

What's Where!

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Forward-Looking Statements

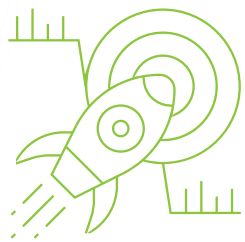
Certain statements in this Report, including statements relating to Centum's expectations regarding the future business, development and economic performance, that are subject to risks, uncertainties and other factors. Without limitation, among the factors that could cause actual results to differ materially 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 the information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

We are Centum Electronics Limited

Established in 1994, Centum Electronics Limited has progressed into a diversified electronics company, with operations spanning across the continents. We offer a broad range of products and services across different industry segments in India and globally. Having completed our silver jubilee last year, we believe in further strengthening and enhancing our design and product development capabilities. With four world-class manufacturing facilities in Bangalore, we maintain

a customer-focused approach that provides maximum value, while serving multiple domains like Analog, Power, RF, Digital, and mixed signals.

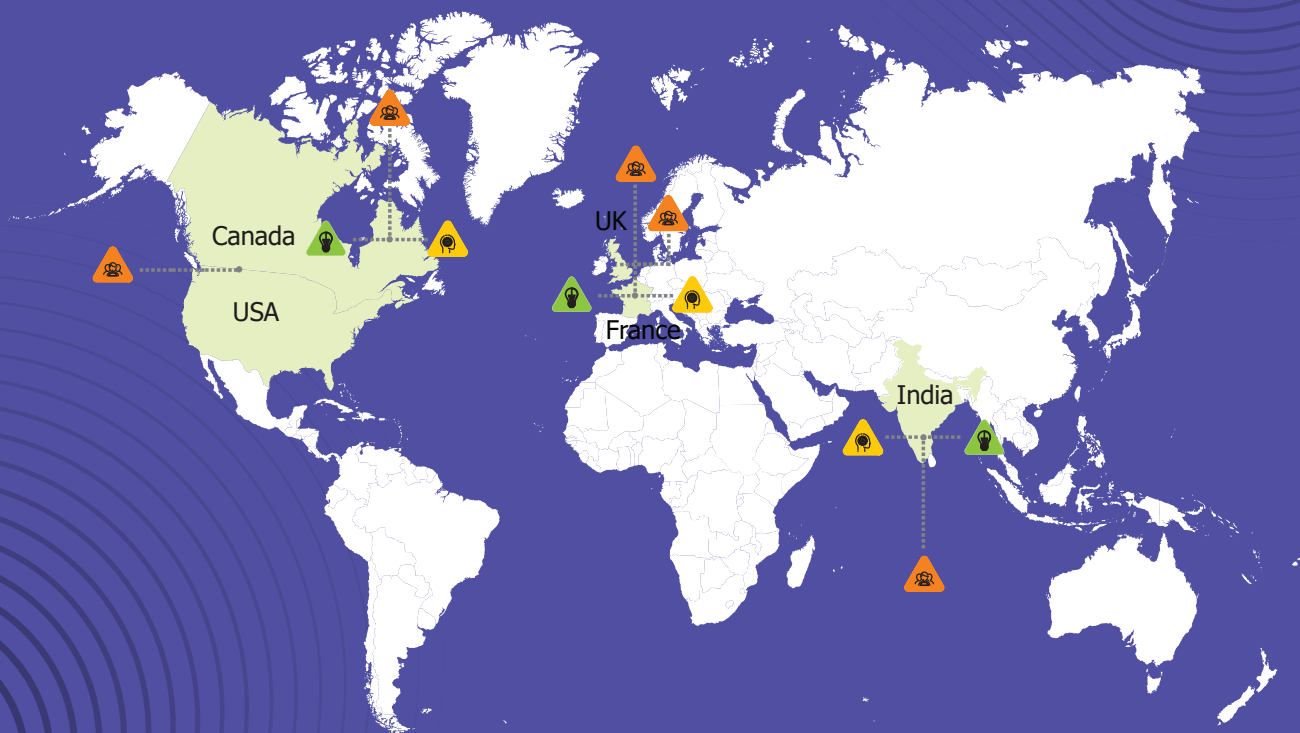
Listed on both prominent stock exchanges of India, BSE and NSE, we closed fiscal year 2019-20 with annual consolidated revenues of ₹ 8,986 Millions and market capitalization of ₹ 3,258 Millions as on March 31, 2020.



