

Reliable Performance,  
Because it Matters the Most.



**Centum Electronics Limited**  
Annual Report 2018-19

# What's Where!

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### Safe Harbour

Certain statements in this Report, including statements relating to Centum's expectations regarding the future business, development and economic performance, that are subject to risks, uncertainties and other factors. Without limitation, among the factors that could cause actual results to differ materially from those indicated by such forward-looking statements such as but not limited to (1) competitive pressure; (2) legislative and regulatory developments; (3) global, macro economic and political trends; (4) fluctuations in currency exchange rates and general market conditions; (5) technical developments; (6) litigations; (7) adverse publicity and news coverage etc. All forward-looking statements reflect Centum's expectations only as of the date of this Report and should not be relied upon as reflecting Centum's views, expectations or beliefs at any date subsequent to the date of this release. Centum disclaims any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

# What Sets us Apart

## Our Value Proposition

### International ESDM company, Indian roots

- Design and manufacturing presence across North America, Europe and Asia for critical electronics solutions
- Highly skilled international talent pool
- Illustrious trail of international JVs and global recognitions
- Supply high-reliability complex products and solutions to customers in 14 countries

### Enviably clientele, flexible offerings

- Operating in super critical domains of space, aerospace, defence, industrial, transportation and medical electronics
- Marquee customers include global behemoths like Thales, Rafael, Airbus, ISRO, DRDO, ALSTOM, GE & ABB
- International revenue contributes > 80% of consolidated revenues
- Company with competencies across product design, realization and series manufacturing



### World-class infrastructure

- State-of-the-art manufacturing assets spread across 350,000 SFT, including an advanced Product Lab of 27,000 SFT
- Globally competitive talent pool of 2,100 employees including design engineers
- Best-in-class systems and certification
- Closer to customer manufacturing and design network in Asia, Europe and North America
- High-quality products, developed with strong research focus, enabled with international quality certifications like ISO





## Reliable Performance, Because it Matters the Most.

Amid accelerated technological advancements, human expectations from the all-pervasive technology continue to rise. In the sphere of technological breakthroughs, the more we (mankind) accomplish, the more we aspire.

In hi-tech domains of space, aerospace, medical, transportation, etc., criticality of technological advancements is even higher. Having kept expansion of information as the key achievable until now, objectives of space missions are now expanding to achieve newer benefits such as energy, satellite internet and tourism. Innovators in aerospace are attempting to make air travel more energy efficient, sustainable and yet affordable on one hand, even as they are ready to deploy flying cars and electric aircrafts for commercial applications. The technology wish list for Medical Science is nothing less than current science fiction, as it includes artificialization of critical organs, usage of nano-technology and risk averse surgical processes. When it comes to transportation, technology is expected to help achieve decongestion, superfast travel, energy efficiency with improved safety.

Moreover, we seek these advancements in a cost optimized and environmentally sensitive manner. With so much at stake, technology needs to deliver on high reliability with precision, every single time.



Electronics, the core constituent of hi-tech devices and equipment, continues to raise its precision and reliability further. As one of the largest hi-tech electronics company from India, Centum is raising the benchmarks to drive itself towards a larger responsibility. Exiting the component business, we are increasingly developing more advanced subsystems, systems and modules for a range of hi-tech applications. We continue to script one success after another, with critical deliveries made to marquee global customers. Rising confidence of customers, is accelerating our climb on the value chain, along with fueling our infrastructure and talent scale up.



This year marks 25<sup>th</sup> year of our business operations. Incidentally, 2019 also celebrates 50<sup>th</sup> year of the first Apollo moon landing. Setting eye on our own 50<sup>th</sup> year, we are revving up our innovation engine with a resolve to consistently deliver reliable performances. Because it matters the most.



