

**Independent Auditor's Report on the Quarterly and Year to Date Consolidated 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 Consolidated Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Centum Electronics Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

- i. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements/financial information of the subsidiaries / associates, the Statement includes the results of the following entities (to indicate list of entities included in the consolidation):-
- 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
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as 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 Consolidated Financial Results" section of our report. We are independent of the Group and its associates in



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

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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 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 and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

## **Emphasis of Matter**

We draw attention to the note no 9 to the accompanying consolidated financial results for the year ended March 31, 2020 which describes the uncertainties and management assessment of the financial impact of the outbreak of Corona virus (COVID-19) on the business operations and financial position 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 opinion is not modified in respect of this matter.

## **Management's Responsibilities for the Consolidated Financial Results**

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive profit and other financial information of the Group including its associates 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. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates 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, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

## **Auditor's Responsibilities for the Audit of the Consolidated 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.



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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 to events or conditions that may cast significant doubt on the ability of the Group and its associates 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 Statement 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 Group and its associates 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors 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.

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

## **Other Matter**

The accompanying Statement includes the audited financial results and other financial information in respect of 2 subsidiaries located outside India ( one of the said subsidiary has 7 underlying subsidiaries and 2 associate), whose financial statements include total assets of Rs 5,634.37 million as at March 31,



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2020, total revenues from operations of Rs 1,097.42 million and Rs 4,086.77 million, total net profit/(loss) after tax of Rs. 0.90 million and Rs. (56.41) million, total comprehensive income of Rs. 29.81 million and Rs. 4.56 million for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 63.58 million for the year ended March 31, 2020 (before adjustments for consolidation), as considered in the Statement which have been audited by their respective independent auditors.

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

These subsidiaries and associates are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements 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 audited these conversion adjustments made by the Holding Company's management. Our opinion 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 audited by us.


Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of 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: 20061207AAAADF3585

Place: Bengaluru

Date: July 28, 2020



**Statement of consolidated financial results for the quarter and year ended March 31, 2020**

(Rs. in millions)