Our Mission

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

Our Global Footprints



Team Presence



Design Team



Manufacturing



Sales and support

Our Offerings



Defence & Aerospace



Space



Industrial



Transport



Medical

Our Values



Teamwork



Openness and Trust



Integrity



Customer Relationship



Excellence



Social Responsibility

Key Events during FY 19-20



Inauguration of New Facility

Inscribed in the golden letters, the 24th September 2019 is a historical day for Centum Electronics Limited. It witnessed the grand inauguration of our state-of-the-art new space facility in Yelahanka, Bangalore by none other than Dr. K. Sivan, Chairman of the Indian Space Research Organization (ISRO). Centum is a leading Electronics industry partner for ISRO and is involved in the Design, Development, Qualification and production of electronic modules, subsystems, and systems for multiple applications in Satellite and Launch Vehicles.

The new space facility has created Employment for more than 100 people. The total investment for this brownfield project is ₹ 50 crores.

Chandrayan 2

The journey with ISRO started 20 years back. It started from delivering components to modules, subsystems and now systems. This has been demanding and technically rewarding to enable Centum to grow as an international player. Keeping in mind, the growing number of missions of ISRO, Centum has made significant investments to ensure products with the right quality, technology and in required quantities.

Centum feels proud that it has been associated with Chandrayan 2.



Financial Highlights

Financial Highlights – Consolidated

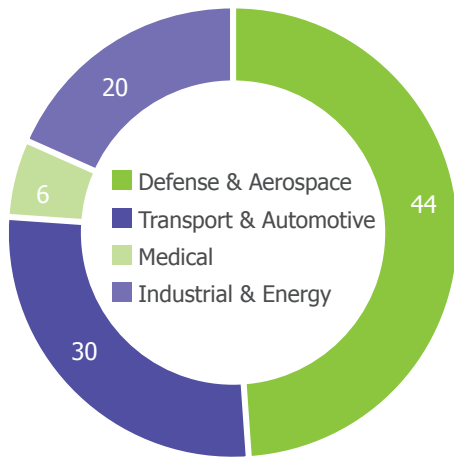
(₹ in million)

Statement of Profit & Loss Account	2019-20	2018-19	2017-18	2016-17	2015-16
Total Income	8,986	9,375	7,941	7,337	4,228
Earnings Before Interest Tax Depreciation and Amortization (EBITDA)*	845	900	341	463	689
Earnings Before Interest and Tax (EBIT)	585	692	190	535	392
Earnings Before Tax (EBT)®	352	481	29	446	359
Earnings After Tax (EAT)®	278	484	20	360	258
Earnings per Share - Basic	15.8	30.5	(7.3)	27.0	20.8
Dividend per Share	2.5	5	1	5	3
Book Value per Share	178	189	168	182	175
Balance Sheet	2019-20	2018-19	2017-18	2016-17	2015-16
Property, Plant and Equipment and Intangible Assets	2,222	2,186	2,652	2,617	928
Investments	401	120	144	449	13
Net Assets (Current and Non-Current)	3,028	3,263	3,060	2,195	2033
Net assets (held for disposal)	0	603	296	0	0
	5,651	6,173	6,153	5,262	2,975
Share Capital	129	129	129	128	127
Reserves & Surplus	2,171	2,309	2,032	2,188	2,088
Debts	3,246	3,565	3,896	2,786	814
Tax Balances	105	171	96	160	(53)
	5,651	6,173	6,153	5,262	2,975
Key Ratios	2019-20	2018-19	2017-18	2016-17	2015-16
EBITDA Margin (% to Revenue for operations)	10%	10%	4%	7%	17%
Fixed Assets Turnover (No of times)	4.0	4.3	3.0	2.8	4.5
EAT / Total Income	3%	5%	0%	5%	6%
Return on Capital Employed (%)	10%	11%	3%	10%	13%
Return on Network (%)	12%	20%	1%	16%	12%

