

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Ind AS Consolidated 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 Ind AS Consolidated Financial Results of Centum Electronics Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate for the quarter ended September 30, 2022 and year to date from April 01, 2022 to September 30, 2022 (the "Statement") attached herewith, being submitted by the Holding 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 Holding 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 Holding 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:
 - a. Centum Electronics Limited
 - b. Centum Electronics UK Limited
 - c. Centum Adetel Group SA
 - d. Centum T&S (Technologies & Solutions), France (formerly known as Centum Adeneo SAS)
 - e. Centum R&D (Recherche & development) (formerly known as Centum Adeneo CRD SAS)
 - f. Centum Adetel Transportation System SAS
- Centum T&S (Technologies & Solutions), Canada (formerly known as Centum Adetel Solution)



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- h. Centum E&S (Equipements & Systemes) (formerly known as Centum Adetel Equipment)
 - i. Centum T&S (Technologies & Solutions) Belgium (formerly known as Centum Adetel Belgium)
 - j. Centum Adeneo India Private Limited
 - k. Ausar Energy SAS
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with 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.
6. The accompanying Statement includes the unaudited consolidated interim financial results and other financial information in respect of 1 subsidiary located outside India (the said subsidiary has 6 underlying subsidiaries and 1 associate), whose unaudited consolidated interim financial results includes total assets of Rs. 3,366.84 million as at September 30, 2022 and total revenues of Rs. 967.32 million and Rs. 2,099.67 million, total net loss after tax of Rs. 54.41 million and Rs. 62.61 million and total comprehensive loss of Rs. 44.16 million and Rs. 46.96 million for the quarter ended September 30, 2022 and for the period ended on that date respectively, and net cash outflows of Rs. 71.66 million for the period from April 01, 2022 to September 30, 2022 (before consolidated adjustments) as considered in the respective consolidated financial information of the entities included in the Group which have been reviewed by their respective independent auditors.

The independent auditor's reports on consolidated interim financial information / financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and associate is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

These subsidiaries and associate are located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the consolidated financial results of such subsidiaries and associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries and associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

7. The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of 2 subsidiaries, whose interim financial results and other financial unaudited information reflect total assets of Rs 1,165.66 million as at September 30, 2022, and total revenues of Rs 40.61 million and Rs 88.83 million, total net loss after tax of Rs. 0.78 million and Rs. 1.95 million, total comprehensive loss of Rs. 26.27 million and Rs. 38.49 million, for the quarter ended September 30, 2022 and the period ended on that date respectively and net cash outflows of Rs. 1.80 million for the period from April 01, 2022 to September 30, 2022.



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The unaudited interim financial results and other unaudited financial information of the these subsidiaries have not been reviewed by their auditor(s) and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial information and financial results are not material to the Group.

Our conclusion on the Statement in respect of matters stated in para 6 and 7 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial results and financial information certified by the Management.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Sandeep Karnani

