Ref: CEL/NSEBSE/IP/28092020 28th September, 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

Re: Scrip Symbol: CENTUM/ Scrip Code: 517544

Dear Sir/ Madam,

Sub: Updated Investor Presentation

Further to our communication dated 3rd September, 2020, please find enclosed herewith the updated Investor Presentation. Kindly take the same on your records.

Pursuant to Regulation 46(2)(o) of the Listing Regulations, the aforesaid Investor Presentation is also uploaded on the website of the Company i.e. www.centumelectronics.com

Yours faithfully,
For **Centum Electronics Limited**

NAGARAJ K V Digitally signed by NAGARAJ K V Date: 2020.09.28 15:34:29 +05'30'

Nagaraj K V
Company Secretary & Compliance Officer

Encl: as above

Centum Electronics Limited
44, KHB Industrial Area, Yelahanka New Town, Bangalore - 560 106, Karnataka, India
Tel +91-(0)80-4143-6000 **Fax** +91-(0)80-4143-6005 www.centumindia.com
CIN - L85110KA1993PLC013869

INVESTOR PRESENTATION

SEPTEMBER 2020

Snapshot

25 years of domain expertise in Electronics Design & Manufacturing Solutions

Global Operations with strong presence in India, Europe and North America

Concept to Commissioning capabilities

2,100 Employees
650 Designers

Flexible Engagement Models

Strong Supply Chain Network

Strong relationship with marquee global clients

Serving segments with Hi-Tech, High Entry Barriers

Healthy Order Book of ~INR 12,000 Mn*

Single Source Supplier for ~80% of manufactured products

75% Revenues from Overseas Customers in Advanced Economies

Strong Corporate Governance

** Not including client forecasts of EMS division & signed LOIs for Transportation products*

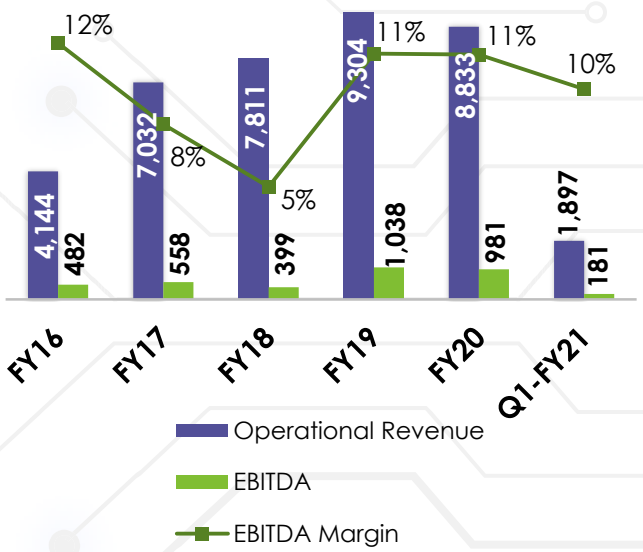
Company Overview

- Founded in 1993, Centum Electronics Limited (Centum) is one of the largest Electronics System Design and Manufacturing (ESDM) companies in India.
- Competencies across product design and manufacturing of complex and critical products and supplying to marquee customers in the most advanced economies as well as in India.
- Offering entire spectrum of design services and manufacturing of systems, subsystems for mission critical products in Defence, Space, Aerospace, Industrial, Transportation and Medical sectors.
- World-class design & manufacturing facilities across North America, Europe and India, with cutting edge infrastructure as well as a global supply chain capable of delivering products with high quality and reliability anywhere in the world.

Key Business Segments:

- **Engineering R&D (ER&D) Services (38%) –** Involves conceptualizing and designing of Electronic Hardware, Embedded Software, FPGA, Analog, Radio Frequency products, etc.
- **Electronic Manufacturing Services (EMS) (35%) –** Services include manufacturing services solutions focused on a High Complexity products in high technology segment
- **Build-To-Specification (27%) –** Services include turn-key solutions to take project from conception to mass production quickly and efficiently.

Operational Income (In Mn) and EBITDA



Industry Breakup

Defense, Space & Aerospace

44%

Transport & Automotive

30%

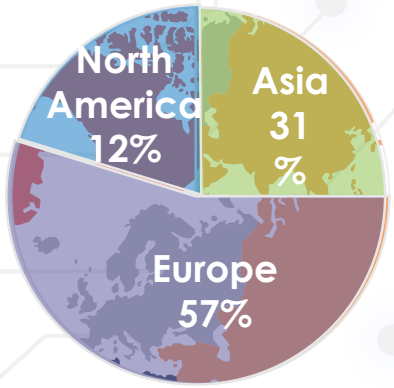
Industrial & Energy

20%

Healthcare

6%

Geographical Breakup



Key Milestones

2016-2020
Future Proof Expansion

- Greenfield expansion for EMS capacity
- Acquisition of Adetel Group to expand service offerings of ER&D Services, establish global footprint across Europe and North America and new customer/market access
- Exit from FCP component business through sale of 51% stake to JV partner
- Capacity enhancement for space & defence business to support strong order book growth

