



Ref: CEL/NSEBSE/BMD/11112020

11th November, 2020

To,

Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	Department of Corporate Services - Listing BSE Limited P. J. Towers, Dalal Street, Mumbai – 400 001
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Re: Scrip Symbol: CENTUM/ Scrip Code: 517544

Dear Sir/ Madam,

Sub: Outcome of the Board Meeting

This is in continuation to our communication letters dated 30th October, 2020 and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Meeting of the Board of Directors of the Company was held as scheduled today, i.e. 11th November, 2020 and the Board inter-alia took the following decisions:

- (i) Approved the unaudited financial results (standalone and consolidated) for the second quarter and half year ended 30th September, 2020 along with the Limited Review Report of the Statutory Auditors of the Company.

The financial results are enclosed pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (ii) Approved the amendments to the "CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING" of the Company. The amended Code of Conduct is being hosted on the website of the Company at www.centumelectronics.com

The Meeting started at 5.00 p.m. and concluded at 8.35 p.m.

Centum Electronics Limited

44, KHB Industrial Area, Yelahanka New Town, Bangalore - 560 106, Karnataka, India

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CIN - L85110KA1993PLC013869



The above information is also hosted on the website of the Company at www.centumelectronics.com

Kindly take the same on your records.

Yours faithfully,
For **Centum Electronics Limited**

Nagaraj K V
Company Secretary & Compliance Officer

Encl: as above

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 September 30, 2020 and year to date from April 1, 2020 to September 30, 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
 - h. Centum Adetel Synergies SARL
 - i. Centum Adetel Solution



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- 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 9 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 assets of Rs. 4,840.48 million as at September 30, 2020, total revenues from operations of Rs 908.03 million and Rs 1,782.76 million, total net loss after tax of Rs. 54.06 million and Rs. 106.27 million, total comprehensive loss of Rs. 46.80 million and Rs. 91.64 million, for the quarter ended September 30, 2020 and the period from April 1, 2020 to September 30, 2020 respectively, and net cash inflows of Rs. 289.96 million for the period from April 1, 2020 to September 30, 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 report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

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



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information reflect total assets of Rs 1,199.34 million as at September 30, 2020, and total revenues from operations of Rs 40.00 million and Rs 74.66 million, total net profit after tax of Rs. 2.82 million and Rs. 2.15 million, total comprehensive income of Rs. 11.33 million and Rs. 22.46 million, for the quarter ended September 30, 2020 and the period from April 1, 2020 to September 30, 2020 respectively and net cash outflows of Rs. 4.84 million for the period from April 1, 2020 to September 30, 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, 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: 20061207AAAAFT6095

Place: Bengaluru
Date: November 11, 2020



Statement of unaudited consolidated financial results for the quarter and six months ended September 30, 2020

(Rs. in million)