Partner

Membership No.: 061207

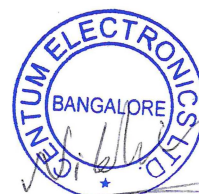
UDIN: 22061207BCPSUD8918

Place: Bengaluru

Date: November 09, 2022



<p style="text-align: center;"> Centum Electronics Limited Corporate Identity Number (CIN): L85110KA1993PLC013869 Regd. Office: No.44, KHB Industrial Area, Velahanka New Town, Bengaluru – 560 106 Phone: +91-80-41436000 Fax: +91-80-41436005 Email: investors@centumelectronics.com Website : www.centumelectronics.com </p>						
<p style="text-align: center;"> Statement of unaudited consolidated Ind AS financial results for the quarter and six months ended September 30, 2022 </p>						
(Rs. in million)						
Sl.No.	Particulars	Quarter ended			Six months ended	
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Income					
	(a) Revenue from operations					
	(i) Sale of products and services	1,925.32	1,973.59	1,616.22	3,898.91	3,234.95
	(ii) Other operating income	85.73	111.19	108.01	196.92	233.05
	(b) Other income					
	(i) Gain on account of foreign exchange fluctuations (net)	-	-	1.64	-	-
	(ii) Others	0.90	21.02	19.60	21.92	29.76
	(c) Finance income	5.26	4.78	7.68	10.04	15.04
	Total Income	2,017.21	2,110.58	1,753.15	4,127.79	3,512.80
2	Expenses					
	(a) Cost of materials consumed	1,068.61	929.15	837.74	1,997.76	1,487.28
	(b) (Increase) / decrease in inventories of work-in-progress and finished goods	(146.60)	(44.11)	(143.81)	(190.71)	(163.85)
	(c) Employee benefit expenses	745.10	822.69	748.31	1,567.79	1,525.52
	(d) Finance costs	65.50	59.84	60.37	125.34	133.60
	(e) Depreciation and amortisation expenses	107.94	110.43	111.79	218.37	223.07
	(f) Loss on account of foreign exchange fluctuations (net)	28.11	26.25	-	54.36	7.29
	(g) Other expenses	233.34	236.27	161.24	469.61	393.87
	Total expenses	2,102.00	2,140.52	1,775.64	4,242.52	3,606.78
3	Share of (loss) / profit of associates from operations	-	-	-	-	(45.74)
4	(Loss) / profit before exceptional items and tax expense from operations (1±2±3)	(84.79)	(29.94)	(22.49)	(114.73)	(93.98)
5	Exceptional items (refer note 5 and 9)	-	-	-	-	(446.51)
6	(Loss) / profit before tax expense from operations (4±5)	(84.79)	(29.94)	(22.49)	(114.73)	(540.49)
7	Tax expenses					
	(a) Current tax (net)	(10.91)	4.56	(3.57)	(6.35)	(3.31)
	(b) Deferred tax (credit) / expense	(5.28)	(8.79)	2.16	(14.07)	(31.06)
8	(Loss) / profit after tax expense from operations (6±7)	(68.60)	(25.71)	(21.08)	(94.31)	(506.12)
9	Other comprehensive income/ (expenses) (net of tax)					
	(a) Items that will not be reclassified to profit or loss					
	(i) Remeasurement gain / (losses) on defined benefit plans	0.36	0.36	0.40	0.72	0.76
	(ii) Income tax effect	(0.09)	(0.09)	(0.09)	(0.18)	(0.19)
	(b) Items that will be reclassified to profit or loss					
	(i) Exchange difference on translation of foreign operations	13.68	21.96	9.58	35.64	8.78
	(ii) Income tax effect	-	-	-	-	-
	(iii) Net movement on effective portion of cash flow hedge	0.86	(0.86)	0.84	-	0.84
	(iv) Income tax effect	(0.22)	0.22	(0.21)	-	(0.21)
10	Total comprehensive income for the period (comprising (loss) / profit and other comprehensive income/(expenses)(net of tax)) for the period (8±9)	(54.01)	(4.12)	(10.56)	(58.13)	(496.14)
11	Total comprehensive income attributable to:					
	(a) Owners of the Company	(47.04)	(1.14)	4.13	(48.18)	(343.00)
	(b) Non-controlling interest	(6.97)	(2.98)	(14.69)	(9.95)	(153.14)
	Total comprehensive income for the period	(54.01)	(4.12)	(10.56)	(58.13)	(496.14)
12	Paid up equity share capital (Face value - Rs 10 per share)	128.85	128.85	128.85	128.85	128.85
13	Earnings per equity share (EPS) (of Rs. 10 each) :					
	(a) Basic (Rs.)	(4.60)	(1.67)	(0.53)	(6.27)	(27.12)
	(b) Diluted (Rs.)	(4.60)	(1.67)	(0.53)	(6.27)	(27.12)

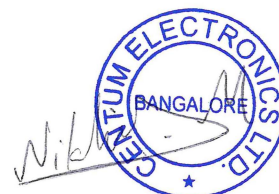


Notes to the unaudited consolidated Ind AS financial results for the quarter and six months ended September 30, 2022

1. Statement of consolidated assets and liabilities

(Rs. in million)

