Centum Adetel Group

Year ended March 31, 2022

Statutory auditor’s report on the consolidated financial statements

ERNST & YOUNG et Autres

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Centum Adetel Group

Year ended March 31, 2022

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 losses as at March 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Due to the global crisis related to the Covid-19 pandemic, the consolidated financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

These financial statements were approved by the Board of Directors.

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, 2022, 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 Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in France, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

We communicate with those charged with governance regarding, 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 you. 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 23, 2022

The Statutory Auditor
ERNST & YOUNG et Autres

Benjamin Malherbe

Centum Adetel Group SA.
Consolidated Balance Sheet as at March 31, 2022

(in Euro)

	Note	As at March 31, 2022	As at March 31, 2021
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	1 016 257	1 177 375
(b) Other intangible assets	4a	2 340 571	1 336 493
(c) Intangible assets under development	4b	1 428 751	1 998 972
(d) Capital work-in-progress	4c	-	9 100
(e) Right-of-use assets	38	5 144 423	5 773 683
(f) Financial assets			
(i) Investments in associates	5a	760 108	5 480 887
(ii) Other Investments	5b	6 136	6 136
(iii) Trade receivables	9	2 478 176	-
(iv) Other non current financial assets	6	1 489 134	1 969 967
(g) Deferred tax assets (net)	7	-	(1)
(h) Other non-current assets	12	389 433	-
Total non-current assets		**15 052 990**	**17 752 613**
(2) Current assets			
(a) Inventories	8	2 786 958	1 844 077
(b) Financial assets			
(i) Trade receivables	9	22 361 195	26 124 354
(ii) Cash and cash equivalents	10	3 376 860	3 325 730
(iii) Other current financial assets	11	2 023 715	1 631 807
(c) Other current assets	12	1 894 837	2 938 034
Total current assets		**32 443 565**	**35 864 002**
Total assests (1+2)		**47 496 555**	**53 616 615**
Equity and liabilities			
(1) Equity			
(a) Equity share capital	13	5 405 416	5 405 416
(b) Other equity	14	(7 891 939)	(1 311 221)
Equity attributable to owners		**(2 486 523)**	**4 094 195**
Non controlling interest		-	-
Total equity		**(2 486 523)**	**4 094 195**
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	9 700 782	11 375 320
(ii) Lease liabilities	38	4 022 391	4 508 877
(b) Net non-current employee defined benefit liabilities	16	128 939	197 005
(c) Provisions	17	707 713	179 718
(d) Deferred tax liabilities (net)	7	-	-
Total non current liabilities		**14 559 825**	**16 260 920**
(3) Current liabilities			
(a)Financial liabilities			
(i) Borrowings	18	11 069 095	9 470 991
(ii) Lease liabilities	38	1 173 333	1 315 290
(iii) Trade payables	19	6 939 113	7 190 487
(b) Other current liabilities	20	13 316 776	13 066 401
(c) Provisions	21	2 924 936	2 218 331
Total current liabilities		**35 423 253**	**33 261 500**
Total equity and liabilities (1+2+3)		**47 496 555**	**53 616 615**

Summary of significant accounting policies 2.3

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

As per our report of even date attached

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

Benjamin MALHERBE
Partner
Mem

Place : Ecully, France
Date: May 23rd, 2022

for and on behalf of Board of Directors of
Centum Adetel Group SA.

Eric ROUCHOUZE
Chief Executive Officer

Vincent FRADIN
Chief Financial Officer

Lucie VIOLAY-MESLET
Legal Adviser

Centum Adetel Group SA.
Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(in Euro)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
I Income			
Revenue from operations	22	52 619 816	48 098 543
Other income	23	276 478	405 005
Finance Income	24	84 089	14 699
Total income		**52 980 383**	**48 518 247**
II Expenses			
Cost of materials consumed	25	15 383 333	14 584 424
(Increase) / decrease in inventories of work-in-progress	26	(50 197)	31 360
Employee benefit expenses	27	27 989 597	25 945 923
Finance costs	28	1 322 912	1 365 833
Depreciation and amortisation expenses	29	2 237 257	2 559 531
Other expenses	30	5 818 732	4 707 604
Total expenses		**52 701 634**	**49 194 675**
III Profit / (loss) before share of profit / (loss) of associate, exceptional items and tax (I - II)		**278 749**	**(676 428)**
IV Share of profit/ (loss) of associates		**(528 249)**	**(177 318)**
V Profit/(loss) before exceptional items and tax (III-IV)		**(249 500)**	**(853 746)**
Exceptional items (net)	31	6 359 997	-
Profit/ (loss) before tax		**(6 609 497)**	**(853 746)**
VI Tax expenses			
(a) Current tax	7	-	-
(b) Deferred tax (credit) / expense	7	-	-
VII Profit / (Loss) after tax (V-VI)		**(6 609 497)**	**(853 746)**
VIII Other comprehensive income			
(A) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
(i) Exchange differences on translation of foreign operations		-	-
(ii) Income tax effect		-	-
(B) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(i) Remeasurement gains / (losses) on defined benefit plans		-	-
(ii) Income tax effect		-	-
Other comprehensive income/ (expenses) for the year, net of tax		-	-
Total comprehensive income/ (expenses) for the year (VII+VIII)		**(6 609 497)**	**(853 746)**
Profit / (loss) for the year		**(6 609 497)**	**(853 746)**
Attributable to			
(a) Equity holders of the parent		(6 609 497)	(853 746)
(b) Non controlling interest		-	-
Other comprehensive income/ (expense) for the year		-	-
Attributable to			
a) Equity holders of the parent		-	-
b) Non-controlling interests		-	-
Total comprehensive income attributable to:		**(6 609 497)**	**(853 746)**
Attributable to			
(a) Equity holders of the parent		(6 609 497)	(853 746)
(b) Non controlling interest		-	-
XIII Earnings per share	32		
Earnings per share (EUR):			
Basic and diluted, computed on the basis of profit/ (loss) attributable to equity holders of the parent (per-equity share of EUR 8 each)			
- Basic		(9,78)	(1,26)
- Diluted		(9,78)	(1,26)

Summary of significant accounting policies 2.3

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

As per our report of even date attached

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

for and on behalf of Board of Directors of
Centum Adetel Group SA.

Benjamin MALHERBE
Partner
Membership Number:

Eric ROUCHOUZE
Chief Executive Officer

Vincent FRADIN
Chief Financial Officer

Lucie VIOLAY-MESLET
Legal Adviser

Place : Ecully, France
Date: May 23rd, 2022

Financial Assets: non current

5b Other Investment

(in Euro)

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted		
Investments carried at fair value through consolidated statement of profit and loss		
Investments in other companies	6 136	6 136
74,184 (March 31, 2021: 74,184) equity shares of USD 0.01 each, fully paid up.		
Total	**6 136**	**6 136**
Aggregate value of unquoted investments	6 136	6 136

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

6 Other Non Current financial assets

(in Euro)

Particulars	As at March 31, 2022	As at March 31, 2021
Subsidy Receivable	1 173 983	1 590 171
Non-current bank balances (refer note 10)	142 199	137 093
Security Deposits	172 952	242 703
	1 489 134	**1 969 967**

7 Deferred tax

Amounts recognised in profit or loss

(in Euro)

Particulars	As at March 31, 2022	As at March 31, 2021
Current income tax:		
- relating to current period	-	-
- relating to earlier years	-	-
Current tax expense reported in the statement of profit or loss	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Minimum alternate tax credit entitlement	-	(1)
Deferred tax expense reported in the statement of profit or loss	-	**(1)**

	As at March 31, 2022	As at March 31, 2021
Tax losses carried forward		
Tax losses for which no deferred tax asset was recognised expire as follows.		
Expire		-
Never Expire	68 274 605	64 221 159
	68 274 605	**64 221 159**

8 Inventories

(in Euro)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	2 401 491	1 508 807
[includes raw material in transit: Nil (March 31, 2021: Nil)]		
Work-in-progress	385 467	335 270
	2 786 958	**1 844 077**

9 Trade receivables

(in Euro)

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Carried at amortised cost				
Receivables from related parties(refer note 35)	-	-	2 466 681	2 230 436
Other trade receivables	2 478 176	-	19 894 514	23 893 918
Total Trade Receivables	**2 478 176**	-	**22 361 195**	**26 124 354**
Break-up for security details:				
Unsecured, considered good	2 478 176	-	22 361 195	26 124 354
Trade Receivables - credit impaired	-	-	642 565	195 336
	2 478 176	-	23 003 760	26 319 690
Impairment allowance (allowance for bad and doubtful debts)				
Unsecured, considered good	-	-	-	-
Trade Receivables - credit impaired	-	-	(642 565)	(195 336)
Total Trade Receivables	**2 478 176**	-	**22 361 195**	**26 124 354**