Sl.No.	Particulars	Quarter ended			Six months ended		Year ended March 31, 2020 (Audited)
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
A. Continuing Operations							
1	Income						
	(a) Revenue from operations						
	(i) Sale of products and services	1,925.48	1,764.28	1,894.35	3,689.76	3,947.65	8,173.92
	(ii) Other operating income	125.46	132.23	163.78	257.69	325.94	659.72
	(b) Other income	4.54	21.18	57.51	25.72	77.09	117.93
	(c) Finance income	5.36	5.45	11.25	10.81	20.95	35.64
	Total Income	2,060.84	1,923.14	2,126.89	3,983.98	4,371.63	8,986.21
2	Expenses						
	(a) Cost of materials consumed	976.26	794.77	1,189.67	1,771.03	2,042.30	5,620.56
	(b) Changes in inventories of finished goods and work-in-progress	(66.67)	20.95	(373.11)	(45.72)	(249.80)	(65.42)
	(c) Employee benefits expenses	701.42	681.36	785.81	1,382.80	1,605.00	3,256.63
	(d) Finance costs	66.33	78.57	95.54	144.90	169.69	369.16
	(e) Depreciation and amortisation expenses	202.98	108.26	100.71	211.26	201.54	413.86
	(f) Loss on account of foreign exchange fluctuations (net)	24.01	0.81	18.77	24.82	20.71	83.25
	(g) Other expenses	197.23	217.14	209.97	414.37	434.67	957.42
	Total expenses	2,001.56	1,901.90	2,026.46	3,903.46	4,224.11	8,634.48
3	Share of profit / (loss) of associates and joint ventures from continuing operations	(2.79)	-	-	(2.79)	-	(4.64)
4	Profit / (Loss) before exceptional items and tax expense from continuing operations (1±2±3)	56.49	21.24	100.43	77.73	147.52	347.09
5	Exceptional items (refer note 5(ii))	-	-	-	-	-	(105.27)
6	Profit / (Loss) before tax expense from continuing operations (4+5)	56.49	21.24	100.43	77.73	147.52	241.82
7	Tax expenses						
	(a) Current tax (net) (refer note 8)	(12.68)	57.80	12.76	45.12	40.81	104.22
	(b) Deferred tax charge / (credit)	27.13	(27.33)	4.06	(0.20)	(5.15)	(30.43)
8	(Loss) / Profit after tax expense from continuing operations (6±7)	42.04	(9.23)	83.61	32.81	111.86	168.03
B. Discontinued operations							
9	Profit / (Loss) before tax expense from discontinued operations (Refer note 5(ii))	-	-	37.54	-	(2.62)	(6.88)
10	Tax expense of discontinued operations						
	(a) Current tax (net)	-	-	-	-	-	-
	(b) Deferred tax charge / (credit)	-	-	-	-	-	-
11	Profit / (Loss) after tax expense from discontinued operations (9±10)	-	-	37.54	-	(2.62)	(6.88)
12	Profit / (loss) after tax for the respective periods (8±11)	42.04	(9.23)	121.15	32.81	109.24	161.15
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	0.70	0.70	1.21	1.60	3.42	2.60
	(ii) Income tax on above	(0.20)	(0.20)	(0.42)	(0.40)	(0.04)	(0.51)
	(b) Items that will be reclassified to profit or loss						
	(i) Exchange difference on translation of foreign operations	(5.25)	(4.36)	(1.52)	(2.51)	1.10	10.10
	(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)	37.29	(13.09)	120.42	24.20	113.92	173.86
15	Total comprehensive income attributable to:						
	(a) Owners of the Company	61.32	12.17	87.59	73.49	108.12	198.90
	(b) Non-controlling interest	(24.03)	(25.26)	32.83	(40.29)	3.80	(25.04)
	Total comprehensive income for the period	37.29	(13.09)	120.42	24.20	111.92	173.26
16	Paid up equity share capital (Face value - Rs 10 per share)	128.85	128.85	128.85	128.85	128.85	128.85
17	Earnings per equity share (EPS) (of Rs. 10 each) :						
	(a) Basic EPS from continuing and discontinued operations (Rs.)	5.39	1.51	6.65	6.90	8.22	15.47
	(b) Diluted EPS from continuing and discontinued operations (Rs.)	5.38	1.51	6.65	6.90	8.22	15.45
	(c) Basic EPS from continuing operations (Rs.)	5.39	1.51	6.08	6.90	8.34	15.76
	(d) Diluted EPS from continuing operations (Rs.)	5.38	1.51	6.07	6.89	8.33	15.74
	(e) Basic EPS from discontinued operations (Rs.)	-	-	1.58	-	(0.11)	(0.21)
	(f) Diluted EPS from discontinued operations (Rs.)	-	-	1.58	-	(0.11)	(0.20)



Notes to the unaudited consolidated financial results for the quarter and six months ended September 30, 2020