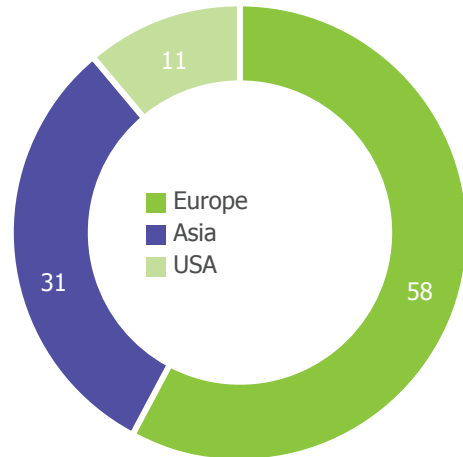
® Before exceptional item & share of profit / loss from associate / discontinuing operations

* Exclude other income

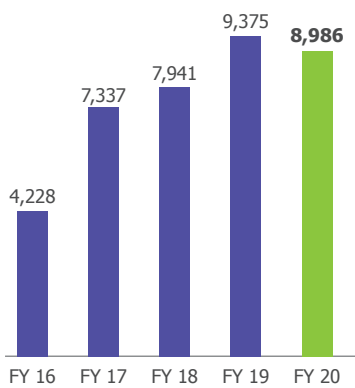
Revenue Mix by Industry (%, FY20)



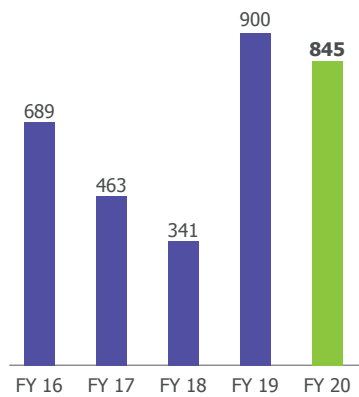
Revenue Mix by Geography (%, FY20)



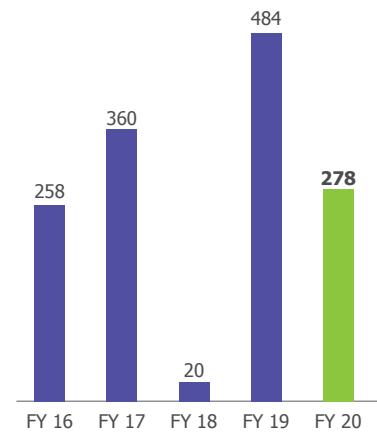
Revenue ₹ in million



EBITDA ₹ in million



Earnings After Tax ₹ in million





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We had experienced increasing share of the business from the existing customers and new business from even those customers who had no existing supply chain network in India in the past. These anecdotal past experiences have now turned into a clear trend of business moving towards India.

Letter to Shareholders

Dear Stakeholders,

The human race is facing possibly the most severe global health crisis of the last 100 years. The Covid-19 pandemic has also ravaged the global economic activities to an unimaginable extent. Over 20 million people have reportedly been infected and nearly 0.75 million precious human lives stand lost, at the time of me penning down this letter. Please join me to offer prayers for the speedy recovery of the affected brethren and peace for the departed souls. Let's also pray for a fast and holistic eradication of this deadly scourge, by way of vaccines or any other means.

The human spirit of resilience, ingenuity and collective response has defeated many a colossal calamities. This too shall pass, paving the path for the return of normalcy. A new normal is what expert opinions are converging at. What is wrongly termed as social distancing is actually a reference to physical distancing. The social animal that the man is would pounce upon socializing, given the first opportunity. And automation has a big, real big role to play in the new normal.