# FY19 at a Glance



## Accomplishments

**In a distinguished accomplishment by a private player for the very first time in India, we designed, developed and manufactured the complex payload for EMISAT, a first of its kind Satellite launched by India.**

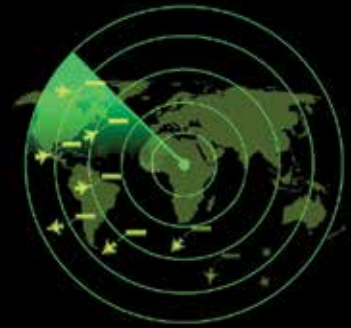
**Moving up the value chain, we manufactured and supplied the complete RADAR Electronics for Air Traffic Management systems for a customer in Europe.**

**Crossed consolidated revenue of ₹ 1,000 Crores (including discontinued operations) & ₹ 500 Crores on Standalone basis**





Received 'High Growth in Electronic Hardware Exports' award by STPI



## Strengthened Design Services Business

by adding new infrastructure for India Design Centre and inducting senior leadership talent

## Obtained ISO 27001 Certification

on Information Security Management System



## Strategic Moves

- ◆ Significant investment plans in Strategic Electronics Business Unit
- ◆ In line with strategic objective of moving up the value chain to systems & subsystems, we exited the component business in our JV with Rakon
- ◆ Keeping our strategic priorities in mind, it is decided to hive off the Energy Division of Centum Adetel
- ◆ With the strategic intent of moving towards Industry 4.0 and digitization of internal processes, we have upgraded our ERP & implemented HRIS

# We are Centum Electronics



Celebrating 25 glorious years of our business journey, we are one of the largest ESDM companies from India with a truly international imprint. Having started as an electronic component company, we have fast evolved to offer the entire spectrum of design services and manufacturing of systems, subsystems and modules for mission critical applications in Space, Defence, Aerospace, Industrial, Transportation and Medical segments.

Serving marquee global customers, including many Fortune 500 companies, our design and manufacturing network spans North America, Europe and India. Nearly 80% of our revenues come from global markets. We employ a multinational multi-cultural talent pool of 2,100 employees. Nearly one-third of them form part of our design teams.

Listed on both prominent stock exchanges of India, BSE and NSE, we closed fiscal year 2018-19 with annual consolidated revenues of ₹ 937 crores and market capitalization of ₹ 567 crores as on March 31, 2019.

## Our Vision

"To create value by contributing to the success of our customers, by being their innovation partner offering design & manufacturing solutions in high technology areas."

