

**Independent Auditor's Review Report on the Quarterly and Year to Date 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 December 31, 2020 and year to date from April 1, 2020 to December 31, 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



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- 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. We draw attention to the note no 7 to the accompanying Ind AS consolidated financial results 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 consolidated 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 consolidated interim financial results include total revenues from operations of Rs 1,178.68 million and Rs 2,961.44 million, total net profit/(loss) after tax of Rs. 15.31 million and Rs. (90.96) million, total comprehensive income/(loss) of Rs. 27.75 million and Rs. (63.89) million, for the quarter ended December 31, 2020 and the period April 1, 2020 to December 31, 2020 respectively, and net cash inflows of Rs. 100.54 million for the period from April 1, 2020 to December 31, 2020 (before consolidation adjustments), as considered in the Statement which have been reviewed by their 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 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 consolidated 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



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report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

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 revenues from operations of Rs 34.31 million and Rs 108.97 million, total net profit after tax of Rs. 1.17 million and Rs. 3.32 million, total comprehensive income of Rs. 23.86 million and Rs. 46.32 million, for the quarter ended December 31, 2020 and the period from April 1, 2020 to December 31, 2020 respectively and net cash inflows of Rs. 50.10 million for the period from April 1, 2020 to December 31, 2020 (before consolidation adjustments).

The unaudited interim financial results and other unaudited financial information of these subsidiaries have not been reviewed by their auditors 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 and associates, 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: 21061207AAAAAX4266

Place: Bengaluru  
Date: February 10, 2021

**Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2020**

(Rs. in million)

