

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone 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 December 31, 2021 and year to date from April 01, 2021 to December 31, 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. The Company's Management is responsible for the preparation of the Statement 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 and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. 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. Emphasis of Matter Paragraph**

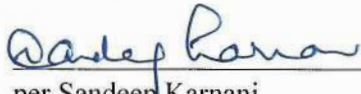
We draw attention to the note no 5 to the accompanying unaudited standalone Ind AS financial results which describes the uncertainties and management assessment of the financial impact of the outbreak of Corona Virus (COVID – 19) on the business operations, liquidity and recoverability of assets of the 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: 22061207ACFLZD2302

Bengaluru

February 14, 2022

Statement of unaudited standalone Ind AS financial results for the quarter and nine months ended December 31, 2021

Sl. No.	Particulars	Quarter ended			Nine months ended		(Rs. in Million)
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	Year ended March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations						
	(i) Sales/Income from operations	847.80	817.97	1,037.83	2,265.52	3,233.50	4,178.80
	(ii) Other operating income	1.13	3.01	13.76	6.48	56.85	66.47
	(b) Other income						
	(i) Gain on account of foreign exchange fluctuations (net)	-	5.57	-	-	-	-
	(ii) Others	4.62	15.66	3.63	17.25	9.75	18.99
	(c) Finance income	7.26	10.69	5.15	22.54	14.93	19.61
	<b>Total income</b>	<b>860.81</b>	<b>852.90</b>	<b>1,060.37</b>	<b>2,311.79</b>	<b>3,315.03</b>	<b>4,283.87</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	467.27	636.79	544.84	1,510.12	1,912.16	2,348.15
	(b) Changes in inventories of finished goods and work-in-progress	16.76	(140.32)	81.35	(142.86)	49.20	178.34
	(c) Employee benefit expenses	163.82	170.32	170.43	492.59	497.77	678.53
	(d) Finance costs	27.43	34.65	42.23	105.94	137.90	173.81
	(e) Depreciation and amortisation expenses	42.20	41.34	39.26	124.95	116.45	158.21
	(f) Loss on account of foreign exchange fluctuations (net)	2.55	-	2.74	3.95	12.28	9.98
	(g) Other expenses	95.63	81.32	80.49	234.35	274.03	405.60
	<b>Total expenses</b>	<b>815.66</b>	<b>824.10</b>	<b>961.34</b>	<b>2,329.04</b>	<b>2,999.79</b>	<b>3,952.62</b>
<b>3</b>	<b>Profit / (Loss) before exceptional items and tax (1-2)</b>	<b>45.15</b>	<b>28.80</b>	<b>99.03</b>	<b>(17.25)</b>	<b>315.24</b>	<b>331.25</b>
<b>4</b>	<b>Exceptional items (refer note 4b)</b>	-	-	-	(18.36)	-	-
<b>5</b>	<b>Profit / (Loss) before tax (3± 4)</b>	<b>45.15</b>	<b>28.80</b>	<b>99.03</b>	<b>(35.61)</b>	<b>315.24</b>	<b>331.25</b>
<b>6</b>	<b>Tax expenses</b>						
	(a) Current tax	-	(2.43)	22.78	(2.43)	66.26	82.12
	(b) Deferred tax (credit) /charge	13.11	7.31	2.99	(6.89)	14.20	9.34
<b>7</b>	<b>(Loss) / profit for the period (5± 6)</b>	<b>32.04</b>	<b>23.92</b>	<b>73.26</b>	<b>(26.29)</b>	<b>234.78</b>	<b>239.79</b>
<b>8</b>	<b>Other comprehensive income/(expenses) (net of tax)</b>						
	(a) Items that will not be reclassified to profit or loss						
	(i) Remeasurements of the net defined benefit liability	0.36	0.36	0.70	1.08	2.10	1.43
	(ii) Income tax on above	(0.10)	(0.10)	(0.20)	(0.30)	(0.60)	(0.41)
	(b) Items that will be reclassified to profit or loss						
	(i) Net movement on effective portion of cash flow hedge	(1.09)	0.84	-	(0.25)	-	-
	(ii) Income tax on above	0.28	(0.21)	-	0.07	-	-
<b>9</b>	<b>Total comprehensive income for the period (comprising (loss) / profit and other comprehensive income/(expenses) (net of tax) for the period (7±8))</b>	<b>31.49</b>	<b>24.81</b>	<b>73.76</b>	<b>(25.69)</b>	<b>236.28</b>	<b>240.81</b>
<b>10</b>	<b>Paid up equity share capital</b> (Face value- Rs.10 per share)	128.85	128.85	128.85	128.85	128.85	128.85
<b>11</b>	<b>Earnings per equity share (of Rs. 10 each):</b>						
	(a) Basic (Rs.)	2.49	1.86	5.69	(2.04)	18.22	18.61
	(b) Diluted (Rs.)	2.48	1.86	5.68	(2.04)	18.21	18.60



**Notes to the unaudited standalone Ind AS financial results for the quarter and nine months ended December 31, 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](http://www.centumelectronics.com) or on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) or NSE ([www.nse-india.com](http://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 and nine months ended December 31, 2021 have been reviewed by the Audit Committee in their meeting on February 13, 2022 and approved by the Board of Directors in their meeting held on February 14, 2022.

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. During the nine months ended December 31, 2021, the Commercial Court of Lyon has announced the opening of judicial recovery procedures and accordingly, based on its internal assessment, the management of the Company has provided for its receivables amounting to Rs. 18.36 million and the same has been disclosed as exceptional items in the unaudited standalone Ind AS financial results for the nine months ended December 31, 2021.

5 Pursuant to the ongoing COVID-19 pandemic, 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 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.

7 The statutory auditor's of the Company have carried out a limited review of the unaudited standalone Ind AS financial results for the quarter and nine months ended December 31, 2021.

Place : Bengaluru  
Date : February 14, 2022

For Centum Electronics Limited  
  
Apparao V Mhajarapu  
Chairman & Managing Director  