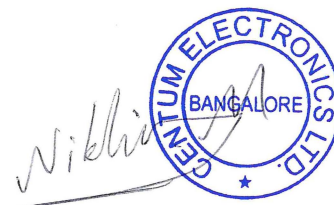
Sl.No.	Particulars	As at September 30, 2022	As at March 31, 2022
		(Unaudited)	(Audited)
A	Assets		
(1)	Non-current assets		
	(a) Property, plant and equipment	1,039.34	1,119.54
	(b) Capital work-in-progress	0.24	0.09
	(c) Goodwill on consolidation (refer note 7)	376.23	376.23
	(d) Other intangible assets (refer note 7)	336.55	416.42
	(e) Intangible assets under development (refer note 7)	125.33	120.14
	(f) Right-of-use assets	408.83	481.07
	(g) Financial assets		
	(i) Investment in associates (refer note 5)	57.13	59.15
	(ii) Other Investments	13.75	13.78
	(iii) Trade receivables	167.28	173.92
	(iv) Others non-current financial assets	351.29	378.36
	(h) Deferred tax assets (net)	34.62	31.58
	(i) Non-current tax assets (net)	18.42	48.89
	(j) Other non-current assets	61.10	41.84
	Total non-current assets	2,990.11	3,261.01
(2)	Current assets		
	(a) Inventories	2,615.68	2,248.25
	(b) Financial assets		
	(i) Trade receivables	2,451.50	2,594.22
	(ii) Cash and cash equivalents	333.09	480.44
	(iii) Bank balances other than cash and cash equivalents	143.69	93.66
	(iv) Other current financial assets	100.77	226.21
	(c) Other current assets	323.92	325.82
	Total current assets	5,968.65	5,968.60
	Total assets (1+2)	8,958.76	9,229.61
B	Equity and liabilities		
	Equity		
	(a) Equity share capital	128.85	128.85
	(b) Other equity	1,816.57	1,910.83
	Equity attributable to equity holders of the parent	1,945.42	2,039.68
	Non-controlling interests	(45.16)	(54.48)
(1)	Total equity	1,900.26	1,985.20
	Liabilities		
(2)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	666.05	815.74
	(ii) Lease liabilities	297.84	355.54
	(b) Deferred tax liabilities (net)	37.97	48.82
	(c) Net employee defined benefit liabilities	61.22	58.28
	(d) Provisions	24.71	70.35
	(e) Government grants	28.43	26.57
	Total non-current liabilities	1,116.22	1,375.30
(3)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	1,886.84	1,910.25
	(ii) Lease liabilities	103.05	120.03
	(iii) Trade payables	1,338.94	1,140.83
	(iv) Other current financial liabilities	451.72	598.56
	(b) Other current liabilities	1,904.32	1,778.58
	(c) Government grants	8.62	7.87
	(d) Net employee defined benefit liabilities	6.51	6.51
	(e) Provisions	228.24	274.59
	(f) Liabilities for current tax (net)	14.04	31.89
	Total current liabilities	5,942.28	5,869.11
	Total equity and liabilities (1+2+3)	8,958.76	9,229.61



Notes of unaudited consolidated Ind AS financial results for the quarter and six months ended September 30, 2022
2. Statement of unaudited consolidated cash flows for the six months ended September 30, 2022

(Rs. in million)

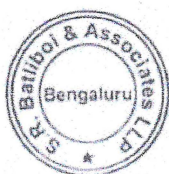
	Six months ended September 30, 2022	Six months ended September 30, 2021
	(Unaudited)	(Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax expenses	(114.73)	(540.49)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expenses	218.37	223.07
Provisions no longer required, written back	(12.48)	(20.96)
Fair value (gain)/ loss on financial instruments	-	(0.15)
Net foreign exchange differences (unrealised)	31.10	5.49
Provision for expected credit losses / bad debts written off	55.04	20.31
Employee share based options	5.83	0.16
Government grant	(6.04)	(3.95)
Provision for diminution in the value of investment	-	446.51
Profit on sale of property, plant and equipment	(0.58)	-
Finance income	(10.04)	(15.04)
Finance costs	108.48	114.34
Operating profit / (loss) before working capital changes	274.95	229.29
Working capital adjustments:		
(Increase) / decrease in inventories	(379.08)	(147.50)
Decrease / (increase) in trade receivables/non-current/current financial and other assets	110.57	264.27
Decrease / (increase) in trade payables, provisions and other liabilities	329.59	260.52
Cash generated from / (used in) operations	336.03	606.58
Direct taxes paid (net of refunds)	18.96	(86.70)
Net cash from / (used in) operating activities	354.99	519.88
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets and capital advances	(34.94)	(119.09)
Proceeds from sale of property, plant and equipment	0.63	-
(Purchase) / sale of non-current investments	(128.83)	9.32
Investment in bank deposit (having original maturity of more than three months) and other bank balances	0.31	9.48
Interest received	2.84	9.99
Government grant received	8.65	-
Net cash (used in) / from investing activities	(151.34)	(90.30)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / repayment of long term borrowings (net)	(105.82)	(286.48)
Proceeds / repayment of short term borrowings (net)	(14.90)	(170.17)
Payment of lease liabilities	(87.39)	(72.23)
Finance costs paid	(100.08)	(111.15)
Dividend paid (including amount transferred to Investor Education and Protection Fund)	(32.47)	(25.79)
Net cash (used in) / from financing activities	(340.66)	(665.82)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(137.01)	(236.24)
Cash and cash equivalents at the beginning of the year	480.44	411.48
Effect of exchange differences on cash and cash equivalents held in foreign currency	(10.34)	0.76
Cash and cash equivalents at the end of the year	333.09	176.00
Total cash and cash equivalents	333.09	176.00