Trade receivables Ageing Schedule

As at March 31, 2022

	Outstanding for following periods from due date of payment						
	Curent but not due	**Less than 6 Months**	***6 months – 1 year***	***1-2 years***	***2-3 years***	**More than 3 years**	**Total**
Undisputed Trade Receivables- considered good	20 905 198	1 807 602	991 451	800 225	10 116	324 778	**24 839 371**
Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	283 348	140 519	-	218 699	**642 565**
Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
	20 905 198	**1 807 602**	**1 274 799**	**940 744**	**10 116**	**543 477**	**25 481 936**

As at March 31, 2021

	Outstanding for following periods from due date of payment						
	Curent but not due	**Less than 6 Months**	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables- considered good	20 831 897	3 419 084	1 274 676	119 207	112 304	367 186	**26 124 354**
Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	-	148 120	-	47 216	**195 336**
Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
	20 831 897	**3 419 084**	**1 274 676**	**267 327**	**112 304**	**414 402**	**26 319 690**

- The carrying amount of trade receivables include receivables amounting to EUR 10,191,201 (March 31, 2021: EUR 8,770,072) which are subject to factoring arrangement entered into with the factoring agency / bank. Under this arrangement, the Group has transferred the relevant receivables to the bank in exchange of cash and transfered all rights and actions attached to the aforementioned receivables. As the risk for non recovery lies with the Group, it continues to recognise the transferred assets in its entirety in balance sheet. The amount repayable under the factoring arrangement is presented as unsecured borrowing in note 18.

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. For details of trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member, refer note 35.

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

- Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

10 Cash and cash equivalents

(in Euro)

Particulars		**As at March 31, 2022**	**As at March 31, 2021**
Balance with banks			
- On current accounts		3 376 860	3 325 730
	(A)	**3 376 860**	**3 325 730**
Bank balances other than cash and cash equivalents			
Balance with banks			
- On margin money accounts		142 199	137 093
		142 199	**137 093**
Less: Amount disclosed under other non current financial assets (refer note 6)		(142 199)	(137 093)
	(B)	-	-
Total cash and cash equivalents	**(A+B)**	**3 376 860**	**3 325 730**

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

11 Other financials assets

(in Euro)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Unsecured considered good		
Loan to related party(refer note 35)	-	70 000
Interest accrued on deposits	-	77 935
Subsidy receivables	2 023 715	1 483 872
	2 023 715	**1 631 807**

12 Other assets

(in Euro)

Particulars	**Non-current**		**Current**	
	As at March 31, 2022	**As at March 31, 2021**	**As at March 31, 2022**	**As at March 31, 2021**
Unsecured considered good				
Prepaid expenses	389 433	-	802 717	1 491 778
Balances with government authorities	-	-	611 568	755 701
Advance to suppliers (refer note 35)	-	-	390 130	617 382
Other current asssets (refer note 35)	-	-	90 422	73 173
	389 433	**-**	**1 894 837**	**2 938 034**

Financial liabilities: non current

15 Borrowings

(in Euro)

Particulars	As at March 31, 2022	As at March 31, 2021
Term loan		
From banks		
Term loan (secured)[1]	521 733	693 412
Term loan (unsecured)[2]	6 537 894	6 500 000
From Financial Institutions		
Interest free loan from government[3]	1 641 171	2 181 938
Bonds[4]	999 985	1 999 970
	9 700 782	**11 375 320**
The above amount includes		
Secured borrowings	521 733	693 412
Unsecured borrowings	9 179 050	10 681 908
	9 700 782	**11 375 320**

1. Foreign currency term loans availed by Centum Adetel Group SA, Centum Adeneo SAS, Centum Adetel Solution and Centum Adetel Equipment amounting to EUR 1,407,990 (March 31, 2021: EUR 1,983,635) (including current maturities of long term borrowings) carries interest rate ranging from 0% to 8.35% (March 31, 2021: 0% to 11%.) and is secured by way of pledge of respective receivables and all other assets present and future along with the bank guarantee.

2. Within the framework of the health crisis COVID-19 and in order to financially support the companies, the French government has set up loans guaranteed up to 90%. 2 new loans were taken during March'22 for a total amount of EUR 1,500,000(March 31,2021 6,500,000). For EUR 1,500,000, The terms of repayment are: No refunds for the first year. Repayment over 4 years (2023-2027). Free interest for the first year. Then the rates will be between 0,7% and 2,35% for the years later (2023-2027) and for EUR 6,500,000The terms of repayment are: No refunds for the first 2 years (2020-2022). Repayment over 4 years (2022-2026). Free interest for the first year. Then the rates will be between 0,7% and 0,8% for the 5 years later (2021-2026).

3. Interest free loan from government amounting to EUR 1,641,171 (March 31, 2021: EUR 2,181,938) has been provided to carry out research and development activities and is payable on the successful outcome of the research and development activities and is payable on succesful outcome of the research and development.

4. Bonds having coupon rate of 4% p.a. amounting to EUR 1,999,970 (March 31, 2021: EUR 2,749,977) are secured by way of mortgage of immovable properties, plant and machinery and other movable assets of Centum Adetel Group SA. The bonds are payable in equal installments in December 2022 and December 2023. The Group paid during this year reimbursement premium of EUR 750,007 towards waiver of conversion rights by the bond holders into equity shares of Centum Adetel Group SA which are also secured against the security of the underlying loans.

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

16 Net non-current employee defined benefit liabilities

(in Euro)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for pension (refer note 37)	128 939	197 005
	128 939	**197 005**

17 Provisions

(in Euro)

Particulars	As at March 31, 2022	As at March 31, 2021
Provisions for litigations and contingencies	600 000	-
Provisions for loss making contracts	107 713	179 718
	707 713	**179 718**

	Provisions for litigations and contingencies	Provisions for loss making contracts*
As at April 1, 2020	**595 669**	**92 456**
Provision made during the year and amount utilised during the year (net)	(568 469)	87 262
As at March 31, 2021	**27 200**	**179 718**
Provision made/ (utilized) during the year and amount utilised during the year (net)	1 499 800	(72 005)
As at March 31, 2022	**1 527 000**	**107 713**
Current	927 000	-
Non-current	600 000	107 713

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

18 Borrowings

Particulars	As at March 31, 2022	(in Euro) As at March 31, 2021
Short term loans from banks		
- Cash credit	1 105	22 007
- Customers bill discounted / factored[1]	7 084 865	6 847 777
- Current maturities of long-term borrowings[3,4]	3 870 277	2 479 630
- Interest accrued	112 848	121 577
	11 069 095	**9 470 991**
The above amount includes		
Secured borrowings	886 257	1 290 223
Unsecured borrowings	10 182 837	8 180 768
	11 069 095	**9 470 991**

Notes:

1. Customer's bill discounted / factored receivables carries interest rate of 0.09% (March 31, 2021: 0.09%) of the factored invoices including VAT and have recourse to Centum Adeneo SAS, Centum Adeneo CRD SAS and Centum Adetel Transportation System SAS and are guaranteed by the cession of the current account balance.

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

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

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

Foreign currency term loan	886 257	1 290 223
Euro Term Loan	1 462 106	-
Bonds (unsecured)	999 985	750 007
Interest free loan from government	521 928	439 400
	3 870 277	**2 479 630**

19 Trade payables

Particulars	As at March 31, 2022	(in Euro) As at March 31, 2021
Trade payables	5 326 053	6 209 149
Trade payables to related parties (refer note 35)	1 613 060	981 338
	6 939 113	**7 190 487**

Trade payables Ageing Schedule

As at March 31, 2022

	Current but not due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of creditors	4 038 875	2 702 033	66 756	99 079	32 370	6 939 113
Disputed dues of creditors	-	-	-	-	-	-
	4 038 875	**2 702 033**	**66 756**	**99 079**	**32 370**	**6 939 113**

As at March 31, 2021

	Current but not due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of creditors	3 439 779	3 280 238	263 188	42 758	164 524	7 190 487
Disputed dues of creditors	-	-	-	-	-	-
	3 439 779	**3 280 238**	**263 188**	**42 758**	**164 524**	**7 190 487**

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

20 Other current liabilities

Particulars	As at March 31, 2022	(in Euro) As at March 31, 2021
Advance from customers	474 393	573 173
Withholding and other taxes and duties payable	6 170 078	6 089 683
Deferred Revenue (refer note 35)	3 443 370	3 070 251
Accrued salaries and benefits	2 738 570	2 883 292
Other current liabilities (refer note 35)	490 365	450 002
	13 316 776	**13 066 401**

