

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Ind AS Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to The Board of Directors Centum Electronics Limited

1. We have reviewed the accompanying statement of unaudited standalone Ind AS financial results of Centum Electronics Limited (the "Company") for the quarter ended June 30, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

5. We draw attention to the note no 5 to the accompanying unaudited standalone Ind AS financial results which describes the uncertainties and management assessment of the financial impact of the outbreak of Corona Virus (COVID – 19) on the business operations, liquidity and recoverability of assets of the Company and its subsidiaries. In view of the highly uncertain economic environment, a definitive assessment of the aforesaid impact on the subsequent periods is dependent upon circumstances as they evolve.

Our conclusion is not modified in respect of this matter.

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



per Sandeep Karnani
Partner
Membership No.: 061207

UDIN: 21061207AAAADQ5699

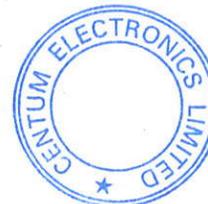
Bengaluru
August 14, 2021



Statement of unaudited standalone Ind AS financial results for the quarter ended June 30, 2021

(Rs. in Million)

Sl. No.	Particulars	Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	Refer note 6	(Unaudited)	(Audited)
1	Income				
	(a) Revenue from operations				
	(i) Sales/Income from operations	599.75	945.30	1,032.44	4,178.80
	(ii) Other operating income	2.34	9.62	20.10	66.47
	(b) Other income				
	(i) Gain on account of foreign exchange fluctuations (net)	-	2.30	-	-
	(ii) Others	7.32	9.24	3.00	18.99
	(c) Finance income	4.59	4.68	5.46	19.61
	Total income	614.00	971.14	1,061.00	4,283.87
2	Expenses				
	(a) Cost of materials consumed	406.06	435.99	587.30	2,348.15
	(b) Changes in inventories of finished goods and work-in-progress	(19.30)	129.14	24.16	178.34
	(c) Employee benefit expenses	158.45	180.76	165.04	678.53
	(d) Finance costs	43.86	35.91	54.93	173.81
	(e) Depreciation and amortisation expenses	41.41	41.76	37.74	158.21
	(f) Loss on account of foreign exchange fluctuations (net)	6.97	-	9.14	9.98
	(g) Other expenses	67.75	131.57	109.31	405.60
	Total expenses	705.20	955.13	987.62	3,952.62
3	(Loss) / profit before exceptional items and tax (1-2)	(91.20)	16.01	73.38	331.25
4	Exceptional items (refer note 4b)	(18.36)	-	-	-
5	(Loss) / profit before tax (3± 4)	(109.56)	16.01	73.38	331.25
6	Tax expenses				
	(a) Current tax	-	15.86	41.25	82.12
	(b) Deferred tax (credit) /charge (refer note 4b)	(27.31)	(4.86)	(22.10)	9.34
7	(Loss) / profit for the period (5± 6)	(82.25)	5.01	54.23	239.79
8	Other comprehensive income/(expenses) (net of tax)				
	(a) Items that will not be reclassified to profit or loss				
	(i) Remeasurements of the net defined benefit liability	0.36	(0.67)	0.70	1.43
	(ii) Income tax on above	(0.10)	0.19	(0.20)	(0.41)
	(b) (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax on above	-	-	-	-
9	Total comprehensive income for the period (comprising (loss) / profit and other comprehensive income/(expenses) (net of tax) for the period (7±8))	(81.99)	4.53	54.73	240.81
10	Paid up equity share capital (Face value- Rs.10 per share)	128.85	128.85	128.85	128.85
11	Earnings per equity share (of Rs. 10 each):				
	(a) Basic (Rs.)	(6.38)	0.39	4.21	18.61
	(b) Diluted (Rs.)	(6.38)	0.39	4.21	18.60



Mr. Akhate

Notes to the unaudited standalone Ind AS financial results for the quarter ended June 30, 2021

1 Investors can view the standalone Ind AS financial results of Centum Electronics Limited ("the Company") on the Company's website www.centumelectronics.com or on the websites of BSE (www.bseindia.com) or NSE (www.nse-india.com).