2010-2016
Growth across the board

- FCP business growth in Telecom due to product performance & global cost leadership
- Defence & Space segment growth due to indigenization thrust and defence offset policy
- Growth in EMS business after investment in international Sales & Marketing

2006 - 2010
Restructuring

- Demerger of EMS into Solectron EMS
- Buy back & Merger of EMS following Flextronics' acquisition of Solectron
- Centum Rakon JV formed for Frequency Control Products (FCP) for technology and market access to global OEMs
- Exit of domestic telecom components business for C-DOT

1993 - 2006
Initial Years

- Incorporated and setup manufacturing facility for Hybrid Microelectronics
- Inaugurated as a pioneer in High-Tech electronic manufacturing in India
- Established a leading position in the Indian telecom components market
- JV with CMAC Industries Canada followed by entry and growth in export markets
- Foray and growth in EMS business following Solectron's acquisition of CMAC Industries

Board of Directors

Apparao V Mallavarapu - *Chairman & MD*
Apparao (Rao) V Mallavarapu 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. He has been recognized as "Electronics Man of the Year" and "Champion of Innovation" by premier organization.

Nikhil Mallavarapu - *Executive Director*
Mr. Nikhil has been associated with Centum since 2012 has served in various leadership positions including overall business unit management and group level Corporate & Strategy Development. Prior to joining Centum, he worked at the multinational semiconductor company- Analog Devices in Boston. Mr. Nikhil holds MSc and BSc Degrees in Electrical and Computer Engineering from Carnegie Mellon University and an MBA from the INSEAD Business School in France.

Manoj Nagrath - *Independent Director*
Manoj Nagrath is the Managing Partner of the firm S.P. Nagrath & Co. LLP, Chartered Accountants, a highly reputed accounting advisory firm with offices in New Delhi and Bangalore. He has advised several large multinationals on a range of cross border and domestic transactions. Mr Nagrath became a member of the Institute of Chartered Accountants of India in 1983.

S. Krishnan – *Independent Director*
Mr. S. Krishnan has close to 40 years of rich experience in the areas of Electronics 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 was instrumental in the companies growth. Mr. Krishnan served in the microelectronics group of Bharat Electronics Limited (BEL) prior to joining Centum.

Pranav Kumar N Patel - *Independent Director*
Mr. Pranav is the founder and CEO of MediTechSafe, USA an innovative healthcare oriented cybersecurity company. Prior to this, he has held various senior executive roles including leading GE's Healthcare Services business in North America as well as Chief Marketing Officer at GE Aviation. Pranav has also co-authored 6 patents in fields of Microwave integrated circuits, multi-chip module, packaging and energy storage systems

Rajiv C Mody - *Independent Director*
Mr. Rajiv C Mody is the Founder, Chairman, Managing Director & CEO, of Sasken Technologies Ltd. (Sasken). Under his leadership, Sasken has grown into a global powerhouse in Product Engineering and Digital Transformation services. Prior to founding Sasken, he worked with corporations like AMD, Seattle Tech Inc., and VLSI Technology Inc. Mr Mody has served as an Executive Council Member of NASSCOM (2001-2008) and is part of the Harvard Business School South Asia Advisory Board.

Dr. Swarnalatha Mallavarapu – *Non-Executive Director*
Dr. Swarnalatha Mallavarapu (Latha) is the Managing Director of Centum Industries Private Limited. Dr. Latha holds a Ph.D in Physics and has worked at premier research institutes including the US Air Force Weapons Labs in Albuquerque, the Indian Institute of Science in Bangalore and the R&D division of Bharat Electronics Limited. Her research in thin films and devices for applications have been well recognized. Dr. Latha was a government nominated member of the Syndicate of Bangalore University and also served a Chairperson for FICCI Ladies Organization, Karnataka Chapter.

P. Thiruvengadam - *Independent Director*
Mr. Thiruvengadam was a National Director at Deloitte Touche Tohmatsu India Pvt. Ltd (DTTIPL) providing leadership to the HR transformation practice. He has over 40 years of global experience in management consulting with expertise in HR Strategy & Talent Management, Business Process Improvement and Strategic Planning among other advisory services. He is a Cost Accountant from The Institute of Cost Accountants of India and a graduate from Indian Institute of Technology, Madras.

Kavitha Dutt Chitturi - *Independent Director*
Mrs. Kavitha Dutt Chitturi is the Joint Managing Director at KCP Ltd., a diversified company involved in the manufacture of Cement, Heavy Engineering, Sugar and Power Generation. Under Kavitha's stewardship KCP has also ventured into the hospitality industry. She is Chairperson FICCI, Tamil Nadu State Counciland has served as Joint Managing Director of The KCP Limited, Kavitha, among other responsibilities, also holds full charge of Human Resource functions of the Group.