21 *Provisions*

Particulars	As at March 31, 2022	(in Euro) As at March 31, 2021
Provisions for litigations and contingencies (refer note 17)	927 000	27 200
Compensated absences	1 997 936	2 191 131
Total Provisions	**2 924 936**	**2 218 331**

22 Revenue from operations

(in Euro)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products (refer note 35)	15 639 829	13 170 946
Sale of services (refer note 35)	31 804 726	29 846 102
Income from government grants	3 973 289	3 992 723
Management fees (refer note 35)	1 201 972	1 088 772
	52 619 816	**48 098 543**

1. Refer note 43 for disclosures under IFRS 15

23 Other income

(in Euro)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Liabilities no longer required written back	134 043	78 461
Exchange differences (net)	130 531	180 697
Miscellaneous income	11 904	145 847
	276 478	**405 005**

24 *Finance Income*

(in Euro)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income- others	84 089	14 699
	84 089	**14 699**

25 Cost of raw material consumed

(in Euro)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory of materials at the beginning of the year	1 508 807	1 412 109
Add: Purchases (refer note 35)	16 276 017	14 681 122
Less: Inventory of materials at the end of the year	2 401 491	1 508 807
	15 383 333	**14 584 424**

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

(in Euro)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock		
Work-in-progress	335 270	366 630
Closing Stock		
Work-in-progress	385 467	335 270
Decrease / (increase) in inventories of work-in-progress	**(50 197)**	**31 360**

27 Employee benefits expense

(in Euro)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	20 716 221	19 423 316
Contribution to provident and other funds (refer note 37)	7 273 376	6 522 607
	27 989 597	**25 945 923**

28 Finance costs

(in Euro)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on debt and borrowings(refer note 35)	991 605	989 812
Other borrowing costs	244 436	269 541
Interest on lease liabilities (refer note 38)	86 871	106 480
	1 322 912	**1 365 833**

29 Depreciation and amortization expense

(in Euro)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment (refer note 3)	431 201	463 135
Amortisation of intangible assets (refer note 4b)	517 861	530 652
Depreciation on right-of-use assets (refer note 38)	1 288 195	1 565 744
	2 237 257	**2 559 531**

30 Other expenses

(in Euro)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent	475 757	34 472
Rates and taxes	1 031 633	914 782
Plant and equipment	666 240	620 142
Insurance	337 998	324 739
Professional and legal expenses*	807 292	888 669
Travelling and conveyance	1 553 211	985 089
Postage, telephones and telegrams	112 345	118 621
Advertisement and promotion	93 692	48 077
Provision for doubtful advances	296 503	411 542
Miscellaneous expenses	444 061	361 471
	5 818 732	**4 707 604**

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

Payment to auditor (exclusive of taxes)	March 31, 2022	March 31, 2021
As auditor:		
Audit fee (including fees for internal controls over financial reporting, consolidated financial statements of the company and quarterly limited reviews)	158 406	206 208
In other capacity		
Reimbursement of expenses	-	-
	158 406	**206 208**

Centum Adetel Group SA
Consolidated statement of cash flows for the year ended March 31, 2022

	For the year ended March 31, 2022	For the year ended March 31, 2021
		(in Euro)
Operating activities		
Profit / (loss) before tax	(6 609 497)	(853 746)
Profit / (loss) before tax expenses	(6 609 497)	(853 746)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	949 062	993 787
Depreciation on Right to use Assets	1 288 195	1 565 744
Provisions no longer required, written back	(134 043)	(78 461)
Provision for doubtful receivables	296 503	411 542
Finance income	(84 089)	(14 699)
Finance costs	1 322 912	1 365 833
Exceptional items	6 359 997	-
Share of loss / (profit) of associates and a joint ventures	528 249	177 318
	3 917 289	**3 567 318**
Working capital adjustments:		
(Increase) / decrease in inventories	(942 881)	(65 338)
(Increase) / decrease in trade receivables	3 008 652	(1 807 530)
(Increase) / decrease in non-current/current financial and other assets	1 067 228	1 243 671
Increase / (decrease) in trade payables, provisions and other liabilities	(207 198)	(5 071 233)
Cash generated from operations	**6 843 090**	**(2 133 112)**
Direct taxes paid (net of refunds)	-	(2)
Net cash (used in) / generated from operating activities(A)	**6 843 090**	**(2 133 114)**
Cash flow from investing activities		
Purchase of property, plant and equipment, including intangible assets	(1 203 946)	(1 312 297)
Sales proceeds from sale of subsidiary	-	6 370 000
Purchase of non-current investments	(112 462)	(874 993)
Investment in bank deposit (having original maturity of more than three months) and other bank balances	(5 106)	(137 093)
Loan to related parties	-	(70 000)
Interest received	84 089	14 699
Net cash (used in)/ flow from investing activities(B)	**(1 237 425)**	**3 990 315**
Cash flow from financing activities		
Proceeds / repayments of long term borrowings (net)	(283 891)	3 368 692
Proceeds / repayment of short term borrowings (net)	216 186	464 266
Payment of lease liabilities	(1 374 451)	(1 743 457)
Finance costs paid	(1 244 770)	(1 494 128)
Net cash (used in)/provided by financing activities(C)	**(2 686 926)**	**595 373**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	2 918 739	2 452 574
Cash and cash equivalents at the beginning of the year	3 325 730	873 156
Effect of exchange differences on translation of foreign currency cash and cash equivalent	-	-
Cash and cash equivalents at the end of the year	**6 244 469**	**3 325 730**

Centum Adetel Group SA
Consolidated statement of cash flows for the year ended March 31, 2022

Explanatory notes to statement of cash flows
1. Changes in liabilities arising from financing activities:-

Particulars	Liabilities arising from financing activities		
	Long term borrowings (including current maturities of long term borrowings) (refer note 15 and 18)	**Short term borrowings (refer note 18)**	**Lease liabilities (refer note 38)**
As at April 1, 2021	**13 854 950**	**6 869 784**	**5 824 167**
Cash flows	(283 891)	216 186	(1 374 451)
Non-cash changes		-	
Changes in fair values((refer note 42)		-	86 871
Additions to lease liabilities (refer note 42)		-	1 533 542
As at March 31, 2022	**13 571 059**	**7 085 970**	**6 070 129**
As at April 1, 2020	**10 486 258**	**6 405 518**	**5 022 151**
Cash flows	3 368 692	464 266	(1 743 457)
Non-cash changes		-	
Changes in fair values((refer note 42)		-	106 480
Additions to lease liabilities (refer note 42)		-	2 438 993
As at March 31, 2021	**13 854 950**	**6 869 784**	**5 824 167**

Summary of significant accounting policies 2.3

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

As per our report of even date attached

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

Benjamin MALHERBE
Partner
Membership Number:

Place : Ecully, France
Date: May 23rd, 2022

for and on behalf of Board of Directors of
Centum Adetel Group SA.

