in million)

	As at 31 March 2019	As at 31 March 2018
Change in projected benefit obligations		
Obligations at year beginning	0.26	0.36
Service cost	0.04	(0.11)
Past service cost		
Benefits paid		
Interest cost		
Liabilities assumed on acquisition / (settled on divestiture)		
Actuarial loss / (gain)		0.01
Obligations at year end	**0.30**	**0.26**
Change in plan assets		
Plans assets at year beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	-	-
Contributions	-	-
Benefits paid	-	-
Plans assets at year end, at fair value	-	-
Net asset / (liability) recognised in the Balance Sheet	**0.30**	**0.26**

B. Reconciliation of present value of the obligation and the fair value of the plan assets:

Particulars	**As at 31 March, 2019**	**As at 31 March, 2018**
Fair value of plan assets at the end of the year		
Present value of the defined benefit obligations at the end of the year	0.30	0.26
Asset / (liability) recognised in the balance sheet	**(0.30)**	**(0.26)**

C. Expense recognized in profit or loss and other comprehensive income

Particulars	**As at 31 March, 2019**	**As at 31 March, 2018**
Current service cost	0.04	-0.11
Interest cost	-	-
Expected return on plan assets	-	-
Component of defined benefit costs recognised in the Statement of Profit and Loss	**0.04**	**-0.11**
Actuarial loss / (gain)	0.00	0.01
Component of defined benefit costs recognised in the Other Comprehensive income	**0.00**	**0.01**

D. Actuarial assumptions

Particulars	**As at 31 March, 2019**	**As at 31 March, 2018**
Discount rate	1.04%	1.37%
Mortality table	INSEE 2013-2015	INSEE 2013-2015
Salary escalation rate	1.5%	1.5%
Attrition rate	3% - 17%	3% - 15%
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. The Company does not have any planned assets.

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	**As at 31 March, 2019**		**As at 31 March, 2018**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)				
Future salary growth (1% movement)	*We are not able to provide the information*			
Withdrawal rate (1% movement)				

43 Investment in associate

The Group has a 30,45% interest in Ausar Energy, which is involved in the consulting, engineering, research and development in energy. The following table illustrates summarised financial information of the Group's investment in Ausar Energy.

(Euro in million)

Particulars	31 March 2019	31 March 2018
Current assets	(0.59)	0.00
Non-current assets	-	4.09
Current liabilities	-	1.15
Non-current liabilities	-	1.40
Equity	**(0.59)**	**2.09**
Proportion of the Group's ownership (%)	**30.45%**	**30.45%**
Carrying amount of the investment		
Revenue		0.64
Cost of sales		(0.07)
Administrative expenses		(0.59)
Finance costs		(0.01)
Others expenses and income		(0.41)
Net income from other equity investments		
Profit before tax	**0.00**	**(0.45)**
Income tax expense	0.00	0.00
Profit for the year (continuing operations)	**0.00**	**(0.44)**
Total comprehensive income for the year (continuing operations)	**0.00**	**(0.44)**
Group's share of profit for the year	0.00	(0.14)

The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the parent. The associate had no contingent liabilities or capital commitments as at 31 March 2019 and 31 March 2018. The parent has no contingent liabilities relating to its interests in the associate.

Reconciliation of carrying amounts of material associates

	Ausar Energy	
	31 March 2019	31 March 2018
Opening net assets	2.09	1.56
Addition during the year		0.98
Profit for the year		-0.44
Adjustment in opening reatained earnings due to stake dilution		
Other Comprehensive income		
Dividends paid		
Dividend distribution tax		
Other equity		
Foreign currency translation difference account		
Other adjustments		
Closing net assets	2.09	2.09
Proportion of the group's ownership	30.45%	30.45%
Group's share	0.64	0.64
Adjustments to the equity values		
a) Fair valuation of equity component of loans		
b) Foreign currency transalation reserves		
c) Aditional impairment charge		
a) Fair valuation of Investments		
b) Goodwill		
f) Transfer to held for sale		
Carrying amount of the investment		

44 Interest in a joint venture

The Group has no more interest in SANDHI. All the shares have been sold during this year.