Key Management Personnel

K S Desikan - *Chief Financial Officer*

K S Desikan has been serving as CFO at Centum since 2001 and has been instrumental in the development of the strategy and growth of the company. He has an overall experience of 34 years. Prior to joining Centum, he served leading organizations like Tube Investments of India and BPL Ltd in various capacities. He is a commerce graduate, Chartered Accountant and Cost Accountant.

Sathya Doraiswamy - *President - EMS*

Sathya Doraiswamy has been with Centum since Nov 2019. He has 17+ years of combined experience in General Management, Operations, and Sales. Prior to Joining Centum he spent 13 years at Harman Inc, in leadership roles spanning Global Operations, Product Management and business development in the US. He also worked in Quality leadership roles at Marquardt switches,.

Francois Sebes - *CEO - Centum Adetel*

Francois Sebes founded Adetel Group in 1990 as a provider of Engineering Services specialized in electronics products and systems in high technology sectors. Under his leadership, the company has grown into a highly reputed company with 600 employees in France, Canada and Belgium and India. He facilitated the acquisition of Adetel by Centum Electronics to benefit from the advantage of greater international presence and strong manufacturing capability. Prior to this, he worked at THALES Avionics and CISI Group.

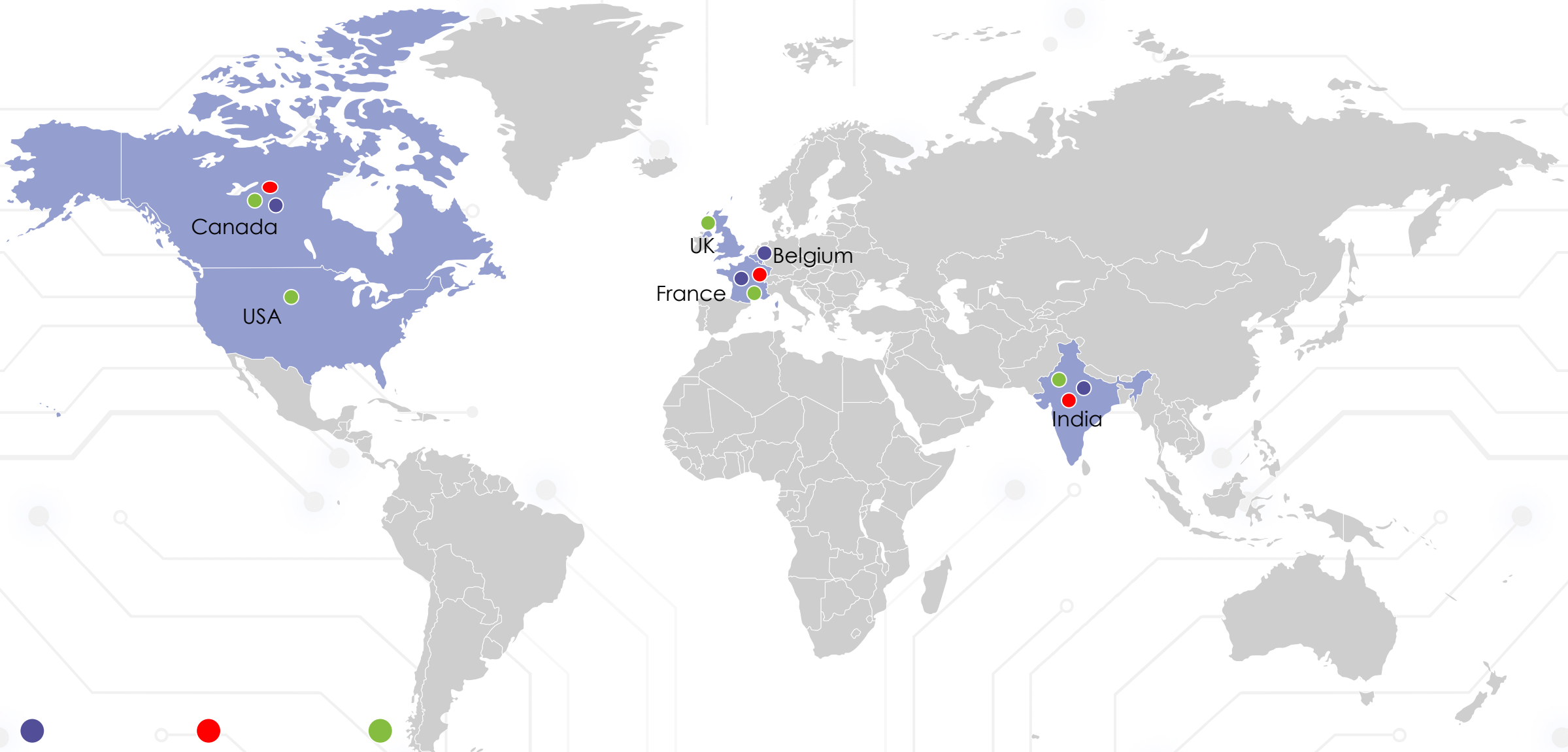
Vinod Chippalkatti - *President - SEBU*

Vinod Chippalkatti is responsible for the Build to Spec business in Centum delivering mission critical products for Satellites, Launch Vehicles, Radars, Missiles among others. He completed his Bachelor's and Master's degree. He has been with Centum for 20 years in different leadership positions including heading the design and engineering function. Prior to joining Centum 20 years ago, he spent 10 years at the Indian Space Research Organization working on India's first series of communication satellites.

