

Limited Review Report**Review Report to
The Board of Directors
Centum Electronics Limited**

1. We have reviewed the accompanying statement of unaudited consolidated Ind AS financial results of Centum Electronics Limited (the 'Company') comprising its subsidiaries (together referred to as 'the Group'), its joint ventures and associates, for the quarter and nine months period ended December 31, 2018 (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 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited separate quarterly financial results and on the other financial information of subsidiaries / associates and joint ventures, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated Ind AS financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the consolidated financial results and other financial information, in respect of subsidiary located outside India (the said subsidiary has 9 subsidiaries, 1 associate and 1 joint venture), whose financial results include total assets of Rs. 56,235.87 Lakhs as at December 31, 2018, and total revenues (including other income) of Rs 17,042.11 Lakhs and Rs 45,076.85 Lakhs for the quarter and nine months period ended December 31, 2018 (before adjustments on consolidation). These financial results and other financial information have been reviewed by other auditors, which financial results, other financial information and auditor's reports have been furnished to us by the Management. Our conclusion, in so far as it relates to the affairs of such subsidiaries, joint venture and associate is based solely on the report of other auditors. Our conclusion is not qualified in respect of this matter.

These subsidiaries, associate and joint venture 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



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Chartered Accountants

auditing standards applicable in their respective countries. The Company's Management has converted the financial results of such subsidiaries, associates and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries, associates and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Company.

6. The accompanying unaudited consolidated Ind AS financial results include unaudited financial results and other unaudited financial information in respect of 2 subsidiaries, whose financial results and other financial information reflect total assets of Rs. 5,245.70 Lakhs as at December 31, 2018, and total revenues of Rs. 153.09 Lakhs and Rs. 382.14 Lakhs for the quarter and nine months period ended on that date respectively (before adjustments on consolidation). These unaudited financial results and other unaudited financial information have been furnished to us by the Management. The consolidated Ind AS financial results also include the Group's share of net profit of Rs. Nil and Rs. 29.02 Lakhs for the quarter and nine months period ended December 31, 2018 respectively, as considered in the consolidated Ind AS financial results (consolidated upto April 30, 2018), in respect of a joint venture, whose financial results and other financial information have not been reviewed and whose unaudited financial results and other unaudited financial information have been furnished to us by the Management, as reviewed financial results of such component entities as at and for the quarter and nine months period ended December 31, 2018 are not available. Our conclusion, in so far as it relates to the affairs of these subsidiary and joint venture, is based solely on such unaudited financial results and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial results and other financial information are not material to the Group. 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 Sunil Gaggar
Partner