Eric ROUCHOUZE
Chief Executive Officer

Lucie VIOLAY-MESLET
Legal Adviser

Vincent FRADIN
Chief Financial Office

2.4 The entities consolidated in the consolidated financial statements are listed below:

Sl No.	Name of the Entity	Country of Incorporation	Relationship as at March 31, 2022	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		Net Assets, i.e, total assets minus total liabilities*				Share in total comprehensive income*			
								March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021	
				March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	As a % of consolidated net assets	EUR	As a % of consolidated net assets	EUR	As % of total comprehensive income	EUR	As % of total comprehensive income	EUR
	Parent														
1	Centum Adetel Group	France	Holding Company					-543,18%	13 506 370	384,18%	15 729 254	33,63%	(2 222 881)	62,44%	(533 118)
	Foreign Subsidiaries														
2	Centum Adeneo	France	Subsidiary	100%	100%	100%	100%	-62,37%	1 550 885	34,98%	1 431 957	-8,91%	588 942	61,88%	(528 259)
3	Centum Adeneo CRD	France	Subsidiary	100%	100%	100%	100%	10,22%	(254 054)	-4,40%	(180 060)	1,12%	(73 993)	-4,09%	34 884
4	Centum Adetel Synergies SARL****	France	Subsidiary	0%	100%	100%	100%	0,00%	-	-11,63%	(476 097)	0,00%	-	-3,66%	31 283
5	Centum Adetel Transportation System SAS	France	Subsidiary	100%	100%	100%	100%	281,09%	(6 989 282)	-56,37%	(2 307 963)	70,83%	(4 681 319)	8,57%	(73 135)
6	Centum Adetel Equipment	Canada	Subsidiary	100%	100%	100%	100%	15,69%	(390 137)	-14,50%	(593 600)	-3,22%	212 541	-45,46%	388 073
7	Centum Adetel Solution	Canada	Subsidiary	100%	100%	100%	100%	344,02%	(8 554 180)	-209,42%	(8 574 034)	0,12%	(8 169)	-4,24%	36 159
8	Centum Adeneo Belgium	Belgium	Subsidiary	100%	100%	100%	100%	-2,87%	71 317	-0,79%	(32 314)	-1,57%	103 631	3,78%	(32 315)
	Associates* **														
9	Ausar Energy SAS	France	Associate	30,45%	30,45%	30,45%	30,45%	57,41%	(1 427 444)	-22,05%	(902 948)	7,99%	(528 249)	20,77%	(177 318)
10	HOLIWATT (formerly known as Centum Adetel Transportation)	France	Associate	0,00%	35,00%	0,00%	35,00%								-
	Sub Total							**100,00%**	**(2 486 525)**	**100,00%**	**4 094 195**	**100,00%**	**(6 609 497)**	**100,00%**	**(853 746)**
	Add / Less: Non controlling interests in all subsidiaries														
	Consolidation adjustments/eliminations**														
	Total								**(2 486 525)**		**4 094 195**		**(6 609 497)**		**(853 746)**

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

** Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

*** The financial statements of subsidiaries have been drawn up to the same reporting date as of the Company, i.e. March 31, 2022. There is a quarter lag in the reporting dates of the associates with that of the parent Company whose management certified financial statements for the year ended on and as at December 31, 2021 were considered for the purpose of consolidated financial statements of the Group.

**** During the year ended March 31, 2022 the Centum Adetel Synergies has been merged with Centum Adeneo SAS w.e.f April 01, 2021.

Centum Adetel Group
Notes to the consolidated financial statements for the year ended 31 March 2022

Statement of Changes in Equity

Equity share capital

(in EURO)

Equity shares of EUR 8 each issued, subscribed and	Number	Amount
Balance as at April 1, 2020	**675 677**	**5 405 416**
Issue of share capital (refer note 13)	-	-
Balance as at March 31, 2021	**675 677**	**5 405 416**
Issue of share capital (refer note 13)	-	-
Balance as at March 31, 2022	**675 677**	**5 405 416**

Other equity

Particulars	Attributable to equity shareholders				(in Euro)
	Reserves and surplus				
	Securities premium account (refer note 14)	General reserve (refer note 14)	Retained earnings (refer note 14)	Foreign Currency Translation reserve (refer note 14)	Total equity
As at April 1, 2021	**3 385 029**	**8 179 408**	**(12 893 075)**	**17 417**	**(1 311 221)**
(Loss)/ profit for the year	-	-	(6 609 497)	-	(6 609 497)
Others	-	-	9 832	18 947	28 779
Balance as at March 31,2022	**3 385 029**	**8 179 408**	**(19 492 740)**	**36 364**	**(7 891 939)**
As at 1 April 2020	**3 385 029**	**8 179 408**	**(12 034 233)**	**13 501**	**(456 295)**
(Loss)/ profit for the year	-	-	(853 746)	-	(853 746)
Others	-	-	(5 096)	3 916	(1 180)
Balance as at March 31,2021	**3 385 029**	**8 179 408**	**(12 893 075)**	**17 417**	**(1 311 221)**

Summary of significant accounting policies 2.3

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

As per our report of even date attached

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

for and on behalf of Board of Directors of
Centum Adetel Group SA.

Benjamin MALHERBE
Partner
Membership Number:

Eric ROUCHOUZE
Chief Executive Officer

Vincent FRADIN
Chief Financial Officer

Lucie VIOLAY-MESLET
Legal Adviser

Place : Ecully, France
Date: May 23rd, 2022

1 Corporate Information

Centum Adetel Group (“Adetel” or “the Company” or “the Holding Company) is established since 1994 and located in France. It has subsidaries in Canada. The Company along with its subsidiaries and its associates (hereinafter collectively referred to as "the Group") 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.

The consolidated financial statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on May 23rd, 2022.

2 Significant Accounting Policies

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

2.1 Basis of consolidation

The consolidated financial statements of the Group have been prepared in accordance with the IFRS.

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

The functional and presentation currency of the Group is Euro which is the currency of the primary economic environment in which the Group operates.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group’s voting rights and potential voting rights.
- The size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

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

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

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

Consolidation procedure:

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

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

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

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

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a

• Derecognises the assets (including goodwill) and liabilities of the subsidiary
• Derecognises the carrying amount of any non-controlling interests
• Derecognises the cumulative translation differences recorded in equity
• Recognises the fair value of the consideration received
• Recognises the fair value of any investment retained
• Recognises any surplus or deficit in profit or loss
• Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in accounting policies and disclosures:

<u>**New standards and amendments**</u>:

(i) Amendments to IFRS 16: Covid-19-Related Rent

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from
the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 April 2021. This amendment had no significant impact on the consolidated financial statements of the Group.

(ii) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Covid-19-Related Rent Concessions.

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

• A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
• Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
• Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

2.3 Significant accounting policies

a) Business combination and goodwill

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

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

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

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IFRS 12 Income Tax and IFRS 19 Employee Benefits respectively.
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the Reacquired right.

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

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

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

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

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

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

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

b) Investment in associates and joint ventures

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

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

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

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

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

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

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

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

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

c) Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/ non-current classification. An asset is treated as current

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities. Advance tax paid is classified as non-current assets.

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

d) Fair value measurement of financial instruments

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
▶ Disclosures for valuation methods, significant estimates and assumptions
▶ Quantitative disclosures of fair value measurement hierarchy
▶ Investment in unquoted equity shares
▶ Financial instruments (including those carried at amortised cost)

e) Revenue recognition

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

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

Sale of products and services

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

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

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

Fixed price contracts

These contracts which have a performance obligation either provide for the fixed price for the entire project or a price defined in a framework agreement for each type of service ordered by the customer as the project is performed. Revenues from fixed price contracts is recognised based on the stage of completion and the expected profit on completion. Depending on the contracts, the degrees of progress is determined according to the input method (notably according to the costs borne by the project and hours spent) or the output method (notably according to the deliverables made). In the event of an unexpected excess of total contract costs over total contract revenues, the expected losses on completion are provisioned.

Time and material contracts

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

Management fees income

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

Interest income

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

Contract balances

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

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

f) Government grants

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

g) Taxes on income

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.

h) Property, plant and equipment

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.

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

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

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

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

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

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

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

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

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

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

i) Intangible assets

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

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

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

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

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

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

j) 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.

k) Leases

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

Group as a lessee

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

i) Right-of-use assets:

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

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

ii)Lease Liabilities

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

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

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

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

l) Inventories

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

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

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

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

m) Impairment of non-financial assets

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

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:
i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and
ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net fair value less costs of disposal and the value in use.

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

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

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

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

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

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

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

n) Provisions and contingent liabilities

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

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

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

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

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

Provisions and contingent liability are reviewed at each balance sheet.

o) Employment benefits

Post retirement obligations

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

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

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

The Company has the following employee benefit plans:

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

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

p) Financial instruments

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

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

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

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

Effective interest method

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

(i) Financial assets

Financial assets at amortised cost

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

Financial assets measured at fair value

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

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

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

Impairment of financial assets excluding investment in associates

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

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

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

De-recognition of financial assets

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

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.
If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

(ii) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instruments

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

Financial Liabilities

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

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

a) Financial guarantee contracts

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

b) De-recognition

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

Off-setting of financial instruments

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

q) Cash and cash equivalents

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

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

r) Foreign currencies

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

Transactions and balances:

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:
•Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
•Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
•Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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

Group companies:

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

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

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

s) Research and development expenditure

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

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

t) Earnings per share

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

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

3. Property, plant and equipment

(in Euro)