Sl.No.	Particulars	Quarter ended			Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Refer note 11)	(Unaudited)	(Refer note 11)	(Audited)	(Audited)
	<b>A. Continuing Operations</b>					
1	<b>Income</b>					
	(a) Revenue from operations					
	(i) Sale of products and services	2,094.29	2,131.98	2,528.39	8,173.92	8,620.41
	(ii) Other operating income	191.27	141.52	199.04	658.72	683.49
	(b) Other income					
	(i) Gain on account of foreign exchange fluctuations (net)			40.18		
	(ii) Others	36.40	4.46	12.11	117.93	41.18
	(c) Finance income	6.57	8.10	7.13	35.64	29.48
	<b>Total Income</b>	<b>2,328.53</b>	<b>2,286.06</b>	<b>2,786.85</b>	<b>8,986.21</b>	<b>9,374.56</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	691.96	886.33	1,001.57	3,620.58	3,825.57
	(b) Changes in inventories of finished goods and work-in-progress	210.89	(26.42)	226.24	(65.42)	12.06
	(c) Employee benefits expenses	828.76	822.86	830.20	3,256.63	3,284.83
	(d) Finance costs	119.62	78.85	77.94	368.16	349.21
	(e) Depreciation and amortisation expenses	107.05	105.28	64.61	413.86	778.39
	(f) Loss on account of foreign exchange fluctuations (net)	42.41	20.13		83.25	33.61
	(g) Other expenses	235.84	286.92	293.66	957.42	1,109.50
	<b>Total expenses</b>	<b>2,236.44</b>	<b>2,173.95</b>	<b>2,494.22</b>	<b>8,634.48</b>	<b>8,893.17</b>
3	Share of profit / (loss) of associates and joint ventures from continuing operations	(4.64)		(13.08)	(4.64)	(13.08)
4	Profit / (Loss) before exceptional items and tax expense from continuing operations (1+2+3)	87.45	112.11	279.55	347.09	468.31
5	Exceptional items (refer note 4(i)(i))	105.27			105.27	
6	(Loss) / Profit before tax expense from continuing operations (4+5)	(17.82)	112.11	279.55	241.82	468.31
7	<b>Tax expenses</b>					
	(a) Current tax (net)	23.65	39.76	45.46	104.22	67.94
	(b) Deferred tax charge / (credit)	(18.67)	(6.61)	(15.56)	(30.43)	(70.56)
8	(Loss) / Profit after tax expense from continuing operations (6+7)	(22.80)	78.96	249.95	168.03	470.93
	<b>B. Discontinued Operations</b>					
9	Profit / (Loss) before tax expense from discontinued operations (Refer note 4)	53.19	(57.44)	(34.88)	(6.88)	(131.55)
10	<b>Tax expense of discontinued operations</b>					
	(a) Current tax (net)					7.31
	(b) Deferred tax charge / (credit)					
11	Profit / (Loss) after tax expense from discontinued operations (9+10)	53.19	(57.44)	(34.88)	(6.88)	(202.86)
12	Profit / (loss) after tax for the respective periods (8+11)	30.39	21.52	215.07	161.15	268.07
13	<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	(0.82)	1.21	2.67	2.80	4.82
	(ii) Income tax on above	0.44	(0.41)	(0.93)	(0.81)	(1.69)
	(b) Items that will be reclassified to profit or loss					
	(i) Exchange difference on translation of foreign operations	4.69	4.33	(3.77)	10.12	(4.22)
	(ii) Income tax on above					
14	Total comprehensive income for the period (comprising profit/(loss) and other comprehensive income/(expenses)(net of tax)) for the period (12+13)	34.70	26.65	213.04	173.26	266.98
15	<b>Total comprehensive income attributable to:</b>					
	(a) Owners of the Company	31.55	59.24	187.92	198.90	287.74
	(b) Non-controlling interest	3.15	(32.59)	25.12	(25.64)	(20.76)
	<b>Total comprehensive income for the period</b>	<b>34.70</b>	<b>26.65</b>	<b>213.04</b>	<b>173.26</b>	<b>266.98</b>
16	Paid up equity share capital (face value - Rs 10 per share)	128.85	128.85	128.81	128.85	128.81
17	<b>Earnings per equity share (EPS) (of Rs. 10 each) :</b>					
	(a) Basic EPS from continuing and discontinued operations (Rs.)	2.58	4.68	14.30	15.47	21.91
	(b) Diluted EPS from continuing and discontinued operations (Rs.)	2.57	4.67	14.28	15.45	21.88
	(c) Basic EPS from continuing operations (Rs.)	0.34	7.09	15.77	15.76	30.54
	(d) Diluted EPS from continuing operations (Rs.)	0.34	7.08	15.75	15.74	30.51
	(e) Basic EPS from discontinued operations (Rs.)	2.24	(2.41)	(1.47)	(0.29)	(8.63)
	(f) Diluted EPS from discontinued operations (Rs.)	2.23	(2.41)	(1.47)	(0.29)	(8.63)

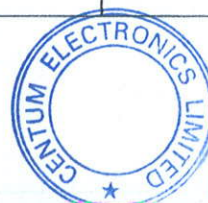
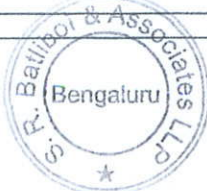