Suresh Iyer - *Chief Growth Officer*

Suresh is a Techno Commercial leader who comes with 25+ years of experience in Global Sales, Supply Chain Consulting and Digital Transformation. Most recently, he was President & CEO of Corbus, a Supply Chain Consulting firm and prior to that was Vice-President and Global Practice Leader for Supply Chain & Procurement Services with Genpact operating out of Cincinnati, Ohio. He has worked extensively with clients helping them with Business Transformation, Lean Digital Manufacturing and Operations Improvement Programs.

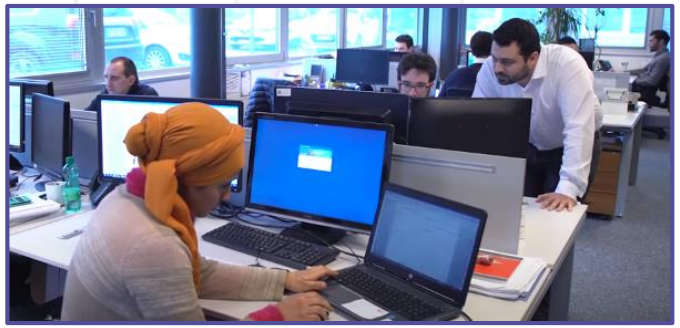
Geographical Presence



Design Team Manufacturing Sales & Support

Manufacturing Facilities

Canada



Design Department - France

Micro Electronics Manufacturing - Bangalore

New Facility in Bangalore Aerospace Park

EMS Manufacturing - Bangalore

Testing Lab - Bangalore

Awards & Recognition in Last Few Years

Centum

Global Growth Company

Highest Growth – Electronic Hardware Exporter

Centum in Forbes Asia's 200 BUB list

Electronics Man of the Year

Best Electronics Manufacturing Company In A&D Category

Champion Of Innovation (Mr Mallavarapu Apparao)

Best Electronic System Design Company Award

Excellence in Financial Reporting from ICAI

Certifications

ISO 9001

Aerospace
AS/EN9100 Rev D

Medical
ISO13485

Automotive
IATF 16949

Railways
IRIS - Rev 2

French R&D
certification

Information Security
& Management
system ISO 27001

Environment
ISO14001

Health & Safety
OHSAS 18001

ESD 20:20

Approved R&D
facility by DST &
GOI

*Additional customer specific certifications required to be qualified as a supplier

Centum's Value Proposition

CENTUM

- **Global Footprint** close to the customers
- Uniquely positioned as a **one-stop-shop solution** provider with end to end capabilities.
- **Flexible engagement models** tailored to project specific needs

CONVENIENCE & FLEXIBILITY

- Competitive Engineering R&D by balancing on-shore/offshore mix
- Competitive Manufacturing by leveraging Indian cost base and supply chain strengths
- Focus on **"Design To Cost", & "Total cost of ownership"**

COST

- **Integrated Fast New Program Management** can reduce time to market, support costs
- **Early implementation** of sourcing and industrialization strategy improves quality in ramp up

TIME TO MARKET

- **Strong Domain Expertise** to conceptualize & realize High Reliability Electronics
- Quicker **time to market** through Centum industrialization/NPI framework
- Ability to **manage product lifecycle challenges**

PROACTIVE LIFE CYCLE MGMT.

Future Growth Strategy

Deeper entrenchment of customers by offering one-stop-shop solutions with vertically integrated capabilities and value-added services

Clear focus towards achieving sustainable growth, while enhancing margin profile by reducing costs and deleveraging

Expand customer portfolio domestically and internationally

Leverage "Make in India" policy boosters

Enhancing customer penetration in high growth industry verticals like Healthcare, Automotive etc.

