

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

To
**The Board of Directors of
Centum Electronics Limited**

Report on the audit of the Standalone Ind AS Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date standalone Ind AS financial results of Centum Electronics Limited (the "Company") for the quarter ended March 31, 2022 and for the year ended March 31, 2022 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2022 and for the year ended March 31, 2022.

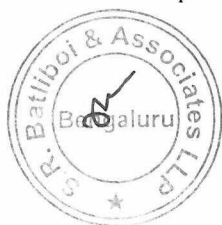
Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the note no 7 to the accompanying audited 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 opinion is not modified in respect of this matter.



Management's Responsibilities for the Standalone Ind AS Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company'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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 SAs 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 the Statement.

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

- Identify and assess the risks of material misstatement of the Statement, 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

to events or conditions that may cast significant doubt on the Company'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 financial results 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per Sandeep Karnani
Partner
Membership No.: 061207



UDIN: 22061207AJNPCU2516

Place of Signature: Bengaluru

Date: May 24, 2022

Statement of standalone Ind AS financial results for the quarter and year ended March 31, 2022

(Rs. in Million)

Sl. No.	Particulars	Quarter ended			Year ended	Year ended
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		Refer note 9	(Unaudited)	Refer note 9	(Audited)	(Audited)
1	Income					
	(a) Revenue from operations					
	(i) Sales/Income from operations	1,201.36	847.80	945.30	3,466.88	4,178.80
	(ii) Other operating income	6.75	1.13	9.62	13.23	66.47
	(b) Other income					
	(i) Gain on account of foreign exchange fluctuations (net)	-	-	2.30	-	-
	(ii) Others	13.05	4.62	9.24	30.30	18.99
	(c) Finance income	5.22	7.26	4.68	27.76	19.61
	Total Income	1,226.38	860.81	971.14	3,538.17	4,283.87
2	Expenses					
	(a) Cost of materials consumed	553.22	467.27	435.99	2,063.34	2,348.15
	(b) Changes in inventories of finished goods and work-in-progress	112.27	16.76	129.14	(30.59)	178.34
	(c) Employee benefit expenses	184.90	163.82	180.76	677.49	678.53
	(d) Finance costs	40.15	27.43	35.91	146.09	173.81
	(e) Depreciation and amortisation expenses	39.93	42.20	41.76	164.88	158.21
	(f) Loss on account of foreign exchange fluctuations (net)	2.29	2.55	-	6.24	9.98
	(g) Other expenses	104.25	95.63	131.57	338.60	405.60
	Total expenses	1,037.01	815.66	955.13	3,366.05	3,952.62
3	Profit / (Loss) before exceptional items and tax (1-2)	189.37	45.15	16.01	172.12	331.25
4	Exceptional items (refer note 6b)	-	-	-	(18.36)	-
5	Profit / (Loss) before tax (3± 4)	189.37	45.15	16.01	153.76	331.25
6	Tax expenses					
	(a) Current tax	48.05	-	15.86	45.62	82.12
	(b) Deferred tax (credit) /charge	(2.63)	13.11	(4.86)	(9.52)	9.34
7	Profit / (Loss) for the period (5± 6)	143.95	32.04	5.01	117.66	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	8.03	0.36	(0.67)	9.11	1.43
	(ii) Income tax on above	(2.33)	(0.10)	0.19	(2.63)	(0.41)
	(b) Items that will be reclassified to profit or loss					
	(i) Net movement on effective portion of cash flow hedge	0.25	(1.09)	-	-	-
	(ii) Income tax on above	(0.07)	0.28	-	-	-
9	Total comprehensive income for the period (comprising (loss) / profit and other comprehensive income/(expenses) (net of tax) for the period (7±8)	149.83	31.49	4.53	124.14	240.81
10	Paid up equity share capital (Face value- Rs.10 per share)	128.85	128.85	128.85	128.85	128.85
11	Earnings per equity share (of Rs. 10 each):					
	(a) Basic (Rs.)	11.17	2.49	0.39	9.13	18.61
	(b) Diluted (Rs.)	11.16	2.48	0.39	9.12	18.60



Mr. Alpha Rao



Notes to the standalone Ind AS financial results for the quarter and year ended March 31, 2022