Like we witnessed the software embed deep in human life, in the post-Covid world, electronics would get embedded in our living to an extent that could not have been imagined five-six months ago. Human interactions would increasingly shift to touch-less or less touch mode. Robotics would be fast embraced across physical retail; accelerated automation would be noticed across all modes of public transport, vending kiosks would increasingly replace man managed counters. Factories would rush to deploy IoT and logistics would get increasingly automated. With stakes going so high, the spotlight would shift on electronics and deservedly so.

The fallacy of the global supply chains, which has for way too long remained concentrated on supply monopolies of a region / country, has aptly been exposed by Covid-19. The Government of India's visionary clarion call of 'Atmanirbhar Bharat', a self reliant India, couldn't have been better timed. On behalf of the entire Indian ESDM industry and also the Centum Group, I sincerely urge the Indian governments - federal and states', regulators and the private sector including the startups to collaboratively create an enabling electronics ecosystem. One that thrives on intensified research and development, innovation and a globally competitive electronics manufacturing in the country, both in terms of quality and costs.

At Centum electronics, we have played a pioneering role in the emergence of a globally competitive Indian electronics sector. We relied on our own strength as well as collaborative exploration of technological advances with several overseas partners for well over two and a half decades. Consequently, Centum Electronics has become an Indian electronics MNC with manufacturing and research operations in five countries across three continents. Nearly thirty percent of our workforce comes from non-Indian nationalities and seventy five percent of our revenues occur in foreign currency.

The impact of slowdown and Covid-19 induced disruptions in the last quarter was visible in consolidated total income dropping to ₹ 8,986 million from ₹ 9,375 million recorded in the previous year. Your Company earned a net profit after tax of ₹ 278 million for the financial year 2019-20. The Board of Directors has recommended a final dividend of 25% (₹ 2.50 per equity share of face value of ₹ 10/-each), which is subject to Shareholders' approval in our ensuing Annual General Meeting. In my

previous letter, I had indicated that we would be divesting one division of our French Subsidiary. I am happy to inform you that the divestiture is now complete as planned.

While Covid-19 may have some effect in terms of demand in the current year, it has, on a positive note, also triggered a structural re-orientation on supply chains across the globe. What started as a trade war last year (between US & China) has snowballed into a global phenomenon because of Covid-19. This has necessitated the global electronics ecosystem to rebalance the supply chains and mitigate risks from over dependence on a country or region.

We had experienced increasing share of the business from the existing customers and new business from even those customers who had no existing supply chain network in India in the past. These anecdotal past experiences have now turned into a clear trend of business moving towards India. The opportunities we are witnessing now are like never before and surprisingly; the speed of making decisions has accelerated to a few months from a couple of years noticed earlier. These positive changes have really energized us, and plans are afoot to ensure we scale to meet the demand.

On the flip side, immediate slowdown in demand on account of the pandemic and associated factors is leading to intense competition in the ER&D sector. Since we have the backend design centre set up in India, we have the ability to present an optimum solution to the customer to drive the ER&D business.

With the Government of India (GOI) pushing for Make in India and recently even banning imports of 101 defence products, the opportunities in this sector of our strength and interest will only increase going forward. Recently GOI has also opened up the space sector for private participation. While we are waiting for more clarity to emerge, we believe the government will only increase the focus on products to be designed and manufactured in India.

Keeping the future and the potential of your Company, we recently inducted Nikhil Mallavarapu as an Executive Director on the Board of the Company. I clearly remember some of our esteemed and long-term shareholders suggesting he be appointed on the Board for the last 2 years. The Board believed it was the right time to induct him to bring youth, new energy and thought process into the Company. I am sure it meets your consent, and I hope you will give him all the support, encouragement, and guidance you have given me over all these years.