1. Statement of consolidated assets and liabilities		(Rs. in millions)	
		As at September 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
SI.No.	Particulars		
A	Assets		
(1)	Non-current assets		
	(a) Property, plant and equipment	1,199.80	1,253.28
	(b) Capital work-in-progress	28.00	13.51
	(c) Goodwill on consolidation	376.23	376.23
	(d) Other intangible assets	427.07	478.61
	(e) Intangible assets under development	139.32	100.64
	(f) Right-of-use assets	618.02	456.70
	(g) Financial assets		
	(i) Investment in joint ventures and associates	400.94	386.72
	(ii) Other Investments	16.99	14.27
	(iii) Loans	45.15	60.82
	(iv) Others non-current financial assets	423.13	526.74
	(h) Deferred tax assets (net)	19.31	30.36
	(i) Non-current tax assets (net)	34.29	34.02
	(j) Other non-current assets	24.43	27.07
	Total non-current assets	3,752.68	3,758.97
(2)	Current assets		
	(a) Inventories	2,220.53	2,357.92
	(b) Financial assets		
	(i) Trade receivables	2,757.14	2,489.09
	(ii) Cash and cash equivalents	404.14	136.02
	(iii) Bank balances other than (ii) above	104.56	97.06
	(iv) Loans	0.35	0.32
	(v) Other current financial assets	1,342.13	1,609.34
	(c) Other current assets	405.97	322.96
	Total current assets	7,234.82	7,012.71
	Total assets (1+2)	10,987.50	10,771.68
B	Equity and liabilities		
	Equity		
	(a) Equity share capital	128.85	128.85
	(b) Other equity	1,984.36	1,922.54
	Equity attributable to equity holders of the parent	2,113.21	2,051.39
	Non-controlling interests	188.96	248.25
(1)	Total equity	2,302.17	2,299.64
	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	949.27	696.46
	(ii) Lease liabilities	493.78	374.35
	(iii) Other non-current financial liabilities	8.42	2.00
	(b) Deferred tax liabilities (net)	81.37	92.22
	(c) Net employee defined benefit liabilities	49.84	46.05
	(d) Provisions	28.85	53.52
	(e) Government grants	14.52	16.46
(2)	Total non-current liabilities	1,631.15	1,281.06
(3)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,079.08	2,024.71
	(ii) Lease liabilities	140.06	103.43
	(iii) Trade payables	1,454.46	1,783.36
	(iv) Other current financial liabilities	1,859.59	1,666.25
	(b) Other current liabilities	1,320.18	1,468.14
	(c) Government grants	3.68	3.68
	(d) Net employee defined benefit liabilities	5.16	6.16
	(e) Provisions	73.24	57.78
	(f) Liabilities for current tax (net)	117.73	77.47
	Total current liabilities	7,054.18	7,190.98
	Total equity and liabilities (1+2+3)	10,987.50	10,771.68



2. Statement of unaudited consolidated cashflow

	(Rs. in million)	
	Six months ended September 30, 2020 (Unaudited)	Six months ended September 30, 2019 (Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax from continuing operations	77.73	147.52
(Loss) / profit before tax from discontinued operations	-	(2.62)
Profit / (loss) before tax expenses	77.73	144.90
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expenses	211.26	230.85
Provisions no longer required, written back	(8.70)	(58.57)
Fair value (gain) / loss on financial instruments	(1.32)	1.17
Net foreign exchange differences (unrealised)	0.39	31.27
Gain on disposals of property, plant and equipment	-	(94.11)
Provision for expected credit losses / bad debts written off	67.57	15.61
Employee share based options	0.24	11.41
Government Grant	(1.84)	(1.84)
Finance income	-	-
Finance costs	(10.81)	(20.95)
Share of loss / (profit) of associates and joint ventures	144.90	172.49
Operating (loss)/profit before working capital changes	482.21	432.23
Working capital adjustments:		
Decrease / (increase) in inventories	144.17	6.24
Decrease / (increase) in trade receivables/non-current/current financial and other assets	(518.60)	542.60
(Decrease) / increase in trade payables, provisions and other liabilities	(426.11)	(9.32)
Cash generated from / (used in) operations	(318.33)	971.75
Direct taxes paid (net of refunds)	(8.52)	(3.68)
Net cash from / (used in) operating activities	(326.85)	968.07
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets and capital advances	(86.91)	(113.14)
Proceeds from sale of property, plant and equipment	-	94.11
Proceeds from sale of investments	527.54	-
Purchase of non-current investments	(93.51)	-
Investment in bank deposit (having original maturity of more than three months) and other bank balances (net)	70.53	(193.97)
Interest received	8.99	10.16
Net cash (used in) / from investing activities	426.64	(202.84)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / repayments of borrowings (net)	396.95	(480.95)
Payment of lease liabilities	(67.32)	(61.05)
Proceeds from issue of equity shares	-	0.27
Finance costs paid	(143.92)	(160.25)
Dividend paid (including dividend distribution tax and amount transferred to Investor Education & Protection Fund)	(32.10)	(62.22)
Net cash (used in) / from financing activities	153.61	(764.20)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	253.40	1.03
Cash and cash equivalents at the beginning of the year	136.02	173.02
Cash and cash equivalents at the beginning of the year attributable to entities held for sale	-	0.24
Effect of exchange differences on cash and cash equivalents held in foreign currency	14.72	0.82
Cash and cash equivalents at the end of the year	404.14	175.11
Total cash and cash equivalents	404.14	172.89
Cash at bank attributable to entities classified as held for disposal	-	2.22
	404.14	175.11