Identify opportunities in "New space" global supply chain

Prudent expansion in infrastructure & technical competencies to support growth

Enhance solutions towards Industry 4.0 for increased digitization and automation

BUSINESS OVERVIEW

Business Segments and Sectors Served

CENTUM

CONCEPTUALIZE SPECIFY

- Feasibility
- Architecture
- System development
- System simulation
- Mock-up

DESIGN

- Hardware design
- Software design
- FPGA design
- Test tools design
- Simulation
- Mechanical design

PROTOTYPE & VERIFY

- Electrical CAD
- Design For X (DFX)
- Mechanical CAD
- Prototyping
- Bring up
- Test & Verification
- Qualification

PILOT PRODUCTION

- Qualification batch
- Test tools acceptance
- First Article review
- Norms compliance
- Certification process

MASS PRODUCTION

- Manufacturing
- Release mgmt.
- Documentation
- Product analysis
- Test tools handling

AFTERMARKET / LIFE CYCLE SUPPORT

- Value engineering
- Obsolescence mgmt.
- Cost analysis
- Test tools mgmt.
- Product migration

ER&D Services - 38%

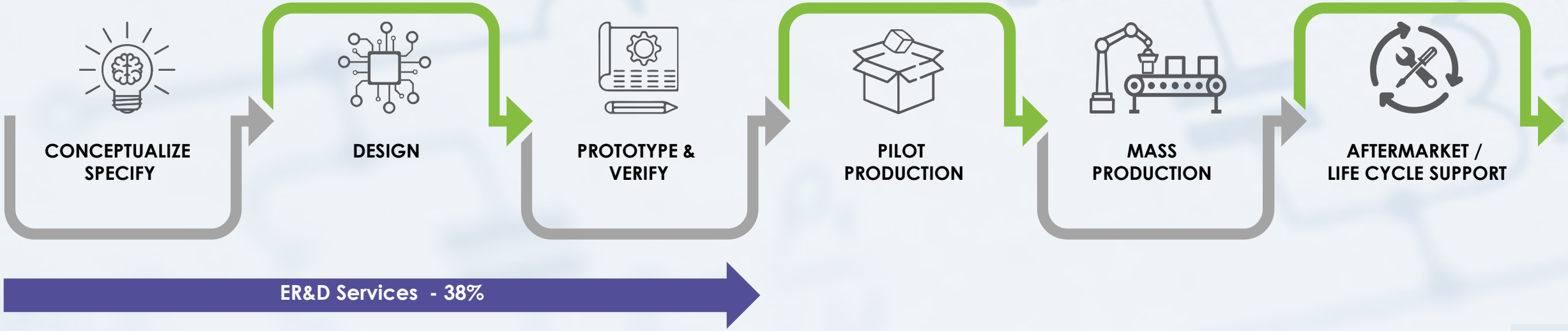
EMS - 35%

BTS - 27%

	ER&D	EMS	BTS
Defence	●	●	●
Space	●		●
Aerospace	●	●	
Transportation	●		●
Automotive	●		
Industry & Energy	●	●	
Healthcare	●	●	

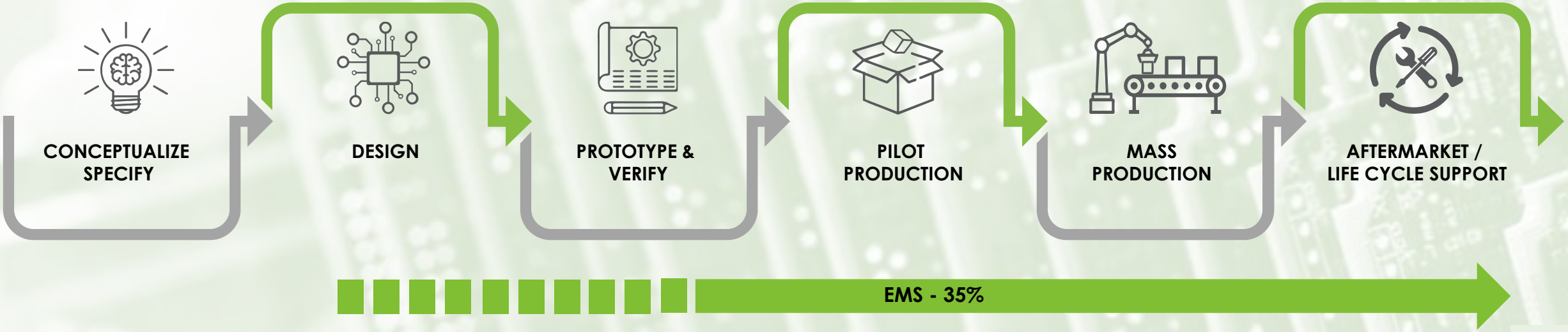
Engineering R&D Services (ER&D)

- Engineering Services involve conceptualizing, designing and certifying of Electronic Hardware, Embedded Software, FPGA, Analog, Radio Frequency products, Power Electronics, etc.
- Centum Group has a global design strength of over 650 design engineers and for the last 25 years company has been helping customers turn their ideas into products.
- Centum's engineers work together in multidisciplinary teams to realize customized products for mission critical applications in high technology segments.
- The company's design centers are located in Europe, North America and India, which enable the company to work closely with international customers while bringing together the best talent from around the world to work on complex problems and provide a competitive solution by managing the optimal onshore/offshore mix for the projects.
- Centum also provides flexible engagement models depending on the specific project requirements. Customers can chose between Consulting Engagements and Fixed Price Contracts.