	Freehold land	Building	Plant and equipment	Electrical installations	Computers	Office equipment	Vehicles	Total
As at April 1, 2020	15 445	433 492	2 070 851	1 328 569	446 387	324 702	10 641	4 630 087
Additions	-	-	86 997	4 097	11 883	2 827	-	105 804
Exchange differences - translation adjustment	-	-	38 109	12 413	4 812	3 522	340	59 196
Disposals	-	-	-	(33 400)	(137 370)	-	-	(170 770)
As at March 31, 2021	**15 445**	**433 492**	**2 195 957**	**1 311 679**	**325 712**	**331 051**	**10 981**	**4 624 317**
Additions	-	-	1 992	215 885	30 553	13 644	-	262 074
Exchange differences - translation adjustment	-	-	51 698	16 841	1 896	4 777	461	75 673
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2022	**15 445**	**433 492**	**2 249 647**	**1 544 405**	**358 161**	**349 472**	**11 442**	**4 962 064**
Depreciation								
As at April 1, 2020	-	241 155	1 117 910	1 077 306	381 232	294 717	7 937	3 120 257
Charge for the year	-	14 406	316 471	87 546	35 457	7 961	1 293	463 135
Exchange differences - translation adjustment	-	-	15 809	11 796	3 998	2 460	257	34 320
Disposals	-	-	-	(33 400)	(137 370)	-	-	(170 770)
As at March 31, 2021	-	**255 561**	**1 450 190**	**1 143 248**	**283 317**	**305 138**	**9 487**	**3 446 942**
Charge for the year	-	14 406	308 771	74 780	24 981	7 895	368	431 201
Exchange differences - translation adjustment	-	-	41 331	16 841	5 496	3 626	370	67 664
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2022	-	**269 967**	**1 800 292**	**1 234 869**	**313 794**	**316 659**	**10 225**	**3 945 807**
Net block								
As at March 31, 2022	**15 445**	**163 525**	**449 355**	**309 536**	**44 367**	**32 813**	**1 217**	**1 016 257**
As at March 31, 2021	**15 445**	**177 931**	**745 767**	**168 431**	**42 395**	**25 913**	**1 494**	**1 177 375**

4a. Other intangible assets (in Euro)

	Computer software	Intellectual property rights (including R&D credits)	Total
As at April 1, 2020	1 803 936	12 584 031	14 387 967
Additions	74 053	309 461	383 514
Exchange differences - translation adjustment	4 366	21 961	26 327
Disposals	-	-	-
As at March 31, 2021	**1 882 355**	**12 915 453**	**14 797 808**
Additions	17 483	1 495 701	1 513 184
Exchange differences - translation adjustment	5 923	17 892	23 815
Disposals	-	-	-
As at March 31, 2022	**1 905 761**	**14 429 046**	**16 334 807**
Depreciation			
As at April 1, 2020	1 765 331	11 154 707	12 920 038
Charge for the year	37 896	492 756	530 652
Exchange differences - translation adjustment	3 389	7 236	10 625
Disposals	-	-	-
As at March 31, 2021	**1 806 616**	**11 654 699**	**13 461 315**
Charge for the year	63 575	454 286	517 861
Exchange differences - translation adjustment	4 996	10 064	15 060
Disposals	-	-	-
As at March 31, 2022	**1 875 187**	**12 119 049**	**13 994 236**
Net block			
As at March 31, 2022	**30 574**	**2 309 997**	**2 340 571**
As at March 31, 2021	**75 739**	**1 260 754**	**1 336 493**

4b. Intangible assets under development

Particulars	(in Euro)
As at April 1, 2020	**1 215 166**
Exchange differences - translation adjustment	-
Additions	1 167 320
Capitalised during the year	(383 514)
As at March 31, 2021	**1 998 972**
Exchange differences - translation adjustment	-
Additions	942 963
Capitalised during the year	(1 513 184)
As at March 31, 2022	**1 428 751**

Intangible assets under development ageing schedule

As at March 31, 2022

	Amount in IAUD for a period of				(in EURO)
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	542 479	495 424	331 598	39 299	1 408 801
Projects temporarily suspended	-	-	-	19 950	19 950
Total	**542 479**	**495 424**	**331 598**	**59 249**	**1 428 751**

As at March 31, 2021

	Amount in IAUD for a period of				(in EURO)
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	1 093 267	589 170	246 248	50 337	1 979 022
Projects temporarily suspended	-	-	5 000	14 950	19 950
Total	**1 093 267**	**589 170**	**251 248**	**65 287**	**1 998 972**

4c. Capital work in progess

Particulars	(in Euro)
As at April 1, 2020	-
Exchange differences - translation adjustment	-
Additions[1]	9 100
Capitalised during the year	-
As at March 31, 2021	**9 100**
Exchange differences - translation adjustment	-
Additions	252 974
Capitalised during the year	(262 074)
As at March 31, 2022	-

Note:
1. Improvements to the premises of Ecully were in progress at the end of March 2021 and were accounted for EUR 9,100.

Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2022

	Amount in CWIP for a period of				(in EURO)
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

As at 31 March 2021

	Amount in CWIP for a period of				(in EURO)
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	9 100	-	-	-	9 100
Projects temporarily suspended	-	-	-	-	-
Total	**9 100**	-	-	-	**9 100**

5a Investment in associates

(i) Details of Associates

Name of the Entity	Place of Business	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting right held as at		Nature of Activities	Accounting Method
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021		
(a) Material associates:							
HOLIWATT (formerly known as Centum Adetel Transportation SAS 4.3)	France	0,00%	35,00%	0,00%	35,00%	Engaged in engineering and manufacturing of energy conversion and storage systems for rolling stock railway markets.	Equity Method
(b) Other associates:							
Ausar Energy SAS 3	France	30,45%	30,45%	30,45%	30,45%	Engaged in the consulting, engineering, research and development in Energy sector.	Equity Method

Notes:

1. Aggregate amount of unquoted investment in associates EUR 760,108 (March 31, 2021: EUR 5,480,887)
2. The country of incorporation of the above entity is same as its principal place of business.
3. There is a quarter lag in the reporting dates of the associate with that of the parent Company whose management certified financial statements for the year ended on and as at December 31, 2021 were considered for the purpose of consolidated financial statements of the Group.
4. During the year ended March 31, 2020, the management of the Group, entered into an agreement for sale of 65% stake in HOLIWATT (formerly known as Centum Adetel Transportation SAS ("HOLIWATT")), subsidiary of Centum Adetel Group SA. The management of the Group had a put option to sale its remaining 35% stake at a fixed price amounting to EUR 3,960,000 plus interest at the rate of 6% p.a and other receivables of EUR 500,000. Further the management had assessed that they exercised significant influence / control over CAT and has accordingly treated the same as investment in associates in the audited consolidated financial statements of the Group during the year ended March 31, 2021. During the quarter ended June 30, 2021, HOLIWATT had been placed in specific insolvency statutes, allowing HOLIWATT to commence negotiation with other parties including its shareholders. During the year ended March 31, 2022, the Commercial Court of Lyon has accounced the opening of judicial recovery process and accordingly based on the internal assessment, the management of the Group has provided the carrying value of its investment, receivables, payables and employee in HOLIWATT amounting to EUR 6,359,997 and the same has been disclosed as exceptional item in the audited consolidated financial statements during the year ended March 31, 2022. Also refer note 31

(ii) Summarised financial information for material associates

(in Euro)

Particulars	HOLIWATT	
	March 31, 2022	March 31, 2021
Current assets	-	3 640 796
Non-current assets	-	4 956 093
Current liabilities	-	3 711 025
Non-current liabilities	-	148 436
Net assets	-	**4 737 428**

(iii) Reconciliation of carrying amounts of material associates

(in Euro)

Particulars	HOLIWATT	
	March 31, 2022	March 31, 2021
Net assets	-	4 737 428
Proportion of the Group's ownership (%)	0,00%	35,00%
Group's share	-	1 658 100
Equity infusion made post reporting date of associate**	-	874 992
Fair value changes	-	1 771 900
Carrying amount of the investment	-	**4 304 992**

**Two share capital increases happened during the previous year (January 2021 and March 2021) and the Group has made an additional investment in Centum Adetel Transportation of EUR 874,992 during the previous year.

(iv) Summarised Statement of Profit & Loss of material associates

(in Euro)

Particulars	HOLIWATT [1]	
	March 31, 2022	March 31, 2021
Revenue	-	4 355 821
Cost of sales	-	4 942 310
Administrative expenses	-	1 790 566
Finance costs	-	3 069
Profit before tax	-	(2 380 124)
Income tax expense	-	(508 285)
Profit for the year (continuing operations)	-	**(1 871 839)**
Other comprehensive income	-	(44 991)
Total comprehensive income for the year (continuing operations)	-	**(1 916 830)**
Group's share of profit for the year	-	(670 890)

1.The figures till December 2021.