## Our Values



Teamwork



Openness  
and Trust



Integrity



Customer  
Relationship



Excellence



Social  
Responsibility



## Marquee Customers

THALES

RAFAEL

AIRBUS

UTC Aerospace Systems

SAFRAN



ABB

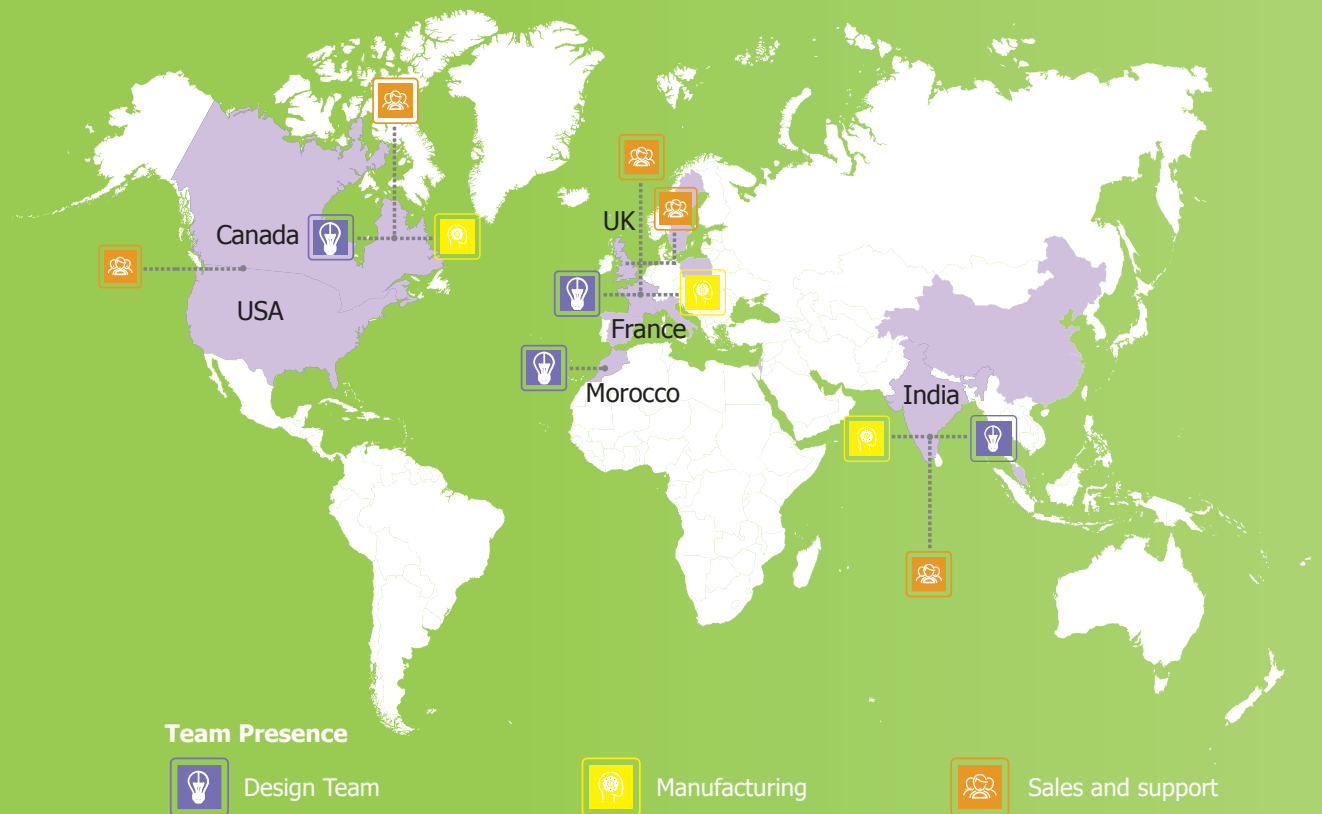
BDL

ALSTOM

SIEMENS



## Our Global Footprints



Customers' Presence

India | Israel | USA | Canada | Sweden | Germany | Switzerland | France | Italy | UK | Netherlands | Spain | Singapore | China

# Performance through the Years

## Financial Highlights – Consolidated

(₹ in million)

Statement of Profit & Loss Account	2018-19	2017-18	2016-17	2015-16
Total Income	9,375	7,941	7,337	4,228
Earnings Before Interest Tax Depreciation and Amortization (EBITDA)	971	472	767	773
Earnings Before Interest and Tax (EBIT)*	692	190	535	606
Earnings Before Tax (EBT)*	481	29	446	359
Earnings After Tax (EAT)*	484	20	360	258
Earnings per Share - Basic	30.8	-7.3	27.0	20.8
Dividend per Share - Interim & Proposed	5	1	5	3
Book Value per Share	189	168	182	175
<b>Balance Sheet</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
Property, Plant and Equipment and Intangible Assets	2,186	2,652	2,617	928
Investments	120	144	449	13
Net Assets (Current and Non-Current)	3,263	3,060	2,195	2,033
Net assets (held for disposal)	603	296	0	0
	<b>6,173</b>	<b>6,153</b>	<b>5,262</b>	<b>2,975</b>
Share Capital	129	129	128	127
Reserves & Surplus **	2,309	2,032	2,188	2,088
Debts	3,565	3,896	2,786	814
Tax Balances	171	96	160	-53
	<b>6,173</b>	<b>6,153</b>	<b>5,262</b>	<b>2,975</b>
<b>Key Ratios</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
EBITDA Margin (% to Total Income) *	10%	6%	12%	19%
Fixed Assets Turnover (No of times)	4.3	3.0	2.8	4.5
EAT * / Total Income	5%	0%	5%	6%
Return on Capital Employed (%) *	11%	3%	10%	20%
Return on Network (%) *	20%	1%	16%	12%

\* Excludes exceptional item & share of profit / loss from associate / discontinuing operations

\*\* Including non-controlling interest