*Mr. Affhar*

## Notes to the consolidated financial results for the quarter and year ended March 31, 2020

## 1A . Statement of consolidated assets and liabilities

		(Rs. in millions)	
Sl.No.	Particulars	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
<b>A</b>	<b>Assets</b>		
(1)	<b>Non-current assets</b>		
	(a) Property, plant and equipment	1,253.28	1,130.32
	(b) Capital work-in-progress	13.51	81.34
	(c) Goodwill on consolidation	376.23	376.23
	(d) Other intangible assets	478.61	541.22
	(e) Intangible assets under development	100.64	57.23
	(f) Right-of-use assets (refer note 8)	456.70	-
	(g) Financial assets		
	(i) Investment in joint ventures and associates	386.72	99.92
	(ii) Other Investments	14.27	20.55
	(iii) Loans	60.82	50.09
	(iv) Others non-current financial assets	526.74	478.66
	(h) Deferred tax assets (net)	30.36	51.01
	(i) Non-current tax assets (net)	34.02	33.99
	(j) Other non-current assets	27.07	60.41
	<b>Total non-current assets</b>	<b>3,758.97</b>	<b>2,980.97</b>
(2)	<b>Current assets</b>		
	(a) Inventories	2,357.92	2,369.03
	(b) Financial assets		
	(i) Trade receivables	2,489.09	2,742.84
	(ii) Cash and cash equivalents	136.02	173.02
	(iii) Bank balances other than (ii) above	97.06	118.55
	(iv) Loans	0.32	0.48
	(v) Other current financial assets	1,609.34	978.86
	(c) Other current assets	322.96	335.16
	<b>Total current assets</b>	<b>7,012.71</b>	<b>6,717.94</b>
(3)	<b>Assets classified as held for disposal</b>		1,261.80
	<b>Total assets (1+2+3)</b>	<b>10,771.68</b>	<b>10,960.71</b>
<b>B</b>	<b>Equity and liabilities</b>		
	<b>Equity</b>		
	(a) Equity share capital	128.85	128.81
	(b) Other equity	1,922.54	2,061.42
	<b>Equity attributable to equity holders of the parent</b>	<b>2,051.39</b>	<b>2,190.23</b>
	<b>Non-controlling interests</b>	<b>248.25</b>	<b>247.23</b>
(1)	<b>Total equity</b>	<b>2,299.64</b>	<b>2,437.46</b>
	<b>Liabilities</b>		
(2)	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	696.46	861.96
	(ii) Lease liabilities (refer note 8)	374.35	-
	(iii) Other non-current financial liabilities	2.00	0.16
	(b) Deferred tax liabilities (net)	92.22	113.93
	(c) Net employee defined benefit liabilities	46.05	37.02
	(d) Provisions	53.52	103.82
	(e) Government grants	16.46	20.14
	<b>Total non-current liabilities</b>	<b>1,281.06</b>	<b>1,137.03</b>
(3)	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	2,024.71	2,284.52
	(ii) Lease liabilities (refer note 8)	103.43	-
	(iii) Trade payables	1,783.36	1,446.54
	(iv) Other current financial liabilities	1,666.25	1,153.22
	(b) Other current liabilities	1,468.14	1,675.91
	(c) Government grants	3.68	3.68
	(d) Net employee defined benefit liabilities	6.16	5.96
	(e) Provisions	57.78	16.35
	(f) Liabilities for current tax (net)	77.47	141.57
	<b>Total current liabilities</b>	<b>7,190.98</b>	<b>6,727.75</b>
(4)	<b>Liabilities directly associated with assets classified as held for disposal</b>		658.47
	<b>Total equity and liabilities (1+2+3+4)</b>	<b>10,771.68</b>	<b>10,960.71</b>



*Mr. Appa Rao*

Notes to the consolidated financial results for the quarter and year ended March 31, 2020  
**1B. Consolidated Statement of Cash Flows for the year ended March 31, 2020**