(i) Details of Joint ventures

Name of the Entity	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		Place of business	Nature of activities (broad description)	Accounting method followed
	31 March 2019	31 March 2018	31 March 2019	31 March 2018			
SANDHI	-	50%	-	50%	Ecully, France	Engineering of electronic systems for the telecommunications, industrial, defense and aeronautics.	Equity

Summarised statement of financial position of SANDHI : **(Euro in million)**

Particulars	31 March 2019	31 March 2018
Current assets, including cash and cash equivalents and prepayments	-	0.27
Non-current assets	-	-
Current liabilities, including tax payable	-	0.22
Non-current liabilities, including deferred tax liabilities	-	-
Equity	-	0.06

Summarised statement of profit or loss of SANDHI : **(Euro in million)**

Particulars	31 March 2019	31 March 2018
Revenue	-	0.05
Cost of sales	-	(0.03)
Administrative expenses, including depreciation	-	-
Others expenses and income	-	(0.01)
Finance costs, including interest expense	-	(0.00)
Profit before tax	**-**	**0.01**
Income tax expense	-	-
Profit for the year (continuing operations)	**-**	**0.01**
Total comprehensive income for the year (continuing operations)	**-**	**0.01**
Company's share of profit for the year (50%)	-	0.01

45 Changes in liabilities arising from financing activities

Particulars	Apr-18	Cash flows	Reclassified as part of disposal group	Foreign exchange management	Changes in fair values	New leases	Other	Mar-19
Current borrowings (excluding items listed below)	11.06	(2.55)						8.51
Current obligations under finance leases and hire purchase contracts	0.00							0.00
Non-current borrowings (excluding items listed below)	7.26	(1.90)						5.35
Non-current obligations under finance leases and hire purchase contracts	0.00							0.00
Dividends payable	0.00							0.00
Derivatives	0.00							0.00
Other financial liabilities	4.33	(0.00)				1.52		5.85
Total liabilities from financing activities	**22.65**	**(4.46)**	**0.00**	**0.00**	**0.00**	**1.52**	**0.00**	**19.71**

Particulars	Apr-17	Cash flows	Reclassified as part of disposal group	Foreign exchange management	Changes in fair values	New leases	Other	Mar-18
Current borrowings (excluding items listed below)	11.07	(0.01)		(0.00)				11.06
Current obligations under finance leases and hire purchase contracts	0.00							0.00
Non-current borrowings (excluding items listed below)	4.00			(0.03)		3.29		7.26
Non-current obligations under finance leases and hire purchase contracts	0.00							0.00
Dividends payable	0.00							0.00
Derivatives	0.00							0.00
Other financial liabilities	4.50	(1.91)		(0.23)		1.98		4.33
Total liabilities from financing activities	**19.57**	**(1.91)**	**0.00**	**(0.27)**	**0.00**	**5.26**	**0.00**	**22.65**

The 'Other' column includes the effect of reclassification of non-current portion of borrowings, including obligations under finance leases and hire purchase contracts to current due to the passage of time, and the

46 Discontinued operations

Discontinued operations concern Centun Adetel Transportation, Adetel Maroc and Adetel Equipement Maroc, the cession of these companies is in progress.

The results ofCentun Adetel Transportation, Adetel Maroc and Adetel Equipement Maroc for the year are presented below:

Particulars	31 March 2019	31 March 2018
Revenue	21.17	12.08
Expenses	-23.53	-13.66
Finance costs	-0.11	-0.11
Impairment loss recognised on the re-measurement to fair value less costs to sell		
Profit/(loss) before tax from a discontinued operation	-2.47	-1.69
Tax (expenses)/income:	0.00	0.00
Related to current pre-tax profit/(loss)		
Related to measurement to fair value less costs of disposal (deferred tax)		
Profit/(loss) for the year from a discontinued operation	**-2.47**	**-1.70**

The major classes of assets and liabilities of Centum Adetel Group S.A. classified as held for distribution to equity holders of the parent as at 31 March 2019 are, as follows:

Particulars	31 March 2019	31 March 2018
Assets		
Intangible assets	4.82	
Property, plant and equipment	0.69	
Trade receivable	7.59	
Other current assets	4.35	
Equity shares – unquoted		
Cash and cash equivalents	0.00	
Assets classified as held for distribution	**17.45**	
Liabilities		
Trade payable	5.30	
Deferred tax liability		
Borrowings	0.00	
Other current liabilities	8.22	
Liabilities directly associated with assets classified as held for distribution	**13.52**	

47 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. 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.

Judgements

In the process of applying the Group's accounting policies, there are no judgements exercise, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Estimates and assumptions

There are no 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. The Group based it 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.

48 Hedging activities and derivatives

The Group do not have any hedging activities and derivatives for managing it's foreign currency risk. The Group majorly deal into home currency i.e euro and is not exposed to foreign currency risk.

49 IFRS 16 Lease

The standard IFRS 16 "Leases", which replaces the standard IAS 17 and the related interpretations, will come into force on April 1, 2019. It provides a single principle for the recognition of lease
contracts for lessees, with the recognition of an asset (representing the right to use the leased asset during the period of the contract) and a debt (the obligation to pay rent).
The group has not yet performed the full analysis to estimate the impact of the first application of this new standard.