(v) Financial information in respect of other associates

(in Euro)

Particulars	March 31, 2022	March 31, 2021
Aggregate carrying amount of investments in equity shares of individually immaterial associates	-	375 895
Investment at amortised cost		
Investment in 800,000 (March 31, 2021: 800,000) unquoted bonds of Euro 1 in Ausar Energy SAS, net off impairment	760 108	800 000
Total investment in other associates	**760 108**	**1 175 895**
Aggregate amount of group's share of :		
- (Loss) / profit for the year	(528 249)	(177 318)
- Other comprehensive income for the year	-	-
- Total comprehensive income for the year	(528 249)	(177 318)

(vi) Contingent liabilities of associates

NIL

(vii) Commitments of / towards associates

NIL

(viii) Carrying amount of investments in associates

(in Euro)

Particulars	March 31, 2022	March 31, 2021
Material associates	-	4 304 992
Other associates	760 108	1 175 895
Total	**760 108**	**5 480 887**

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

(in Euro)

Particulars	March 31, 2022	March 31, 2021
Share of loss in material associate	-	(670 890)
Fair value gain on investment in material associate	-	670 890
Share of loss in other associates	(528 249)	(177 318)
Total	**(528 249)**	**(177 318)**

13 Equity share capital

(in Euro)

	Equity shares of Euro 8 each	
	In Numbers	**Amount**
Authorised share capital:		
At April 1, 2020	**675 677**	**5 405 416**
Increase / (decrease) during the year	-	-
At March 31, 2021	**675 677**	**5 405 416**
Increase / (decrease) during the year	-	-
At March 31, 2022	**675 677**	**5 405 416**

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

	In Numbers	**Amount**
At April 1, 2020	**675 677**	**5 405 416**
Issue of equity shares	-	-
At March 31, 2021	**675 677**	**5 405 416**
Issue of equity shares	-	-
At March 31, 2022	**675 677**	**5 405 416**

(b) Terms/rights attached to equity shares
The Company has only one class of equity shares having par value of Euro 8 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Euro. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

Name of Shareholder	March 31, 2022		March 31, 2021	
	No. of shares held	% holding in class	No. of shares held	% holding in class
Equity shares of Euro 8 each fully paid				
Centum Electronics UK Ltd	436 879	64,66%	436 879	64,66%
Francois SEBES	65 000	9,62%	65 000	9,62%
Xavier BENOIT	56 090	8,30%	56 090	8,30%

(d) Details of shares held by promoters

As at March 31, 2022

Particulars	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of Euro 8 each fully paid	Centum Electronics UK Ltd	436 879	-	436 879	64,66%	0%
Total		**436 879**	-	**436 879**	**64,66%**	-

As at March 31, 2021

Particulars	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of Euro 8 each fully paid	Centum Electronics UK Ltd	365 847	71 032	436 879	64,66%	10,51%
Total		**365 847**	71 032	**436 879**	**64,66%**	10,51%

14 Other equity

		(in Euro)
Securities premium[1]		
Balance as at April 1, 2020		3 385 029
Balance as at March 31, 2021		3 385 029
Balance as at March 31, 2022	**(A)**	**3 385 029**
General reserve[2]		
Balance as at April 1, 2020		8 179 408
Balance as at March 31, 2021		8 179 408
Balance as at March 31, 2022	**(B)**	**8 179 408**
Retained earnings[3]		
Balance as at April 1, 2020		(12 034 233)
(Loss) / profit for the year		(853 746)
Others		(5 096)
Balance as at March 31, 2021		**(12 893 075)**
(Loss) / profit for the year		(6 609 497)
Others		9 832
Balance as at March 31, 2022	**(C)**	**(19 492 740)**
Foreign currency translation reserve (FCTR)[4]		
Balance as at April 1, 2020		13 501
Movement during the year		3 916
Balance as at March 31, 2021		17 417
Movement during the year		18 947
Balance as at March 31, 2022	**(D)**	**36 364**
Total other equity	**(A+B+C+D)**	(7 891 939)
Balance as at March 31, 2021		**(1 311 221)**
Balance as at March 31, 2022		**(7 891 939)**

Nature and purpose of reserves

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

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

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

4. **Foreign currency translation reserve (FCTR)**

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

31 Exceptional items

(in Euro)

Particulars	As at March 31, 2022	As at March 31, 2021
Impairment of investment in associates	4 304 992	-
Impairment of loan given to related party	70 000	-
Impairment of receivables from associates	458 005	-
Litigation with customer	1 200 000	-
Litigation with suppliers	300 000	-
Litigation with Employee	27 000	-
Total	**6 359 997**	-

1. During the year ended March 31, 2020, the management of the Group, entered into an agreement for sale of 65% stake in HOLIWATT (formerly known as Centum Adetel Transportation SAS ("HOLIWATT")), subsidiary of Centum Adetel Group SA. The management of the Group had a put option to sale its remaining 35% stake at a fixed price amounting to EUR 3,960,000 plus interest at the rate of 6% p.a and other receivables of EUR 500,000. Further the management had assessed that they exercised significant influence / control over CAT and has accordingly treated the same as investment in associates in the audited consolidated financial statements of the Group during the year ended March 31, 2021. During the quarter ended June 30, 2021, HOLIWATT had been placed in specific insolvency statutes, allowing HOLIWATT to commence negotiation with other parties including its shareholders. During the year ended March 31, 2022, the Commercial Court of Lyon has accounced the opening of judicial recovery process and accordingly based on the internal assessment, the management of the Group has provided the carrying value of its investment, receivables, payables and employee in HOLIWATT amounting to EUR 6,359,997 and the same has been disclosed as exceptional item in the audited consolidated financial statements during the year ended March 31, 2022. Also refer note 5a

32 Earnings per share

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

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

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to equity holders of the parent for basic / diluted earnings per share	(6 609 497)	(853 746)
Weighted average number of equity shares used for computing EPS (basic)	675 677	675 677
Add: Effect of dilutive issues of stock options	-	-
Weighted average number of equity shares used for computing EPS (diluted)	675 677	675 677
Earnings per share - Basic and Diluted	(9,78)	(1,26)

34 Holding of Centum Adetel Group in its subsidiary:

Name of the subsidiary	As at March 31, 2022	As at March 31, 2021
Centum Adeneo	100,00%	100,00%
Centum Adeneo CRD	100,00%	100,00%
Centum Adeneo Belgium	100,00%	100,00%
Centum Adetel Transportation System	100,00%	100,00%
Centum Adetel Synergies	0,00%	100,00%
Centum Adetel Solution	100,00%	100,00%
Centum Adetel Equipment	100,00%	100,00%

33 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include determining control over entities, impairment of investments in joint ventures and associates, impairment of goodwill, fair value measurement of financial assets / liabilities, treatment of certain investments as joint ventures / associates, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments, contingencies, provision for inventory obsolesce and efforts estimation for revenue recognition.

(i) Judgements

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

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

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has EUR 68,274,605 (March 31, 2021: EUR 64,221,159) carried forward of tax losses. These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by EUR 18,092,770. Further details of taxes are disclosed in Note 7.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 42 for further disclosures.

Intangible asset under development
The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. As at March 31, 2022, the carrying amount of intangible assets under development is EUR 1,428,751 (March 31, 2021: EUR 1,998,972).

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

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

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

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

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

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

35 Related party disclosures

a) Names of related parties and description of relationship

Description of relationship	Name of related parties
Ultimate Holding Company	Centum Electronics Limited
Holding Company	Centum Electronics UK Limited
Subsidiary Company	Centum Adeneo SAS Centum Adeneo CRD SAS Centum Adetel Synergies SARL Centum Adetel Solution Centum Adetel Equipment Centum Adetel Transportation System SAS Centum Adeneo Belgium
Fellow subsidiary	Centum Adeneo India Private Limited
Associate Companies	Ausar Energy SAS Holiwatt (formerly known as Centum Adetel Transportation SAS)*
Key managerial personnel and their relatives	François SEBES, C (upto December Eric ROUCHOUZE, CEO (w.e.f. January 01,2022) Xavier BENOIT, Chief Technical Officer Vincent FRADIN, Chief Financial Officer

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

(in EURO)

