

**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

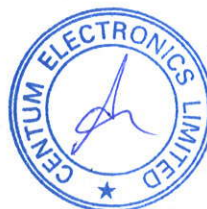
November 11, 2020



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Corporate Identity Number (CIN): L85110KA1993PLC013869  
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**Statement of unaudited standalone financial results for the quarter and six month ended September 30, 2020**

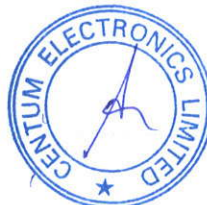
Sl. No.	Particulars	Quarter ended			Six month ended		(Rs. in Million)
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	Year ended March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income</b>						
	(a) Revenue from operations						
	(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
	<b>Total income</b>	<b>1,193.66</b>	<b>1,061.00</b>	<b>1,106.29</b>	<b>2,254.66</b>	<b>2,368.44</b>	<b>4,867.00</b>
2	<b>Expenses</b>						
	(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
	<b>Total expenses</b>	<b>1,050.83</b>	<b>987.62</b>	<b>1,024.03</b>	<b>2,038.45</b>	<b>2,212.41</b>	<b>4,519.18</b>
3	<b>Profit / (Loss) before tax (1-2)</b>	<b>142.83</b>	<b>73.38</b>	<b>82.26</b>	<b>216.21</b>	<b>156.03</b>	<b>347.82</b>
4	<b>Tax expenses</b>						
	(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	<b>Profit / (Loss) for the period (3+4)</b>	<b>107.29</b>	<b>54.23</b>	<b>54.89</b>	<b>161.52</b>	<b>105.59</b>	<b>250.37</b>
6	<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	0.70	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	<b>Total Comprehensive Income for the period (Comprising (loss) / profit and Other Comprehensive Income/(Expenses) (net of tax) for the period (5±6))</b>	<b>107.79</b>	<b>54.73</b>	<b>55.67</b>	<b>162.52</b>	<b>107.16</b>	<b>252.36</b>
8	<b>Paid up equity share capital (Face value- Rs.10 per share)</b>	<b>128.85</b>	<b>128.85</b>	<b>128.85</b>	<b>128.85</b>	<b>128.85</b>	<b>128.85</b>
9	<b>Earnings per equity share (of Rs. 10 each):</b>						
	(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)
<b>I Assets</b>			
(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
<b>Total Non-current assets</b>		<b>2,081.84</b>	<b>2,097.54</b>
(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
<b>Total Current assets</b>		<b>4,090.23</b>	<b>4,264.46</b>
<b>Total assets (1+2)</b>		<b>6,172.07</b>	<b>6,362.00</b>
<b>II Equity and liabilities</b>			
(1) Equity			
(a) Equity share capital		128.85	128.85
(b) Other equity		2,365.04	2,234.53
<b>Total equity</b>		<b>2,493.89</b>	<b>2,363.38</b>
<b>Liabilities</b>			
(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
<b>Total Non-current liabilities</b>		<b>250.91</b>	<b>284.50</b>
(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
<b>Total Current liabilities</b>		<b>3,427.27</b>	<b>3,714.12</b>
<b>Total equity and liabilities (1+2+3)</b>		<b>6,172.07</b>	<b>6,362.00</b>





## 2. Statement of unaudited standalone cash flows

(Rs. in million)

	Six month ended September 30, 2020 (Unaudited)	Six month ended September 30, 2019 (Unaudited)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	216.21	156.03
<b>Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:</b>		
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
<b>Operating profit before working capital changes</b>	<b>423.82</b>	<b>362.37</b>
<b>Working capital adjustments:</b>		
(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)
<b>Cash generated from / (used in) operations</b>	<b>156.24</b>	<b>786.39</b>
Direct taxes paid (net of refunds)	(9.00)	(3.15)
<b>Net cash (used in) / from operating activities</b>	<b>147.24</b>	<b>783.24</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
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
<b>Net cash (used in) / from investing activities</b>	<b>(52.80)</b>	<b>(260.86)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
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)
<b>Net cash (used in) / from financing activities</b>	<b>(111.16)</b>	<b>(433.24)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(16.72)</b>	<b>89.15</b>
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
<b>Cash and cash equivalents at the end of the year</b>	<b>38.20</b>	<b>135.65</b>
<b>Total cash and cash equivalents</b>	<b>38.20</b>	<b>135.65</b>



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](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)).
- 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