Notes to the unaudited consolidated financial results for the quarter and six months ended September 30, 2020

- 3 Investors can view the 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).
- 4 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".
- 5 (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. 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.
- 6 The unaudited consolidated financial results of the Company for the quarter and six months ended September 30, 2020 have been reviewed by the Audit Committee in their meeting on November 10, 2020 and approved by the Board of Directors in their meeting held on November 11, 2020.
- 7 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. Subsequent 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 six months ended September 30, 2020, the Board of Directors of Holding Company further acquired 5.62% 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. 876.23 million and intangible assets (including intangible assets under development) of Rs. 477.91 million are appropriate.
- 8 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.
- 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 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.
- 10 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.
- 11 Previous period figures have been regrouped/reclassified, wherever necessary to conform to current period classification.
- 12 The statutory auditor's of the Company have carried out a limited review of the unaudited consolidated financial results for the quarter and six months ended September 30, 2020.

Place : Bengaluru
Date : November 11, 2020



For Centum Electronics Limited

Apparao V Mallavarapu
Chairman & Managing Director

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone 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 standalone financial results of Centum Electronics Limited (the "Company") for the quarter ended September 30, 2020 and year to date from April 01, 2020 to September 30, 2020 (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, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the 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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

5. We draw attention to the note no 8 to the accompanying unaudited standalone 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 Company and its subsidiaries. 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.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Sandeep Karnani

Partner

Membership No.: 061207

UDIN: 20061207AAAAFS5507



Bengaluru

November 11, 2020

Statement of unaudited standalone financial results for the quarter and six month ended September 30, 2020