	(Rs. in million)	
	March 31, 2020	March 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before tax from continuing operations	241.82	468.31
(Loss) / profit before tax from discontinued operations	(6.88)	(131.55)
Profit / (loss) before tax expenses	234.94	336.76
<b>Adjustments to reconcile profit/(loss) before tax to net cash flows:</b>		
Depreciation and amortisation expenses	413.86	345.30
Provisions no longer required, written back	(93.59)	(5.26)
Profit on early termination of lease contracts	(3.58)	-
Fair value loss on financial instruments	5.81	0.08
Net foreign exchange differences (unrealised)	110.33	(17.59)
Provision for doubtful receivables	52.75	103.19
Employee share based options	23.58	21.89
Government Grant	(3.68)	(9.12)
Provision for diminution in the value of investment	7.11	-
Finance income	(35.64)	(29.48)
Finance costs	368.16	366.02
Profit on sale of investment	-	(65.73)
Share of loss / (profit) of associate and joint venture	4.64	10.18
<b>Operating (loss)/profit before working capital changes</b>	<b>1,084.69</b>	<b>1,056.24</b>
<b>Working capital adjustments:</b>		
Decrease / (increase) in inventories	20.71	118.87
Decrease / (increase) in trade receivables/non-current/current financial and other assets	147.03	(636.53)
Decrease / (increase) in trade payables, provisions and other liabilities	(5.28)	(28.26)
<b>Cash generated from / (used in) operations</b>	<b>1,247.15</b>	<b>510.32</b>
Direct taxes paid (net of refunds)	(154.53)	(5.31)
<b>Net cash from / (used in) operating activities</b>	<b>1,092.62</b>	<b>505.01</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, including intangible assets and capital advances	(259.27)	(341.53)
Proceeds from sale of investments	93.93	292.63
Purchase of non-current investments	(0.50)	-
Investment in bank deposit (having original maturity of more than three months) and other bank balances	23.29	(221.05)
Interest received	26.93	19.74
Government grant received	-	32.94
<b>Net cash (used in) / from investing activities</b>	<b>(115.62)</b>	<b>(217.27)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayments / proceeds of long term borrowings (net)	(127.25)	56.72
Repayments / proceeds of short term borrowings (net)	(348.95)	(22.40)
Payment of lease liabilities	(151.72)	-
Proceeds from issue of equity shares	0.27	0.77
Finance costs paid	(331.84)	(345.39)
Dividend paid (including dividend distribution tax)	(61.79)	(15.45)
<b>Net cash (used in) / from financing activities</b>	<b>(1,021.28)</b>	<b>(325.75)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(44.28)</b>	<b>(38.01)</b>
Cash and cash equivalents at the beginning of the year	173.26	217.29
Effect of exchange differences on cash and cash equivalents held in foreign currency	7.02	(6.02)
<b>Cash and cash equivalents at the end of the year</b>	<b>136.02</b>	<b>173.26</b>
<b>Total cash and cash equivalents</b>	<b>136.02</b>	<b>173.02</b>
<b>Cash at bank attributable to entities classified as held for disposal</b>	<b>-</b>	<b>0.24</b>
	<b>136.02</b>	<b>173.26</b>





**Notes to the audited consolidated financial results for the quarter and year ended March 31, 2020**

- 2 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)).
- 3 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".
- 4 (a) During the year ended March 31, 2019, the Group had divested its entire 51% stake in Centum Rakon India Private Limited, a joint venture entity and realized a profit of Rs. 58.50 million on such sale of shares, which had been disclosed under discontinued operations in the audited consolidated financial results of the Group for the year ended March 31, 2019.
- (b) During the year ended March 31, 2019, the Group had divested its entire 50% stake in Sandhi SAS, a joint venture entity and realized a profit of Rs. 7.23 million on such sale of shares, which had been disclosed under discontinued operations in the audited consolidated financial results of the Group for the year ended March 31, 2019.
- (c) During the year ended March 31, 2019, the step down subsidiaries of the Company, Adetel Maroc SA and Adetel Equipment Maroc SA, have initiated liquidation proceedings and accordingly the results of the operation of this entity has been disclosed under discontinued operations.
- (d) (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. However the sale consideration is substantially pending receipt and management of the Group is confident of the recoverability of the same. 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.
- The Group has 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 has given one time bonus amounting to Rs 105.27 Million to key managerial personnel of Adetel Group SA, parent company of CAT, which has been disclosed under exceptional items in the audited consolidated financial results of the Group for the year ended March 31, 2020.
- 5 The audited consolidated financial results of the Company for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee in their meeting on July 27, 2020 and approved by the Board of Directors in their meeting held on July 28, 2020.
- 6 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 as at March 31, 2020 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.488.69 million are appropriate.
- 7 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 not exercised the option to pay income tax under the new tax regime during the current financial year.
- 8 Effective April 01, 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the quarter and year ended March 31, 2019 have not been retrospectively adjusted.
- 9 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 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.
- 10 The Board of Directors of the Company at their meeting held on July 28, 2020 have recommended a final dividend of Rs. 2.50/- per equity share of Rs.10/- each for the financial year ended March 31, 2020. The said final dividend is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.
- 11 The figures for quarter ended March 31 of current and the previous years in the consolidated 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 nine months ended December 31 for respective years.
- 12 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.
- 13 Previous period figures have been regrouped/reclassified, wherever necessary to conform to current period classification.

Place : Bengaluru  
Date : July 28, 2020



For Centum Electronics Limited

Apparao V Mallavarapu  
Chairman & Managing Director