Sl.No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>A. Continuing Operations</b>							
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations						
	(i) Sale of products and services	2,025.68	1,925.48	2,131.98	5,715.44	6,079.63	8,173.92
	(ii) Other operating income	136.11	125.46	141.52	393.80	467.45	658.72
	(b) Other income	12.14	4.54	4.46	37.86	81.53	117.93
	(c) Finance income	4.14	5.36	8.10	14.95	29.07	35.64
	<b>Total Income</b>	<b>2,178.07</b>	<b>2,060.84</b>	<b>2,286.06</b>	<b>6,162.05</b>	<b>6,657.68</b>	<b>8,986.21</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	821.06	976.26	886.33	2,592.09	2,928.62	3,620.58
	(b) Changes in inventories of finished goods and work-in-progress	100.00	(66.67)	(26.42)	54.28	(276.22)	(65.42)
	(c) Employee benefits expenses	758.29	701.42	822.86	2,141.09	2,427.87	3,256.63
	(d) Finance costs	75.79	66.33	78.85	220.69	248.54	368.16
	(e) Depreciation and amortisation expenses	127.39	102.98	105.28	338.65	306.81	413.86
	(f) Loss on account of foreign exchange fluctuations (net)	7.57	24.01	20.13	32.39	40.84	83.25
	(g) Other expenses	189.01	197.23	286.92	603.38	721.58	957.42
	<b>Total expenses</b>	<b>2,079.11</b>	<b>2,001.56</b>	<b>2,173.95</b>	<b>5,982.57</b>	<b>6,398.04</b>	<b>8,634.48</b>
<b>3</b>	<b>Share of profit / (loss) of associates and joint ventures from continuing operations</b>	<b>(0.08)</b>	<b>(2.79)</b>	<b>-</b>	<b>(2.87)</b>	<b>-</b>	<b>(4.64)</b>
<b>4</b>	<b>Profit / (Loss) before exceptional items and tax expense from continuing operations (1±2±3)</b>	<b>98.88</b>	<b>56.49</b>	<b>112.11</b>	<b>176.61</b>	<b>259.64</b>	<b>347.09</b>
<b>5</b>	Exceptional items (refer note 3(ii))	-	-	-	-	-	(105.27)
<b>6</b>	<b>Profit / (Loss) before tax expense from continuing operations (4±5)</b>	<b>98.88</b>	<b>56.49</b>	<b>112.11</b>	<b>176.61</b>	<b>259.64</b>	<b>241.82</b>
<b>7</b>	<b>Tax expenses</b>						
	(a) Current tax (net) (refer note 6)	22.79	(12.68)	39.76	67.91	80.57	104.22
	(b) Deferred tax charge / (credit)	(2.43)	27.13	(6.61)	(2.63)	(11.76)	(30.43)
<b>8</b>	<b>(Loss) / Profit after tax expense from continuing operations (6±7)</b>	<b>78.52</b>	<b>42.04</b>	<b>78.96</b>	<b>111.33</b>	<b>190.83</b>	<b>168.03</b>
<b>B. Discontinued operations</b>							
<b>9</b>	Profit / (Loss) before tax expense from discontinued operations (Refer note 3(i))	-	-	(57.44)	-	(60.07)	(6.88)
<b>10</b>	<b>Tax expense of discontinued operations</b>						
	(a) Current tax (net)	-	-	-	-	-	-
	(b) Deferred tax charge / (credit)	-	-	-	-	-	-
<b>11</b>	<b>Profit / (Loss) after tax expense from discontinued operations (9±10)</b>	<b>-</b>	<b>-</b>	<b>(57.44)</b>	<b>-</b>	<b>(60.07)</b>	<b>(6.88)</b>
<b>12</b>	<b>Profit / (loss) after tax for the respective periods (8±11)</b>	<b>78.52</b>	<b>42.04</b>	<b>21.52</b>	<b>111.33</b>	<b>130.76</b>	<b>161.15</b>
<b>13</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	0.70	0.70	1.21	2.10	3.62	2.80
	(ii) Income tax on above	(0.21)	(0.20)	(0.41)	(0.61)	(1.25)	(0.81)
	(b) Items that will be reclassified to profit or loss						
	(i) Exchange difference on translation of foreign operations	(1.66)	(5.25)	4.33	(11.27)	5.43	10.12
	(ii) Income tax on above	-	-	-	-	-	-
<b>14</b>	<b>Total comprehensive income for the period (comprising profit/ (loss) and other comprehensive income/ (expenses)(net of tax)) for the period (12±13)</b>	<b>77.35</b>	<b>37.29</b>	<b>26.65</b>	<b>101.55</b>	<b>138.56</b>	<b>173.26</b>
<b>15</b>	<b>Total comprehensive income attributable to:</b>						
	(a) Owners of the Company	70.31	61.32	59.24	143.80	167.35	198.90
	(b) Non-controlling interest	7.04	(24.03)	(32.59)	(42.25)	(28.79)	(25.64)
	<b>Total comprehensive income for the period</b>	<b>77.35</b>	<b>37.29</b>	<b>26.65</b>	<b>101.55</b>	<b>138.56</b>	<b>173.26</b>
<b>16</b>	Paid up equity share capital (Face value - Rs 10 per share)	128.85	128.85	128.85	128.85	128.85	128.85
<b>17</b>	<b>Earnings per equity share (EPS) (of Rs. 10 each) :</b>						
	(a) Basic EPS from continuing and discontinued operations (Rs.)	5.94	5.39	4.68	12.84	12.89	15.47
	(b) Diluted EPS from continuing and discontinued operations (Rs.)	5.93	5.38	4.67	12.82	12.88	15.45
	(c) Basic EPS from continuing operations (Rs.)	5.94	5.39	7.09	12.84	15.42	15.76
	(d) Diluted EPS from continuing operations (Rs.)	5.93	5.38	7.08	12.82	15.40	15.74
	(e) Basic EPS from discontinued operations (Rs.)	-	-	(2.41)	-	(2.53)	(0.29)
	(f) Diluted EPS from discontinued operations (Rs.)	-	-	(2.41)	-	(2.53)	(0.29)



**Notes to the unaudited consolidated financial results for the quarter and nine months ended December 31, 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 108 - "Operating segments".
- 3 (i) During the year ended March 31, 2019, the management of the Group had committed to sell its investments in Centum Adetel 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 and nine months ended December 31, 2020 have been reviewed by the Audit Committee in their meeting on February 09, 2021 and approved by the Board of Directors in their meeting held on February 10, 2021.
- 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. During the quarter and nine months ended December 31, 2020, the Board of Directors of Holding Company further acquired 5.62% stake and is in the process of acquiring additional 4.90% stake of Centum Adetel Group SA through Centum Electronics UK Limited from other shareholders of Centum Adetel Group SA. 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. 487.23 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 statutory auditors have given an Emphasis of Matter in this regard.
- 8 The Board of Directors of the Holding Company at their meeting held on February 10, 2021 has declared an Interim Dividend of Rs.2 per equity share of Rs.10/- each.
- 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 and nine months ended December 31, 2020.

Date : February 10, 2021



For Centum Electronics Limited  
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VENKATA  
APPARAO  
Digitally signed by  
MALLAVARAPU VENKATA  
APPARAO  
Date: 2021.02.10 21:26:21  
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Apparao V Mallavarapu  
Chairman & Managing Director