



Ref: CEL/NSEBSE/BMD/28082020

28<sup>th</sup> August, 2020

To,

Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	Department of Corporate Services - Listing BSE Limited P. J. Towers, Dalal Street, Mumbai – 400 001
--	---

**Re: Scrip Symbol: CENTUM/ Scrip Code: 517544**

Dear Sir/ Madam,

**Sub: Outcome of the Board Meeting**

This is in continuation to our communication letter dated 20<sup>th</sup> August, 2020 and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Meeting of the Board of Directors of the Company was held as scheduled today, i.e. 28<sup>th</sup> August, 2020 and the Board inter-alia considered and approved the unaudited financial results (standalone and consolidated) for the first quarter ended 30<sup>th</sup> June, 2020 along with the Limited Review Report of the Statutory Auditors of the Company.

The financial results are enclosed pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Meeting started at 5.00 p.m. and concluded at 8.45 p.m.

The above information is also hosted on the website of the Company at [www.centumelectronics.com](http://www.centumelectronics.com)

Kindly take the same on your records.

Yours faithfully,  
For **Centum Electronics Limited**

**Nagaraj K V**  
**Company Secretary & Compliance Officer**

Encl: as above

---

**Centum Electronics Limited**

# 44, KHB Industrial Area, Yelahanka New Town, Bangalore - 560 106, Karnataka, India

Tel +91-(0)80-4143-6000 Fax +91-(0)80-4143-6005 [www.centumindia.com](http://www.centumindia.com)

CIN - L85110KA1993PLC013869

**Independent Auditor's Review Report on the Quarterly Unaudited 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 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 associates for the quarter ended June 30, 2020 (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. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding 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.

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 Adeneo SAS
- e. Centum Adeneo CRD SAS
- f. Centum Adetel Transportation System SAS
- g. Centum Adetel Transportation SAS
- h. Centum Adetel Synergies SARL
- i. Centum Adetel Solution



- j. Centum Adetel Equipment
  - k. Centum Adetel Belgium
  - l. Centum Adeneo India Private Limited
  - m. 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 7 and 8 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. **Emphasis of Matter paragraph**
- We draw attention to the note no 7 to the accompanying Ind AS consolidated financial results for the quarter ended June 30, 2020 which describes the uncertainties and management assessment of the financial impact of the outbreak of Corona virus (COVID-19) on the operations and recoverability of assets of the Group including its associates. 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.
7. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of:
- 1 subsidiary located outside India (the said subsidiary has 7 underlying subsidiaries and 2 associates), whose unaudited interim financial results include total assets of Rs. 4,860.50 million as at June 30, 2020, total revenues from operations of Rs 874.73 million, total net (loss) after tax of Rs. 52.21 million, total comprehensive loss of Rs. 44.84 million, for the quarter ended June 30, 2020 (before consolidation adjustments), as considered in the Statement which have been reviewed by their respective independent auditors.

The independent auditor's reports on 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 associates is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

These subsidiaries and associates 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 financial results of such subsidiaries and associates 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 associates 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.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

8. 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 information reflect total assets of Rs 1,168.21 million as at June 30, 2020, and total revenues from operations of Rs 34.66 million, total net (loss) after tax of Rs. 0.67 million, total comprehensive income of Rs. 11.13 million, for the quarter ended June 30, 2020 (before consolidation adjustments) .


These unaudited interim financial results and other unaudited financial information 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 7 and 8 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: 20061207AAAADQ1119

Place: Bengaluru

Date: August 28, 2020






Notes to the unaudited consolidated financial results for the quarter ended June 30, 2020

- 1 Investors can view the consolidated financial results of Centum Electronics Limited ("the Group" or "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 along with its subsidiaries, associates and joint ventures 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 103 - "Operating segments".
- 3 (i) During the year ended March 31, 2019, the management of the Group had committed to sell its investments in Centum Transportation SAS ("CAT"), step down subsidiary of the Company and accordingly the results of the operation of this entity had been disclosed under discontinued operations. During the quarter ending March 31, 2020, the Group entered into a share purchase agreement with strategic investor for sale of 65% stake in CAT. The management of the Group has a put option to sale its remaining 35% stake at a fixed price as per the share purchase agreement. Further the management has assessed that they exercise significant influence / control over CAT and has accordingly treated the same as investment in associates in the consolidated financial results of the Group. However, the management of the Group has not accounted its share of loss in the associate, as the management believes that the fair value of put option as stated above would compensate for the share of loss.  
  