I conclude with placing my sincere appreciation to our employees for their continued pursuit of excellence and thanks to our customers for believing in our quest for excellence. Our journey of excellence remains fuelled by your unstinting support and confidence, dear shareholders, and on behalf of the Board, I thank you for that.

Shifting global supply chains and our unique value proposition and positioning is connecting us to an ever promising future and I beckon all our stakeholders in our journey towards a stronger Centum and a better world.

Please be well and stay safe.

Warm regards,
Apparao V Mallavarapu

Board of Directors



Mr. Apparao V Mallavarapu (Rao)

Chairman and Managing Director

Mr. Apparao V Mallavarapu (Rao) founded Centum Electronics in the year 1993. Under his able leadership Centum has grown to become one of the largest electronics companies in India. He has initiated and successfully managed joint ventures with several MULTI-NATIONAL COMPANIES. Prior to founding Centum, he served at Wipro and Rao Insulating Company (RIC). Mr. Mallavarapu received his Bachelor's degree in Mechanical Engineering from Bangalore University and a Master's Degree in Mechanical Engineering from Daltech University in Canada. He was a recipient of the Ford Foundation scholarship and Engineering research Scholarship toward his academic pursuits in Canada.



Mr. Nikhil Mallavarapu

Executive Director

Mr. Nikhil has been associated with the Company since August 2012. He has served in different leadership positions including Manager- New Projects at SEBU, Vice President - Corporate Development at Centum Adetel and most recently as President- EMS BU. Prior to joining Centum, Nikhil worked at the multinational semiconductor company- Analog Devices, as a product engineer in the MEMS sensors division. Further, Mr. Nikhil completed his Masters and Bachelors Degrees in Electrical and Computer Engineering from Carnegie Mellon University, USA. He also holds an MBA from the INSEAD Business School in France. Mr. Nikhil is the son of Mr. Apparao V Mallavarapu and Dr. Swarnalatha Mallavarapu.



Mr. S Krishnan

Independent Director

Mr. S. Krishnan has rich experience in the areas of Design, Manufacturing Process Technology and Quality Assurance. He served as the head of Design and Engineering at Centum since its inception till his retirement in 2004. Mr. Krishnan served in the microelectronics group of Bharat Electronics Limited (BEL) prior to joining Centum. He received his B. Tech from IIT, Madras and M.E. from IISC, Bangalore.



Mr. Pranav Kumar N Patel

Independent Director

Mr. Pranav is a well-accomplished business leader, a thought leader and an early innovator. He is a founder and CEO of MediTechSafe. Mr. Pranav held various executive leadership roles across multiple industries including Healthcare, Aviation, Energy, Batteries, Manufacturing & Automation Systems, and Wireless/Semiconductor with fortune 500 companies like GE and Siemens. Pranav has co-authored six patents.

Mr. Pranav holds a bachelor's degree with honors in electrical engineering from the University of Illinois @ Urbana – Champaign, a master's degree in electrical and computer engineering and a second master's degree in industrial engineering from the Georgia Institute of Technology. He obtained his MBA degree from the Georgia State University.



Mr. P. Thiruvengadam

Independent Director

Mr. Thiruvengadam was a Senior Director of the Deloitte Touche Tohmatsu India Pvt. Ltd (DTTIPL) providing leadership to the HR Transformation practice and has retired from the position in 2015. He has over 40 years of experience in management consultancy with a breadth of experience in India, the Middle and Far East Asia and other Countries. His main areas of expertise in Management Consulting include Business Process Improvement, Team Leadership, Strategic Planning, Business Strategy, HR Strategy, Talent Management, Change Management, HR Transformation and related Advisory Services. Mr. P. Thiruvengadam is a B. Tech from IIT Madras and a Post Graduate Diploma in Industrial Engineering from T.I.P.I.E. NPC and a fellow member of the Institute of Cost Accountants of India. His social interest includes working with Voluntary Organisations.