	For the year ended March 31, 2022	For the year ended March 31, 2021
i) Sale of products and services		
Centum Electronics Limited	215 861	570 732
Centum Adeneo India Private Limited	869 848	151 083
Centum Adetel Transportation SAS	-	999 303
Ausar Energy SAS	194 548	616 989
ii) Management fees		
iii) Finance / other income		
Ausar Energy SAS	30 774	13 270
iv) Purchase of goods and services		
Centum Electronics Limited	2 679 548	2 044 268
Centum Adeneo India Private Limited	1 244 331	1 251 810
Centum Adetel Transportation SAS	-	705 202
v) Employee benefit expenses		
Remuneration to key managerial personnel	625 086	947 399
vi) Financial interests		
CM-CIC Filiales	-	114 196
vii) Exceptional items		
Impairment of investment in associates	4 304 992	-
Impairment of loan given to related party	70 000	-
Impairment of receivables from associates	458 005	-
viii) Outstanding balances as at the year ended:		
(a) Trade receivables		
Centum Electronics Limited	315 184	794 587
Centum Adeneo India Private Limited	939 096	155 215
Ausar Energy SAS	1 212 401	902 585
Centum Adetel Transportation SAS	-	378 048
(b) Trade payables		
Centum Electronics Limited	1 071 614	740 603
Centum Adeneo India Private Limited	541 446	178 543
Centum Adetel Transportation SAS	-	62 192
(c) Advance to suppliers		
Centum Adeneo India Private Limited	-	214 695
(d) Other financial / current assets		
Ausar Energy SAS	-	96 485
(e) Loan /Advance to Related Party		
Centum Adetel Transportation SAS	-	70 000
(f) Other current liability		
Centum Electronics UK Limited	350 000	350 000
(g) Deferred Revenue		
Centum Adetel Transportation SAS	-	209
AUSAR Energy	108 692	40 275
Centum Adeneo India Private Limited	21 778	26 771

Notes:

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

36 During the year ended 31 March 2022, no material foreseeable loss was incurred for any long-term contract including derivative contracts.

38 Leases

Group as a lessee

The Group has lease contracts for office facilities and equipment (including vehicles and computer). The lease term for office facilities is generally 3 to 12 years and for equipment is 2 to 6 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There is no contingent rent in the lease agreements.

Refer to Note 2.3 for the accounting policy on leases.

The Group also has certain short-term leases and lease on assets with low value. The Group applies leases of 'low-value assets' and 'short-term lease' recognition exemption for the leases.

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

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

(in Euro)

Particulars	Building	Computer	Vehicles	Total
As at April 1, 2020	**10 620 389**	**382 512**	**670 575**	**11 673 476**
First application of IFRS 16	-	-	-	-
Additions	1 521 385	421 464	496 145	2 438 993
Disposals	(4 099 582)	(86 542)	(305 912)	(4 492 036)
Exchange differences	-	-	-	-
As at March 31, 2021	**8 042 192**	**717 434**	**860 808**	**9 620 433**
Additions	1 157 869	123 011	252 661	1 533 542
Disposals	(1 981 292)	(525 289)	(158 691)	(2 665 272)
Exchange differences	-	-	-	-
As at March 31, 2022	**7 218 769**	**315 156**	**954 779**	**8 488 703**
Accumulated Amortisation				
As at April 1, 2020	6 006 788	295 650	470 604	6 773 042
Charge for the year	1 134 279	166 991	264 475	1 565 744
Disposals	(4 099 582)	(86 542)	(305 912)	(4 492 036)
As at March 31, 2021	**3 041 485**	**376 099**	**429 167**	**3 846 750**
Charge for the year	914 488	169 068	204 639	1 288 195
Disposals	(1 261 108)	(401 592)	(127 965)	(1 790 665)
Exchange differences	-	-	-	-
As at March 31, 2022	**2 694 865**	**143 574**	**505 841**	**3 344 280**
Net block				
As at March 31, 2022	**4 523 904**	**171 582**	**448 938**	**5 144 423**
As at March 31, 2021	**5 000 707**	**341 335**	**431 641**	**5 773 683**

(in Euro)

Particulars	Lease liabilties
As at April 1, 2020	**5 022 151**
Additions	2 438 993
Accretion of Interest	106 480
Reversal of lease liabilities on disposal of asset	-
Payments	(1 743 457)
As at March 31, 2021	**5 824 167**
Additions	1 533 542
Accretion of Interest	86 871
Reversal of lease liabilities on disposal of asset	(874 607)
Payments	(1 374 249)
As at March 31, 2022	**5 195 724**

(in Euro)

Particulars	March 31, 2022	March 31, 2021
Current	1 173 333	1 315 290
Non Current	4 022 391	4 508 877
Total lease liabilities	**5 195 724**	**5 824 167**

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

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

(in Euro)

Particulars	March 31, 2022	March 31, 2021
Depreciation	1 288 195	1 565 744
Interest	86 871	106 480
Expenses- short term/ low value	475 757	34 472
	1 850 823	**1 706 696**

The Group had total cash outflows for leases of EUR 1,374,278 in March 31, 2022 (March 31, 2021: EUR 1,743,457).

37 Gratuity and other post-employment benefits plans

(a) Defined contribution plans

The Company's contribution to provident fund and superannuation fund are 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 provident fund and superannuation fund for the year aggregated to EUR 7,273,376 (March 31, 2021: EUR 6,522,607).

Particulars	March 31, 2022	March 31, 2021
Contribution to pension fund	7 273 376	6 522 607
	7 273 376	**6 522 607**

(b) 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

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

Particulars	March 31, 2022	March 31, 2021
Current service cost	(68 066)	(15 376)
Net benefit expenses	**(68 066)**	**(15 376)**

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

Particulars	March 31, 2022	March 31, 2021
Actuarial (gain)/ loss	-	-
Actuarial (gain)/ loss	-	-

iii. Net defined benefit asset/ (liability) - Consolidated Balance Sheet

Particulars	March 31, 2022	March 31, 2021
Defined benefit obligation	(128 939)	(197 005)
Fair value of plan assets	-	-
Asset / (liability) recognised in the balance sheet	**(128 939)**	**(197 005)**

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

	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	197 005	212 381
Current service cost	(68 066)	(15 376)
Past service cost	-	-
Benefits paid	-	-
Interest cost on the defined benefit obligation	-	-
Acquisition cost	-	-
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	-	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	-	-
Closing defined benefit obligation	**128 939**	**197 005**

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

Particulars	March 31, 2022
March 31, 2023	5 646
March 31, 2024	-
March 31, 2025	20 162
March 31, 2026	6 173
March 31, 2027	16 192
March 31, 2028 to March 31, 2032	37 712
	85 885

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

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	1,74%	0,72%
Mortality table	INSEE 2016-2018	INSEE 2016-2018
Salary escalation rate	1,0%	1,0%
Attrition rate	6% - 22,58%	6% - 22,58%
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.

39 Commitments and Contingencies

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

(in Euro)

Particulars	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	52 350	92 917

(b) Contingent liabilities

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

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

Contingent liabilities (with details)

Claims against the Company not acknowledged as debts in respect of:		
Human resource litigation	71 000	85 000
Supplier litigation	-	300 000

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

40 Segment information

A Information about reportable segments

Basis of identifying operating segments / reportable segments:

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

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

The Company along with its subsidiaries and associates are an integrated business unit which addresses the Electronics System Design and Manufacturing ("ESDM") and accordingly there is only one reportable segment called ESDM in accordance with the requirement of IFRS 8 - "Operating segments".

B Geographical information

Euro

Geography	Segment revenue*		Non-current assets**	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(i) India	2 138 409	2 124 857	-	-
(ii) Europe	1 935 454	1 167 228	51 781	24 334
(iii) USA and Canada	4 915 640	4 105 222	1 344 988	1 755 269
(iv) France	43 605 037	40 656 018	8 533 233	8 516 024
(v) Rest of the world	25 277	45 218	-	-
Total Revenue	**52 619 816**	**48 098 543**	**9 930 002**	**10 295 627**

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

C Information about major customers

Revenue from external customers are more than 10 % of the company's total revenue amounting Euro 18,247,556 as on March 31, 2022 (March 31, 2021 : Euro 19,237,578).

41 Capital Management

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

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

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

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

(Euro)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Borrowings (refer note 15 and 18)	20 769 877	20 846 311
Less: Cash and cash equivalents (refer note 11)	(3 376 860)	(3 325 730)
Total debts (A)	**17 393 017**	**17 520 581**
Capital components		
Equity share capital (refer note 13)	5 405 416	5 405 416
Other equity (refer note 14)	(7 891 939)	(1 311 221)
Total Capital (B)	**(2 486 523)**	**4 094 195**
Capital and borrowings (C = (A+B))	**14 906 494**	**21 614 776**
Gearing ratio (D=(A/C))	**117%**	**81%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

42 Disclosures on Financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.3(b) and 2.3(o), to the financial statements.