The Group had incurred a loss of Rs. 6.88 million on account of CAT, which has been disclosed under profit / (loss) under discontinued operations in the audited consolidated financial results of the Group for the year ended March 31, 2020.  
  
(ii) Pursuant to the aforesaid sale, management of the Group had given one time bonus amounting to Rs 105.27 million to key managerial personnel of Adetel Group SA, parent company of CAT, which had been disclosed under exceptional items in the audited consolidated financial results of the Group for the quarter/ year ended March 31, 2020.
- 4 The unaudited consolidated financial results of the Company for the quarter ended June 30, 2020 have been reviewed by the Audit Committee in their meeting on August 27, 2020 and approved by the Board of Directors in their meeting held on August 28, 2020.
- 5 The Board of Directors of the Holding Company had considered and approved the investment of 51% controlling stake in Adetel Group SA, France through Centum Electronics UK Limited on June 17, 2016. The said transaction was completed on July 4, 2016. Consequent to the acquisition, Adetel Group SA, France and its subsidiaries, joint ventures/associates became subsidiaries, joint ventures/associates of the Holding Company. Further the Board of Directors of the Holding Company had considered and approved a further investment of 3.15% stake in Centum Adetel Group SA (formerly known as Adetel Group SA, France) through Centum Electronics UK Limited on March 10, 2017.  
Based on internal assessment performed with regard to future operations, the management of the Group is of the view that the carrying value of the Goodwill on consolidation of Rs. 376.23 million and intangible assets (including intangible assets under development) of Rs. 432.51 million are appropriate.
- 6 Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 which is effective from April 1, 2019, domestic companies have the option to pay income tax at 22% plus applicable surcharge and cess ('new tax regime') subject to certain conditions. The Holding Company has exercised the option to pay income tax under the new tax regime from the current financial year.
- 7 The spread of COVID-19 pandemic and consequent national and local lockdowns and supply chain disruptions had an impact on the Group's business operations. The Group has made a detailed assessment of its liquidity position as at the date of approval of these consolidated 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 consolidated 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 consolidated financial results. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Group is monitoring the situation closely and is conducting its operations in compliance with all relevant Government directives and will continue to closely monitor any material changes to future economic conditions and take actions as are appropriate based on future economic conditions. The statutory auditors have given an Emphasis of Matter in this regard.
- 8 The figures for quarter ended March 31 of 2020, in the consolidated financial results are the balancing figures between the audited figures in respect of the full financial year ending March 31, 2020 and the unaudited published year-to-date figures for nine months ended December 31, 2019.
- 9 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 continuing / discontinued operations.
- 10 Previous period figures have been regrouped/reclassified, wherever necessary to conform to current period classification.
- 11 The statutory auditor's of the Company have carried out a limited review of the unaudited consolidated financial results for the quarter ended June 30, 2020.

Place : Bengaluru  
Date : August 28, 2020



For Centum Electronics Limited

  
Apparao V. Mallavarapu  
Chairman & Managing Director

**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 financial results of Centum Electronics Limited (the "Company") for the quarter ended June 30, 2020 (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.



**5. Emphasis of Matter**

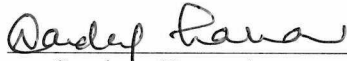
We draw attention to the note no 6 to the accompanying unaudited standalone financial results for the quarter ended June 30, 2020 which describes the uncertainties and management assessment of the financial impact of the outbreak of Corona Virus (COVID – 19) on the operations and recoverability of assets 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: 20061207AAAADR5756

Bengaluru

Date: August 28, 2020



Statement of unaudited standalone financial results for the quarter ended June 30, 2020

(Rs. in Million)