Electronic Manufacturing Services (EMS)

- The company's EMS Services include manufacturing solutions focused on a High reliability, High Complexity products in high technology segment
- Centum offers a wide range of manufacturing solutions from Printed Circuit Board assemblies to Complex box builds, Line Replaceable Units (LRU) and full system integration.
- The company helps its customers realize challenging products by having customer-focused teams that leverage their streamlined processes and systems and adapt them to the specific requirements of the customer and product where necessary.
- By providing scalable manufacturing solutions and a flexible, proactive approach to managing the supply chain and lifecycle related challenges, Centum helps customers achieve their goals of lower Total Cost of Ownership and reduced time-to-market among others.

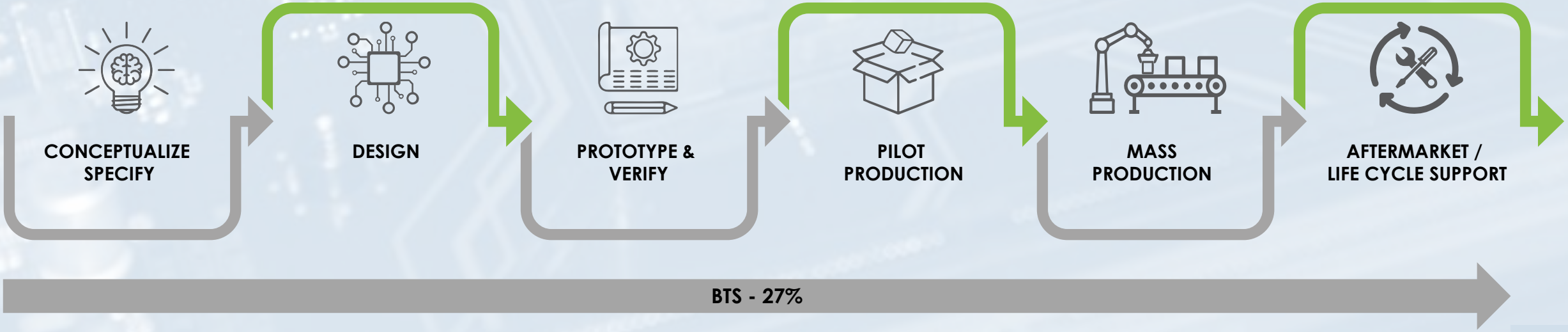


Build to Specification (BTS)

- The Built to Specification services include taking a project from conceptualization to mass production quickly and efficiently. Centum's unique positioning with a full range of integrated capabilities make it the ideal product realization partner.

- Customers choose turn-key build to spec offering due to convenience of a single Point of contact for Design/Engineering, Industrialization and Manufacturing which reduces the need for multiple interfaces at each stage of the project and also fastens the products time-to-market and facilitating a Design-To-Cost approach and reducing the Total Cost of Ownership. This engagement model involves higher IP and value creation opportunities for both the customer and for Centum.

- The company is also able to better the product Lifecycle management by proactively and effectively managing issues such as obsolescence, performance upgrades, market-specific localization and cost reduction.



Aerospace, Space & Defence

AEROSPACE

- The Aerospace industry has several ongoing technological initiatives to make aircrafts more fuel efficient, environmentally friendly and safer, which involves incorporating more electronics onboard, making avionics platforms more configurable, and of course factoring in environmental issues and reducing human error to improve safety.
- Alongside products for command & control, power electronics and energy storage applications, Centum is also developing activities in ground and flight testing -- using its own test benches and simulators.
- Centum plays a key role in the global aerospace supply chain delivering critical electronics for cockpit computers, Air Traffic Management and also works closely with OEMs to design next generation flight controls, Power solutions among various other technologies.

SPACE

- Space technology is progressing at a rapid pace driven by commercial applications such as satellite broadcasting, communication, Earth observation, geo-location, and global navigation equipment and services.
- Centum has established a credible track record since 2002 in this segment delivering complex products that address applications in launch vehicles, satellite payloads, satellite bus systems as well as ground equipment.
- The company is also a leading electronics industry partner and one of the largest private contractors for ISRO, involved in its various stages of design, development, qualification and production of electronic modules, subsystems and systems for multiple applications in satellites and launch vehicles. Keeping in mind the growing number of missions of ISRO.
- Centum has made significant investments to ensure that they can deliver products with the right quality, technology and in required quantities to be a trusted partner. It has delivered mission critical electronics on almost all satellite programs of ISRO including the ambitious Chandrayaan and Mangalyaan projects, and also delivered 300 to 500 components for almost every Indian space missions.

DEFENCE

- Centum started its defence business in 2010 and it is today the largest industry vertical for the company. Over the years the company has been successful in developing and manufacturing critical systems for major Defense programs which span across land, air and naval systems with applications in Missiles, Electronic Warfare, Radar, Military Communications, and fire control amongst many.
- For the past two decades, Centum has also been engaged in the development and manufacture of modules, subsystems for missiles, radars and military electronic warfare communication applications for DRDO laboratories, Ordnance Factories and other domestic defence PSUs, and over the past decade, Centum has become one of the select few indian partners to international defence OEMS as well.