1. Statement of standalone assets and liabilities

		(Rs. in Million)	
		March 31, 2022	March 31, 2021
		(Audited)	(Audited)
I Assets			
(1) Non-current assets			
(a)	Property, plant and equipment	1,033.13	1,075.23
(b)	Capital work-in-progress	0.09	22.77
(c)	Goodwill	36.35	36.35
(d)	Other intangible assets	42.17	54.54
(e)	Right-of-use-assets	29.07	36.93
(f) Financial assets			
(i)	Investments (refer note 6)	627.85	637.17
(ii)	Other non-current financial assets	268.49	181.85
(g)	Deferred tax assets (net)	25.34	18.45
(h)	Non-current tax assets (net)	48.89	33.54
(i)	Other non-current assets	9.00	13.42
Total non-current assets		2,120.38	2,110.25
(2) Current assets			
(a)	Inventories	1,986.57	1,745.49
(b) Financial assets			
(i)	Trade receivables	890.67	996.16
(ii)	Cash and cash equivalents	149.19	104.53
(iii)	Bank balances other than cash and cash equivalents	93.67	187.08
(iv)	Other current financial assets	58.51	55.64
(c)	Other current assets	160.98	143.77
Total current assets		3,339.59	3,232.67
Total assets (1+2)		5,459.97	5,342.92
II Equity and liabilities			
(1) Equity			
(a)	Equity share capital	128.85	128.85
(b)	Other equity	2,516.38	2,417.85
Total equity		2,645.23	2,546.70
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i)	Borrowings	-	113.98
(ii)	Lease liabilities	1.55	12.59
(b)	Government grants	26.57	34.44
(c)	Net non-current employee defined benefit liabilities	56.39	55.38
Total non-current liabilities		84.51	216.39
(3) Current liabilities			
(a) Financial liabilities			
(i)	Borrowings	979.45	1,283.02
(ii)	Lease liabilities	11.80	19.71
(iii)	Trade payables		
Total outstanding dues of micro enterprises and small enterprises		51.90	50.89
Total outstanding dues of creditors other than micro enterprises and small enterprises		674.33	541.44
(iv)	Other current financial liabilities	84.48	92.41
(b)	Government grants	7.87	7.87
(c)	Other current liabilities	858.64	469.39
(d)	Net current employee defined benefit liabilities	6.48	6.26
(e)	Provisions	25.26	32.94
(f)	Liabilities for current tax (net)	30.02	75.90
Total current liabilities		2,730.23	2,579.83
Total equity and liabilities (1+2+3)		5,459.97	5,342.92



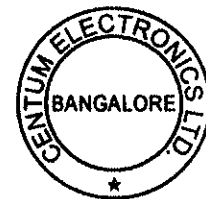
Mr. Affan



2. Statement of audited standalone cash flows for the year ended March 31, 2022

(Rs. in million)

	March 31, 2022	March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	153.76	331.25
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortization expenses	164.88	158.21
Provisions no longer required, written back	(4.02)	(1.82)
Fair value (gain) / loss on financial instruments	(0.15)	(2.17)
Net foreign exchange differences (unrealised)	6.34	3.89
Loss on sale / discard of property, plant and equipment	0.92	-
Provision for expected credit loss / bad debts written off	5.08	65.44
Government grants	(7.87)	(9.95)
Employee share based options	0.16	0.49
Finance income	(27.76)	(19.61)
Finance costs	112.18	171.23
Operating profit before working capital changes	403.52	696.96
Working capital adjustments:		
{Increase} / decrease in inventories	(241.08)	458.57
Decrease / {Increase} in trade receivables	101.61	635.86
{Increase} / decrease in other assets	(17.11)	(4.42)
Increase / {decrease} in trade payables, provisions and other liabilities	531.18	(759.60)
Cash generated from / (used in) operations	778.12	1,027.37
Direct taxes paid (net of refunds)	(98.20)	(90.72)
Net cash from / (used in) operating activities	679.92	936.65
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets and capital advances	(95.60)	(127.82)
Proceeds from sale of property, plant and equipment	3.56	-
Purchase of non-current investments	-	(147.65)
Proceeds from the sale of investments	9.32	-
Investment in bank deposits (having original maturity of more than three months) and other bank balances	6.75	28.37
Interest received	17.53	18.75
Government grant received	-	32.12
Net cash (used in) / from investing activities	(58.44)	(196.23)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(195.21)	(160.38)
Payment of lease liabilities	(22.80)	(18.92)
Proceeds/ repayment of short term borrowings (net)	(223.50)	(296.19)
Finance costs paid	(110.35)	(157.55)
Dividend paid (including amount transferred to Investor Education & Protection Fund)	(25.53)	(58.18)
Net cash (used in) / from financing activities	(577.39)	(691.22)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	44.09	49.20
Cash and cash equivalents at the beginning of the year	104.53	55.19
Effect of exchange differences on cash and cash equivalents held in foreign currency	0.57	0.14
Cash and cash equivalents at the end of the year	149.19	104.53
Total cash and cash equivalents	149.19	104.53



Notes to the standalone Ind AS financial results for the quarter and year ended March 31, 2022

3 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).

4 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".

5 The accompanying standalone Ind AS financial results of the Company for the quarter and year ended March 31, 2022 have been reviewed by the Audit Committee in their meeting on May 24, 2022 and approved by the Board of Directors in their meeting held on May 24, 2022.

6 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 and external valuation by an expert, 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 it 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 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 standalone Ind AS financial results for the year ended March 31, 2022.

7 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 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 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 standalone Ind AS financial results.

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

8 The Board of Directors of the Company at their meeting held on May 24, 2022 have recommended a final dividend of Rs.2.5 per equity share of Rs.10/- each for the financial year ended March 31, 2022. The said final dividend is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.

9 The figures of quarter ended March 31 of current and the previous years in the standalone Ind AS financial results are the balancing figures between the audited figures in respect of the full financial years and the unaudited published year to date figures for the nine months ended December 31 for the respective years, being the date of the end of the third quarter of the financial year which were subject to limited review.

10 Figures pertaining to previous quarters / period / year have been reclassified, wherever necessary, to conform to the classification adopted in the current period.

For Centum Electronics Limited

Apparao V Mallavarapu
Chairman & Managing Director

Place : Bengaluru
Date : May 24, 2022