Sl. No.	Particulars	Quarter ended			Six month ended		(Rs. in Million)
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	Year ended March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations						
	(i) Sales/Income from operations	1,163.23	1,032.44	1,059.58	2,195.67	2,279.53	4,657.35
	(ii) Other operating income	22.99	20.10	33.47	43.09	64.40	166.43
	(b) Other income	3.12	3.00	2.46	6.12	4.78	10.09
	(c) Finance income	4.32	5.46	10.78	9.78	19.73	33.13
	Total income	1,193.66	1,061.00	1,106.29	2,254.66	2,368.44	4,867.00
2	Expenses						
	(a) Cost of materials consumed	780.02	587.30	972.73	1,367.32	1,693.77	2,860.98
	(b) Changes in inventories of finished goods and work-in-progress	(56.31)	24.16	(370.17)	(32.15)	(248.21)	(57.47)
	(c) Employee benefits expenses	162.30	165.04	191.85	327.34	360.70	767.42
	(d) Finance costs	40.74	54.93	72.33	95.67	127.51	276.58
	(e) Depreciation and amortisation expenses	39.45	37.74	30.48	77.19	59.79	131.54
	(f) Loss on account of foreign exchange fluctuations (net)	0.40	9.14	27.75	9.54	30.73	63.61
	(g) Other expenses	84.23	109.31	99.26	193.54	188.12	476.52
	Total expenses	1,050.83	987.62	1,024.03	2,038.45	2,212.41	4,519.18
3	Profit / (Loss) before tax (1-2)	142.83	73.38	82.26	216.21	156.03	347.82
4	Tax expenses						
	(a) Current tax (Refer note 6)	2.23	41.25	18.48	43.48	44.69	104.26
	(b) Deferred tax (credit) / charge	33.31	(22.10)	8.89	11.21	5.75	(6.81)
5	Profit / (Loss) for the period (3+4)	107.29	54.23	54.89	162.52	105.59	250.37
6	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	0.70	0.70	1.20	1.40	2.41	2.80
	(ii) Income tax on above	(0.20)	(0.20)	(0.42)	(0.40)	(0.84)	(0.81)
	(b) (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax on above	-	-	-	-	-	-
7	Total Comprehensive Income for the period (Comprising (loss) / profit and Other Comprehensive Income/(Expenses) (net of tax) for the period (5+6))	107.79	54.73	55.67	162.52	107.16	252.36
8	Paid up equity share capital (Face value- Rs.10 per share)	128.85	128.85	128.85	128.85	128.85	128.85
9	Earnings per equity share (of Rs. 10 each):						
	(a) Basic (Rs.)	8.33	4.21	4.26	12.54	8.20	19.43
	(b) Diluted (Rs.)	8.32	4.21	4.26	12.53	8.19	19.42



Notes of unaudited standalone financial results for the quarter and six month ended September 30, 2020

1. Statement of standalone assets and liabilities

		(Rs. in Million)	
		September 30, 2020	March 31, 2020
		(Unaudited)	(Audited)
I	Assets		
(1)	Non-current assets		
	(a) Property, plant and equipment	1,075.99	1,115.56
	(b) Capital work-in-progress	28.00	13.51
	(c) Goodwill	36.35	36.35
	(d) Other intangible assets	48.58	53.99
	(e) Right-of-use-assets	38.08	20.93
	(f) Intangible asset under development	3.44	-
	(g) Financial assets		
	(i) Investments (refer note 7)	582.92	489.20
	(ii) Loans	20.96	20.96
	(iii) Other financial assets	174.05	259.38
	(h) Deferred tax assets (net)	16.59	28.20
	(i) Non-current tax assets (net)	33.54	33.54
	(j) Other non-current assets	23.34	25.92
	Total Non-current assets	2,081.84	2,097.54
(2)	Current assets		
	(a) Inventories	2,055.96	2,204.06
	(b) Financial assets		
	(i) Trade receivables	1,664.71	1,699.65
	(ii) Cash and cash equivalents	38.20	55.19
	(iii) Bank balances other than cash and cash equivalents	104.06	97.06
	(iv) Loans	0.35	0.33
	(v) Other current financial assets	74.37	77.24
	(c) Other current assets	152.58	130.93
	Total Current assets	4,090.23	4,264.46
	Total assets (1+2)	6,172.07	6,362.00
II	Equity and liabilities		
(1)	Equity		
	(a) Equity share capital	128.85	128.85
	(b) Other equity	2,365.04	2,234.53
	Total equity	2,493.89	2,363.38
	Liabilities		
(2)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	155.27	196.94
	(ii) Lease liabilities	32.82	24.07
	(iii) Other non-current financial liabilities	-	2.00
	(b) Government grants	14.61	16.46
	(c) Net non-current employee defined benefit liabilities	48.21	45.03
	Total Non-current liabilities	250.91	284.50
(3)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	1,570.43	1,494.23
	(ii) Lease liabilities	11.79	5.68
	(iii) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	13.61	25.61
	Total outstanding dues of creditors other than micro enterprises and small enterprises	884.63	1,113.44
	(iv) Other current financial liabilities	248.86	270.99
	(b) Government grants	3.68	3.68
	(c) Other current liabilities	534.45	682.80
	(d) Net current employee defined benefit liabilities	6.16	6.16
	(e) Provisions	38.77	34.52
	(f) Liabilities for current tax (net)	114.89	77.01
	Total Current liabilities	3,427.27	3,714.12
	Total equity and liabilities (1+2+3)	6,172.07	6,362.00