(a) Financial assets and liabilities

As at March 31, 2022 (Euro)

Particulars	**Fair value through statement of profit or loss**	**Derivative instruments not in hedging relationship**	**Amortised cost**	**Total fair value**	**Total carrying value**
Financial assets					
(i) Investments (other than investments in associates)	6 136	-	-	6 136	6 136
(ii) Trade receivables	-	-	22 361 195	22 361 195	22 361 195
(iii) Cash and cash equivalents	-	-	3 376 860	3 376 860	3 376 860
(iv) Other financial assets	-	-	5 991 025	5 991 025	5 991 025
Total	**6 136**	-	**31 729 080**	**31 735 216**	**31 735 216**
Financial liabilities					
(i) Borrowings	-	-	20 769 877	20 769 877	20 769 877
(ii) Lease liabilities	-	-	5 195 724	5 195 724	5 195 724
(iii) Trade payables	-	-	6 939 113	6 939 113	6 939 113
Total	-	-	**32 904 714**	**32 904 714**	**32 904 714**

As at March 31, 2021 (Euro)

Particulars	**Fair value through statement of profit or loss**	**Derivative instruments not in hedging relationship**	**Amortised cost**	**Total fair value**	**Total carrying value**
Financial assets					
(i) Investments (other than investments in associates)	6 136	-	-	6 136	6 136
(ii) Trade receivables	-	-	26 124 354	26 124 354	26 124 354
(iii) Cash and cash equivalents	-	-	3 325 730	3 325 730	3 325 730
(iv) Other financial assets	-	-	3 601 774	3 601 774	3 601 774
Total	**6 136**	-	**33 051 858**	**33 057 994**	**33 057 994**
Financial liabilities					
(i) Borrowings	-	-	20 846 311	20 846 311	20 846 311
(ii) Lease liabilities	-	-	5 824 167	5 824 167	5 824 167
(iii) Trade payables	-	-	7 190 487	7 190 487	7 190 487
Total	-	-	**33 860 965**	**33 860 965**	**33 860 965**

(b) Fair value hierarchy

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

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

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

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

(Euro)

Particulars	Fair value measurements at reporting date using			
	Total	**Level 1**	**Level 2**	**Level 3**
March 31, 2022				
Financial assets				
Investments (other than investments in associates)	6 136	-	-	6 136
March 31, 2021				
Financial assets				
Investments (other than investments in associates)	6 136	-	-	6 136

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

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

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

(iv) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2022 and March 31, 2021.

(c) Financial risk management objectives and policies

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

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

Market risk

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

(a) Market risk- Interest rate risk

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

Interest rate sensitivity

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

(Euro)

Particulars	Increase / decrease in basis points	Effect on profit before tax
March 31, 2022		
	50	-
	-50	-
March 31, 2021		
	50	3 165
	-50	(3 165)

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

(b) Market risk- Foreign currency risk

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

Foreign currency exposure

Particulars	Currency	March 31, 2022	March 31, 2021
Trade payables and borrowings (including short term borrowing and long term borrowing)	USD	(1 406 621)	(1 708 417)
Trade receivables and cash and cash equivalents	USD	1 045 339	2 108 708
Net assets / (liabilities) in USD		(361 282)	400 291
Net assets / (liabilities) in EUR		(343 218)	382 984

Particulars	Currency	March 31, 2022	March 31, 2021
Trade payables and borrowings (including short term borrowing and long term borrowing)	CAD	(1 327)	(125 000)
Trade receivables and cash and cash equivalents	CAD	106	538
Net assets / (liabilities) in CAD		(1 221)	(124 462)
Net assets / (liabilities) in EUR		(891)	(84 339)

Foreign currency sensitivity

Particulars	Change in currency	Effect on profit or loss	
		Strengthening	Weakening
March 31, 2022			
USD	*0,50%*	1 716	(1 716)
CAD	*0,50%*	(4)	4
March 31, 2021			
USD	*0,50%*	(1 915)	1 915
CAD	*0,50%*	(422)	422

The sensitivity analysis has been based on the composition of the financial assets and liabilities at March 31, 2022 and March 31, 2021 of entities within the Group having exposure other than their functional currency. The period end balances are not necessarily representative of the average debt outstanding during the period.

ii Credit risk

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Euro xxx and Euro 33.057,994 as at March 31, 2022 and March 31, 2021, respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments (other than investments in associates and joint ventures) and other financial assets (excluding assets held for disposal).

Customer credit risk is managed by each entity / business unit based on the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Group does not hold collateral as security.

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

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

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

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital limits from various banks. The Group invests its surplus funds in bank fixed deposit, which carry no or low market risk.

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

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

(in Euro)

Particulars	0-1 year	1 to 5 years	> 5 years	Total
March 31, 2022				
Borrowings	11 069 095	9 700 782	-	20 769 877
Lease liabilities	1 173 333	2 922 169	1 281 915	5 377 417
Trade payables	6 939 113	-	-	6 939 113
	19 181 541	**12 622 952**	**1 281 915**	**33 086 407**
March 31, 2021				
Borrowings	9 470 991	11 228 053	147 267	20 846 311
Lease liabilities	1 315 290	3 348 003	1 519 668	6 182 961
Trade payables	7 190 487	-	-	7 190 487
	17 976 768	**14 576 056**	**1 666 935**	**34 219 759**

43 Disclosure under IFRS 15

Euro

a) Timing of rendering of services

Particulars	March 31, 2022			March 31, 2021		
	Performance obligation satisfied at point in time	Performance obligation satisfied over time*	Total	Performance obligation satisfied at point in time	Performance obligation satisfied over time*	Total
Sale of products	15 639 829	-	15 639 829	13 170 946	-	13 170 946
Sale of services	-	31 804 726	31 804 726	-	29 846 102	29 846 102
Income from government grants	-	3 973 289	3 973 289	-	3 992 723	3 992 723
Management fees	-	1 201 972	1 201 972	-	1 088 772	1 088 772
Interest income on bank deposits	-	84 089	84 089	-	14 699	14 699
Total	**15 639 829**	**37 064 076**	**52 703 905**	**13 170 946**	**34 942 296**	**48 113 242**

b) Contract Balances:

-

Particulars	March 31, 2022	March 31, 2021
Receivables		
- Current (Gross)	24 839 371	26 319 690
- Provision for impairment loss (current)	(642 565)	(195 336)
Contract Liabilities*		
Deferred revenue		
- Current	3 443 370	3 070 251
Advance received from customers		
- Current	474 393	573 173

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

c) Revenue recognised during the year:

Particulars	March 31, 2022	March 31, 2021
Arising out of contract liabilities at the beginning of the year	2 995 490	2 050 951
Arising out of advance received from customers at the beginning of the year	133 567	654 736
Total	**3 129 057**	**2 705 687**

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

46 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0,92	1,08	-15%	-
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(8,35)	5,09	-264%	Due to write off w.r.t investment in Holiwatt
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	(1,46)	5,99	-124%	Due to write off w.r.t investment in Holiwatt
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	(8,22)	(0,19)	4255%	Due to write off w.r.t investment in Holiwatt
Inventory Turnover ratio	Cost of goods sold	Average Inventory	6,62	8,07	-18%	-
Trade Receivable Turnover Ratio	Revenue from sale of products + Revenue from sale of services	Average Trade Receivable	1,96	1,69	16%	-
Trade Payable Turnover Ratio	Purchases made during the year	Average Trade Payables	2,30	1,54	50%	-
Net Capital Turnover Ratio	Revenue from sale of products + Revenue from sale of services	Working capital = Current assets – Current liabilities	(15,92)	16,53	-196%	Due to write off w.r.t investment in Holiwatt
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	(0,14)	(0,02)	602%	-
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	(0,36)	0,02	-1637%	Due to write off w.r.t investment in Holiwatt
Return on Investment	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

47 Other Statutory Information

(i) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(ii) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(iii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

48 Pursuant to the ongoing COVID-19 pandemic, the Group has made a detailed assessment of its liquidity position as at the date of approval of these audited consolidated financial statements for the next one year and of the recoverability and carrying values of its assets including Property, Plant and Equipment, Intangible assets, Intangible assets under development, Trade receivables including unbilled revenue, Subsidy receivables, Inventory, Investments and other assets as at the reporting date and has concluded that there are no material adjustments required in the audited consolidated financial statements. Management believes that it has taken into account all the possible impact of known events and economic forecasts based on internal and external sources of information arising from COVID-19 pandemic while making such assessment in the preparation of the audited consolidated financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

As per our report of even date attached

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

Benjamin MALHERBE
Partner
Membership Number:

Place : Ecully, France
Date: May 23rd, 2022

for and on behalf of Board of Directors of
Centum Adetel Group

Eric ROUCHOUZE
Chief Executive Officer

Vincent FRADIN
Chief Financial Officer

Lucie VIOLAY-MESLET
Legal Adviser