Sl. No.	Particulars	Quarter ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Unaudited)	Refer note 7	(Unaudited)	(Audited)
1	Income				
	(a) Revenue from operations				
	(i) Sales/Income from operations	1,032.44	1,161.73	1,219.95	4,657.35
	(ii) Other operating income	20.10	70.62	30.93	166.43
	(b) Other income	3.00	2.93	2.32	10.09
	(c) Finance income	5.46	5.94	8.95	33.13
	<b>Total income</b>	<b>1,061.00</b>	<b>1,241.22</b>	<b>1,262.15</b>	<b>4,867.00</b>
2	Expenses				
	(a) Cost of materials consumed	587.30	461.07	721.04	2,860.98
	(b) Changes in inventories of finished goods and work-in-progress	24.16	228.86	121.96	(57.47)
	(c) Employee benefits expenses	165.04	221.14	169.05	767.42
	(d) Finance costs	54.93	92.34	55.18	276.58
	(e) Depreciation and amortisation expenses	37.74	37.07	29.31	131.54
	(f) Loss on account of foreign exchange fluctuations (net)	9.14	18.12	2.98	63.61
	(g) Other expenses	109.31	126.13	88.86	476.52
	<b>Total expenses</b>	<b>987.62</b>	<b>1,184.73</b>	<b>1,188.38</b>	<b>4,519.18</b>
4	<b>Profit / (Loss) before tax (1-2)</b>	<b>73.38</b>	<b>56.49</b>	<b>73.77</b>	<b>347.82</b>
5	Tax expenses				
	(a) Current tax (Refer note 4)	41.25	23.43	26.21	104.26
	(b) Deferred tax (credit) / charge	(22.10)	(11.63)	(3.14)	(6.81)
6	<b>Profit / (Loss) for the period (4± 5)</b>	<b>54.23</b>	<b>44.69</b>	<b>50.70</b>	<b>250.37</b>
7	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	0.70	(0.82)	1.21	2.80
	(ii) Income tax on above	(0.20)	0.45	(0.42)	(0.81)
	(b) (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax on above	-	-	-	-
8	<b>Total Comprehensive Income for the period (Comprising (loss) / profit and Other Comprehensive Income/(Expenses) (net of tax) for the period (6±7))</b>	<b>54.73</b>	<b>44.32</b>	<b>51.49</b>	<b>252.36</b>
9	<b>Paid up equity share capital</b> (Face value- Rs. 10 per share)	<b>128.85</b>	<b>128.85</b>	<b>128.85</b>	<b>128.85</b>
10	<b>Earnings per equity share (of Rs. 10 each):</b>				
	(a) Basic (Rs.)	4.21	3.47	3.94	19.43
	(b) Diluted (Rs.)	4.21	3.47	3.93	19.42



*M. V. Afflu Rao*

Notes of unaudited standalone financial results for the quarter ended June 30, 2020

- 1 Investors can view the standalone 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 unaudited standalone financial results of the Company for the quarter ended June 30, 2020 have been reviewed by the Audit Committee in their meeting on August 27, 2020 and approved by the Board of Directors in their meeting held on August 28, 2020.
  - 4 Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 which is effective from April 1, 2019, domestic companies have the option to pay income tax at 22% plus applicable surcharge and cess ('new tax regime') subject to certain conditions. The Company has exercised the option to pay income tax under the new tax regime from the current financial year.
  - 5 The Board of Directors of the Company had considered and approved the investment of 51% controlling stake in Adetel Group SA, France through Centum Electronics UK Limited on June 17, 2016. The said transaction was completed on July 4, 2016. Consequent to the acquisition, Adetel Group SA, France and its subsidiaries, joint ventures/associates became subsidiaries, joint ventures/associates of the Company. Further the Board of Directors of the Company had considered and approved a further investment of 3.15% stake in Centum Adetel Group SA (formerly known as Adetel Group SA, France) through Centum Electronics UK Limited on March 10, 2017.
- 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.
- 6 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 Company has made a detailed assessment of its liquidity position as at the date of approval of these 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 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 financial results. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company is monitoring the situation closely and is conducting its operations in compliance with all relevant Government directives and will continue to closely monitor any material changes to future economic conditions and take actions as are appropriate based on future economic conditions. The statutory auditors have given an Emphasis of Matter in this regard.
  - 7 The figures for quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of standalone financial statements for the year ended March 31, 2020 and the unaudited published year to date figures for nine months ended December 31, 2019.
  - 8 The statutory auditor's of the Company have carried out a limited review of the unaudited standalone financial results for the quarter ended June 30, 2020.

Place : Bengaluru  
Date : August 28, 2020



For Centum Electronics Limited

Apparao V Mallavarapu  
Chairman & Managing Director