2 The Company is 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 Ind AS 108 - "Operating segments".

3 The accompanying unaudited standalone Ind AS financial results of the Company for the quarter ended June 30, 2021 have been reviewed by the Audit Committee in their meeting on August 13, 2021 and approved by the Board of Directors in their meeting held on August 14, 2021.

4 a) The Company has investments in Centum Electronics UK Limited, which in turn has made investment in Centum Adetel Group SA. Centum Adetel Group SA and its underlying subsidiaries have incurred losses. During the year ended March 31, 2021, the Board of Directors of Company further acquired 10.51% stake of Centum Adetel Group SA through Centum Electronics UK Limited from other shareholders of Centum Adetel Group SA. The carrying value of the aforesaid investment continues to be higher than the net worth of Centum Adetel Group SA.

However, based on internal assessment performed with regard to future operations, the management of the Company is of the view that the carrying value of the Company's investment in Centum Electronics UK Limited is appropriate.

b) During the year ended March 31, 2020, Centum Adetel Group SA, a step down subsidiary entered into agreement for sale of 65% stake in HOLIWATT (formerly known as Centum Adetel Transportation SAS ("HOLIWATT")), subsidiary of Centum Adetel Group SA. Centum Adetel Group SA had a put option to sale its remaining 35% stake at a fixed price amounting to EUR 3.96 million plus interest at the rate of 6% p.a as per the aforesaid sale agreement and other receivables of EUR 0.5 million. Subsequent to the year ended March 31, 2021 the HOLIWATT has been placed in specific insolvency statutes, allowing the Company to commence negotiation with other parties including its shareholders. Further, subsequent to the quarter ended June 30, 2021, the Honourable Commercial Court of Lyon has announced the opening of judicial recovery procedures. Based on its internal assessment, the management of the Company has provided for its receivables amounting to Rs. 18.36 million (excluding deferred tax credit amounting to Rs. 4.62 million, created on the provision thereof) and the same has been disclosed as exceptional items in the unaudited standalone Ind AS financial results for the quarter ended June 30, 2021.

5 The spread of COVID-19 pandemic and consequent national and local lockdowns and supply chain disruptions had an impact on the Company's business operations. The year began amidst a strict lockdown post the emergence of COVID -19 towards the end of the last financial year. The economy gradually opened post June 2020 and the second half of the year was progressing towards recovery. However a much stronger second wave of COVID -19 infections hit the country during the quarter ended June 30, 2021 which may result in significant disruption to our business. The Company has made a detailed assessment of its liquidity position as at the date of approval of these unaudited standalone Ind AS financial results for the next one year and of the recoverability and carrying values of its assets including property, plant and equipment (including capital work-in-progress), intangible assets, trade receivables, inventory, investments and other assets as at the reporting date and has concluded that there are no material adjustments required in the unaudited standalone Ind AS financial results. 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 unaudited standalone Ind AS financial results. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The statutory auditors of the Company have drawn an Emphasis of Matter in their Independent Auditor's Review Report in this regard.

6 The figures for the quarter ended March 31, 2021 in the unaudited standalone Ind AS financial results are the balancing figures between the audited figures in respect of standalone financial statements for the year ended March 31, 2021 and the unaudited published year to date figures for the nine months ended December 31, 2020 being the date of end of the third quarter of the financial year which were subjected to limited review.

7 For the year / periods the Company has incurred losses, the allotment of stock options would increase the loss per share for the respective year / periods and accordingly has not been considered for the purpose of calculation of diluted earnings per share.

8 The statutory auditor's of the Company have carried out a limited review of the unaudited standalone Ind AS financial results for the quarter ended June 30, 2021.

Place : Bengaluru
Date : August 14, 2021



For Centum Electronics Limited

Apparao V Mallavarapu
Chairman & Managing Director