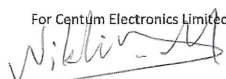


Notes to the unaudited consolidated Ind AS financial results for the quarter and six months ended September 30, 2022

- 3 Investors can view the unaudited consolidated Ind AS financial results of Centum Electronics Limited ("the Group" or "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).
- 4 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 Ind AS 108 - "Operating segments".
- 5 During the year ended March 31, 2020, the management of the Group had 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 3.96 million plus interest at the rate of 6% p.a and other receivables of EUR 0.5 million. Further, the management had assessed that they exercised significant influence / control over HOLIWATT and has accordingly treated the same as investment in associates in the consolidated Ind AS financial results 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 announced 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 and receivables in HOLIWATT amounting to Rs. 436.84 million and the same had been disclosed as exceptional item in the consolidated Ind AS financial results for the year ended March 31, 2022.
- During the year ended March 31, 2022, the Group had accounted Rs. 25.97 million in regard to the commission to the recruited bankers for the sale of HOLIWATT shares and the same had been disclosed as exceptional item in the consolidated Ind AS financial results for the year ended March 31, 2022.
- 6 The unaudited consolidated Ind AS financial results of the Group for the quarter and six months ended September 30, 2022 have been reviewed by the Audit Committee in their meeting on November 08, 2022 and approved by the Board of Directors in their meeting held on November 09, 2022.
- 7 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 quarter and six months ended September 30, 2022, the Board of Directors of the Holding Company further acquired 12.50% stake of Centum Adetel Group SA., through Centum Electronics UK Limited from other shareholders of Centum Adetel Group SA.
- The Group has accounted a goodwill of Rs. 376.23 million and has a carrying value of intangible assets (including intangible assets under development) of Rs. 390.03 million as at September 30, 2022.
- Based on internal assessment performed as at September 30, 2022 with regard to future operations and external valuation by an expert, the management of the Group is of the view that the carrying value of the aforesaid goodwill on consolidation / intangible assets (including intangible assets under development) are appropriate.
- 8 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 unaudited consolidated 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), goodwill, 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 unaudited consolidated Ind AS financial results. The 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 consolidated Ind AS financial results.
- 9 During the year ended March 31, 2022, the Group had been levied a claim by one of its customers on account of certain damages in the equipment supplied to the customer. Accordingly, the Group had accounted cost of Rs. 106.25 million towards such claim which has been disclosed as exceptional item in the consolidated Ind AS financial results during the year ended March 31, 2022.
- Further the Group has made provision for aged unbilled revenue in relation to certain projects amounting to Rs. 34.48 million which had been disclosed as exceptional item in the consolidated Ind AS financial results during the year ended March 31, 2022.
- 10 For the year / periods the Group 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 from operations.
- 11 Figures pertaining to previous quarters / period / year have been reclassified, wherever necessary, to conform to the classification adopted in the current period.

Place : Bengaluru
Date : November 09, 2022



For Centum Electronics Limited

Nikhil Mallavarapu
Executive Director