Industrial & Energy

Industrial Equipment Diagnosis

Industrial Circuit Breaker Control System

Solar Energy Power Cabinet

HIL Test Simulator Turbo Alternator Regulation

- The digital transformation in utilities, infrastructure and manufacturing among other industrial segments is driving new products that are smart, collaborative and result in efficiencies for end users.
- Centum enables its customer to realize such products for applications in automation, control and measurement, energy among others.
- Centum's expertise in energy conversion and storage technology has helped customers develop customized Microgrid solutions as well as new solutions for railway infrastructure projects.

Oil & Gas Industry

Electronics for Phased Array Flaw Detectors

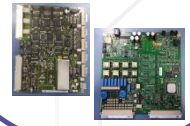
Smart Valve Interface

Industrial Automation

Industrial 2 Wire Transmitter

Distributed Control Systems

Power Grid Industry



Scada System for Power Plant Automation

Teleprotection Equipment

Utility Communication Equipment

Healthcare

- The field of healthcare is rapidly adopting new technologies to augment the quality of treatment and create efficiencies for healthcare providers.
- Centum has engineered a variety of medical devices and equipment for the Healthcare industry that include digital radiography systems, automated pump for drug injection, ultrasound equipment, patient monitoring devices, customized room controls for operation theaters among others.

Electronics for Infusion Pump

Electronics for X-ray Flat Panel Detectors

Medical Injection System

Medical Electronic Board

Medical Panel for Surgery Room

Medical Flat Panel Acquisition Board

Medical Product Test Area

Transportation & Automotive

TRANSPORTATION

- Centum is at the forefront of Transportation sector working very closely with the leading global OEMS and rail operators on developing the next generation technologies for rolling stock and signaling applications.
- Centum has developed proprietary technologies in two key product lines listed below, where our products have been deployed onboard trains in North America, Europe, Asia and Australia for Signaling equipment and Passenger Information Systems
- In addition, Centum provides specialist engineering services and manufacturing services to help clients to meet operational, commercial and regulatory requirements.

AUTOMOTIVE

- The automotive industry is going through a dynamic transformation with new players entering the market introducing disruptive technologies incorporating electronics for applications such as autonomous driving, powertrain architecture, connectivity among others.
- Being a specialist in electronics design and manufacturing services Centum supports customers navigate this transformation by turning big ideas into reliable and performing solutions
- Centum's strong knowledge and experience of developing products to the required safety standards as well as past references in developing similar products for the aerospace and rail transport domains has positioned us well to support our customers as they develop new products and technologies to stay ahead.

Railway Automation System

Railway Embedded Controller

Railway Embedded Computer Board

Assisted Car Navigation

Automotive Telematic Module

Automotive Flexray Demonstrator

Railway Energy Storage System (NEOSEE)

Railway Energy Module (POWERLIC)

Automotive Elec Board for Solar Roof-smartop Project

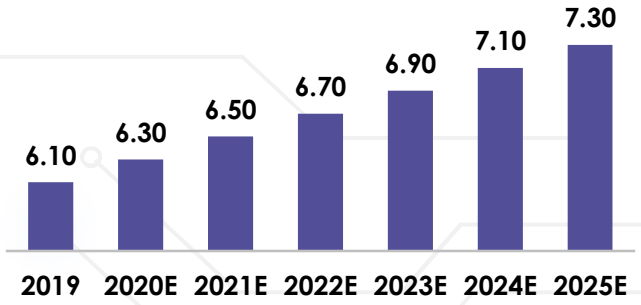
Power Steering Encoder Acquisition system