2. Statement of unaudited standalone cash flows

(Rs. in million)

	Six month ended September 30, 2020	Six month ended September 30, 2019
	(Unaudited)	(Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	216.21	156.08
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortization expenses	77.19	59.79
Provisions no longer required, written back	(0.79)	-
Fair value (gain) / loss on financial instruments	(1.32)	1.15
Net foreign exchange differences (unrealised)	0.39	32.82
Provision for expected credit loss / bad debts written off	47.85	6.41
Government grants	(1.84)	(1.84)
Employee share based options	0.24	0.24
Finance income	(9.78)	(19.73)
Finance costs	95.67	127.51
Operating profit before working capital changes	423.82	362.37
Working capital adjustments:		
(Increase) / decrease in inventories	148.11	31.75
(Increase) / decrease in trade receivables	(22.18)	486.66
Decrease / (Increase) in other assets	(17.66)	(81.26)
Increase / (decrease) in trade payables, provisions and other liabilities	(375.85)	(13.13)
Cash generated from / (used in) operations	156.24	786.39
Direct taxes paid (net of refunds)	(9.00)	(3.15)
Net cash (used in) / from operating activities	147.24	783.24
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets and capital advances	(48.86)	(69.94)
Purchase of non-current investments	(93.52)	-
Investment in bank deposits (having original maturity of more than three months) and other bank balances	78.33	(193.97)
Loan given to a related party	-	(4.50)
Interest received	11.25	7.55
Net cash (used in) / from investing activities	(52.80)	(260.86)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(69.70)	(58.74)
Payment of lease liabilities	(4.97)	(4.26)
Proceeds/repayment of short term borrowings (net)	83.46	(187.40)
Proceeds from issue of share capital	-	0.27
Finance costs paid	(87.85)	(120.89)
Dividend paid (including dividend distribution tax and amount transferred to Investor Education & Protection Fund)	(32.10)	(62.22)
Net cash (used in) / from financing activities	(111.16)	(433.24)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(16.72)	89.15
Cash and cash equivalents at the beginning of the year	55.19	45.07
Effect of exchange differences on cash and cash equivalents held in foreign currency	(0.27)	1.44
Cash and cash equivalents at the end of the year	38.20	135.65
Total cash and cash equivalents	38.20	135.65



Notes of unaudited standalone financial results for the quarter and six month ended September 30, 2020

- 3 Investors can view the standalone financial results of Centum Electronics Limited ("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).
- 4 The Company is 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".
- 5 The unaudited standalone financial results of the Company for the quarter and six month ended September 30, 2020 have been reviewed by the Audit Committee in their meeting on November 10, 2020 and approved by the Board of Directors in their meeting held on November 11, 2020.
- 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 Company has exercised the option to pay income tax under the new tax regime from the current financial year.
- 7 The Board of Directors of the 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 Company. Further the Board of Directors of the 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 six month ended September 30, 2020, the Board of Directors of Company further acquired 5.62% 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 Company is of the view that the carrying value of the Company's investment in Centum Electronics UK Limited is appropriate.
- 8 The spread of COVID-19 pandemic and consequent national and local lockdowns and supply chain disruptions had an impact on the Company's business operations. The Company 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), Intangible assets, Trade receivables, inventory, investments and other assets as at the reporting date and has concluded that there are no material adjustments required in the standalone 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 standalone 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.
- 9 The statutory auditor's of the Company have carried out a limited review of the unaudited standalone financial results for the quarter and six month ended September 30, 2020.

Place : Bengaluru
Date : November 11, 2020



For Centum Electronics Limited,

Apparao V Mallavarapu
Chairman & Managing Director