Membership number: 104315

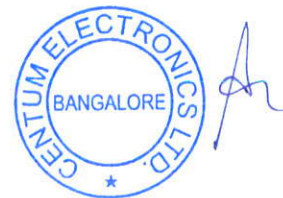
Place: Bengaluru

Date: February 6, 2019



Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2018

Sl.No.	Particulars	Quarter ended			Nine months ended		(Rs. in Lakhs)
		December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
		(Unaudited)	(Unaudited)	(Refer note 4)	(Unaudited)	(Refer note 4)	(Audited)
A. Continuing Operations							
1	Income						
	(a) Revenue from operations						
	(i) Sales / Income from operations	28,598.57	22,103.67	19,151.10	70,467.10	57,821.71	80,197.80
	(ii) Other operating income	2,168.03	1,011.34	972.44	4,253.25	3,334.07	4,469.46
	(b) Other income						
	(i) Gain on account of foreign exchange fluctuations (net)	769.89	-	268.86	-	-	-
	(ii) Others	378.32	220.91	261.78	1,211.96	937.05	1,997.65
	Total Income	31,914.81	23,335.92	20,654.18	75,932.31	62,092.83	86,664.91
2	Expenses						
	(a) Cost of materials consumed	12,804.96	11,620.92	11,815.20	36,590.94	29,221.07	40,185.63
	(b) Excise duty expenses	-	-	-	-	335.66	335.66
	(c) Changes in inventories of finished goods and work-in-progress	1,709.95	(987.54)	(2,013.16)	(2,141.85)	(1,010.15)	(817.94)
	(d) Employee benefits expenses	8,828.99	8,167.55	7,822.94	25,892.73	22,248.16	30,753.49
	(e) Finance costs	1,115.09	847.10	417.44	2,761.90	1,397.30	2,203.05
	(f) Depreciation and amortisation expenses	950.43	906.81	848.22	2,725.51	2,556.64	3,272.75
	(g) Loss on account of foreign exchange fluctuations (net)	-	730.86	-	705.27	40.00	277.49
	(h) Other expenses	3,887.92	2,472.29	2,494.70	9,107.24	8,098.04	11,191.07
	Total expenses	29,297.34	23,757.99	21,385.34	75,641.74	62,886.72	87,401.20
3	Profit / (Loss) before exceptional items, share in (loss) / profit of associates and joint ventures and tax expense from continuing operations (1-2)	2,617.47	(422.07)	(731.16)	290.57	(793.89)	(736.29)
4	Exceptional items (Refer note 3)	-	72.29	-	657.28	-	-
5	Profit / (Loss) before share in (loss) / profit of associates and joint ventures and tax expense from continuing operations (3±4)	2,617.47	(349.78)	(731.16)	947.85	(793.89)	(736.29)
6	Tax expenses						
	(a) Current tax	249.91	(10.80)	(9.74)	952.14	31.67	60.17
	(b) Deferred tax	(455.87)	(43.38)	25.94	(553.77)	3.51	39.05
7	Profit / (Loss) before share in (loss) / profit of associates and joint ventures from continuing operations (5±6)	2,823.43	(295.60)	(747.36)	549.48	(829.07)	(835.51)
8	Share of profit / (loss) of associates and joint ventures from continuing operations	-	-	-	-	-	(102.43)
9	Profit / (Loss) after tax expense from continuing operations (7±8)	2,823.43	(295.60)	(747.36)	549.48	(829.07)	(937.94)
B. Discontinuing Operations							
10	(Loss) / profit before tax expense from discontinuing operations (Refer note 3)	(1.24)	(40.93)	(195.43)	(23.50)	(273.74)	(515.09)
11	(Loss) / profit after tax expense from discontinuing operations	(1.24)	(40.93)	(195.43)	(23.50)	(273.74)	(515.09)
12	Profit / (loss) after tax for the respective periods (9±11)	2,822.19	(336.53)	(942.79)	525.98	(1,102.81)	(1,453.03)
13	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	7.24	7.14	(2.37)	21.52	(7.07)	28.58
	(ii) Income tax on above	-	-	-	-	-	-
	(b)(i) Items that will be reclassified to profit or loss	28.19	(20.08)	(19.64)	(4.54)	(35.40)	21.50
	(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)	2,857.62	(349.47)	(964.80)	542.96	(1,145.28)	(1,402.95)
15	Total comprehensive income attributable to:						
	(a) Owners of the Company	2,683.77	(107.87)	(895.88)	1,001.78	(1,193.06)	(1,846.40)
	(b) Non controlling interest	173.85	(241.60)	(68.92)	(458.82)	47.78	443.45
	Total comprehensive income for the period	2,857.62	(349.47)	(964.80)	542.96	(1,145.28)	(1,402.95)
16	Paid up equity share capital (Face value - Rs 10 per share)	1,288.11	1,288.11	1,284.04	1,288.11	1,284.04	1,286.97
17	Earnings per equity share (EPS) (of Rs. 10 each) :						
	(a) Basic EPS from continuing and discontinuing operations (Rs.)	20.56	(0.74)	(6.81)	7.65	(9.00)	(14.80)
	(b) Diluted EPS from continuing and discontinuing operations (Rs.)	20.53	(0.74)	(6.81)	7.64	(9.00)	(14.80)
	(c) Basic EPS from continuing operations (Rs.)	20.57	(0.42)	(5.29)	7.83	(6.86)	(10.78)
	(d) Diluted EPS from continuing operations (Rs.)	20.54	(0.42)	(5.29)	7.82	(6.86)	(10.78)
	(e) Basic EPS from discontinuing operations (Rs.)	(0.01)	(0.32)	(1.52)	(0.18)	(2.14)	(4.02)
	(f) Diluted EPS from discontinuing operations (Rs.)	(0.01)	(0.32)	(1.52)	(0.18)	(2.14)	(4.02)



Notes to the unaudited consolidated financial results for the quarter and nine months ended December 31, 2018

- 1 Investors can view the unaudited consolidated financial results of Centum Electronics Limited ("the Group" or "the Company") on the Company's website www.centumelectronics.com or on the websites of BSE (www.bseindia.com) or NSE (www.nse-india.com).
- 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 (a) During the nine months ended December 31, 2018, the Group has divested its entire 51% stake in Centum Rakon India Private Limited, a joint venture entity and realized a profit of Rs. 584.99 Lakhs on such sale of shares, which has been disclosed as an 'exceptional item' in the unaudited consolidated financial results of the Group for the nine months ended December 31, 2018.
(b) During the nine months ended December 31, 2018, the Group has divested its entire 50% stake in Sandhi SAS, a joint venture entity and realized a profit of Rs. 72.29 Lakhs on such sale of shares, which has been disclosed as an 'exceptional item' in the unaudited consolidated financial results of the Group for the nine months ended December 31, 2018.
(c) During the current quarter ended December 31, 2018, the step down subsidiaries of the Company, Adetel Maroc SA and Adetel Equipment Maroc SA, have initiated liquidation proceedings.
- 4 During the year ended March 31, 2018, as per Regulation 33(3)(b)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, the Company had intimated the Stock Exchanges and opted not to submit quarterly / year to date consolidated financial results during the year ended March 31, 2018. Based on an internal assessment, during the current year, the Company has opted to submit the quarterly / year to date consolidated financial results.
Accordingly, the consolidated financial results for the quarter and nine months ended December 31, 2017, prepared by the management of the Group, have not been subjected to limited review or audit. However, the management has exercised necessary diligence to ensure that the consolidated financial results for the quarter and nine months ended December 31, 2017 provide a true and fair view of the Group's affairs.
- 5 The unaudited consolidated financial results of the Company for the quarter and nine months ended December 31, 2018 have been reviewed by the Audit Committee in their meeting on February 6, 2019 and approved by the Board of Directors in their meeting held on February 6, 2019.
- 6 Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.
- 7 The statutory auditors of the Company have carried out a limited review of the unaudited consolidated financial results for the quarter and nine months ended December 31, 2018.

Place : Bengaluru
Date : February 6, 2019



For Centum Electronics Limited

Apparao V Mallavarapu
Chairman & Managing Director