INDUSTRY OVERVIEW

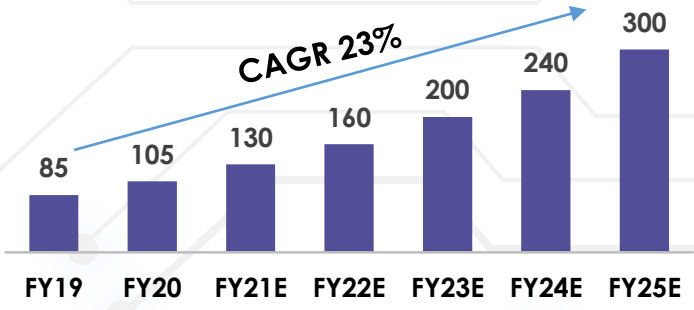
ESDM Industry

- During 2019 2025, the global electronics industry is expected to grow at a CAGR of 3% to reach a size over USD 7.3 Tn by 2025.
- In a span of two years, India's export of electronic goods has grown 85% to reach USD 11.8 Bn in FY20, increasing its share in the global electronics market to 3.3%
- Indian Electronics System Design & Manufacturing (ESDM) Market is valued at USD 105 Bn in FY20 and is expected to grow steadily and reach USD 220 Bn by 2025. The Electronics System Market is expected to grow 2x from USD 81 Bn in 2020 to reach USD 160 Bn by 2025. The Electronics Design Market is expected to grow from USD 24 Bn in 2020 to reach USD 60 Bn by 2025.
- With a strong network of science & technology institutions and trained manpower, India has the third largest scientific and technical manpower in the world. This makes the country a strong base for future innovations and for availability of skilled workforce.
- Government of India's continued focus on Self-Reliance with specific policies to promote manufacturing in India. The Reduction of corporate taxes, announcement of schemes to incentivize manufacturing and capital investment in India combined with a large, growing domestic market and globally competitive wage rates presents a very good case for Indian manufacturing.
- The US-China Trade war which triggered many US companies to revisit their supply chains in light of the tariffs levied on import of electronic items from China.
- The Covid-19 pandemic which has accelerated industries world over to de-risk their manufacturing and supply chain footprint and to ensure business continuity plans are put in place. This is has resulted in many companies moving to a "China plus One" strategy with India being a strong contender for several companies.

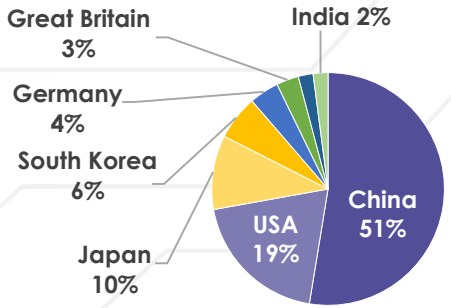
Global Electronic Market Size (USD Tn)



Indian Electronic Production Market (USD Bn)



Global Share of Electronics Producers



Source: Singhi Advisors ESDM Report

Space, Defence, Transportation & Other Industries

- **Defence:** In India, the defence capital outlay stood at around INR 1.1 Lakh Cr for FY20 and has grown at a 7% CAGR over in the past 5 years. This trend expected to continue given the geopolitical scenario and recent border tensions. According to estimates about 40% of the capital outlay was allocated toward domestic production while the remainder was toward imports. With the government prioritizing Self-Reliance through new guidelines in the DPP, the balance is expected to shift in favor of domestic defence companies. The private sector also contributes only 20-25% of domestic defence production which is expected to increase with the opening up of the sector.

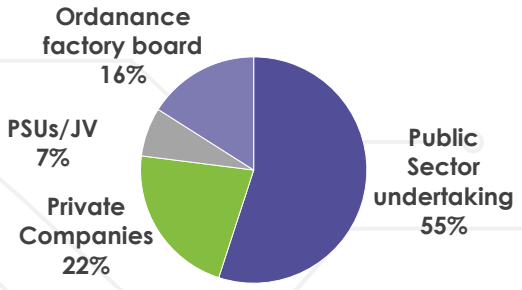
- **Space:** The number of satellites and launches have steadily increased over the past 5 years for applications ranging from communications, defence, earth observation and other scientific missions. The demand for more satellites remains strong as transponder capacities need to be augmented to support increasing data/broadband and DTH requirement. ISRO's Human Space flight program, other scientific and earth observation missions as well as MoDs objective to strengthen India's space warfare capabilities provide further impetus to the sector over the medium term.

- **Transportation:** The Transportation sector is projected to remain relatively stable despite lower ridership in the short term. Governments are expected to continue major infrastructure projects across geographies to support longer term objectives of managing mobility more efficiently in cities and towns. Smart and Green mobility technologies will remain a focus in the years to come.

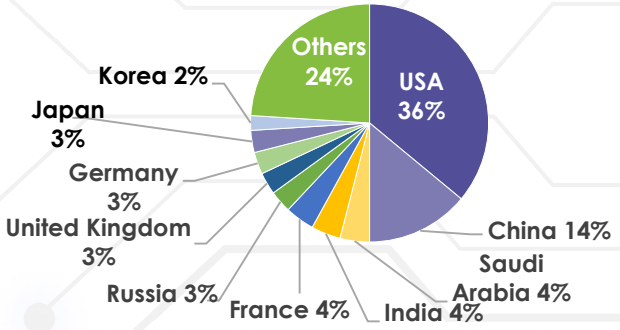
- **Industrial:** The Industrial Sector address a wide range of application including Oil & Gas, Industrial Automation for process industries, Electrification, Utilities etc. The sharp decline in oil price combined with the temporary reduction in capex budgets for many industrial companies is expected to have a short-term adverse impact in this segment. On the other hand, electrification and power grid infrastructure projects are expected to remain relatively stable.

- **Medical:** The Medical devices industry is a growing segment and has attracted all the more attention in the wake of the Covid-19 pandemic. There is also expected to be more investment and demand for remote monitoring and devices that enable telemedicine and predictive diagnostics. Regulation and a growing share of healthcare spend in emerging economies are also key focus themes in this segment in the near to medium term.

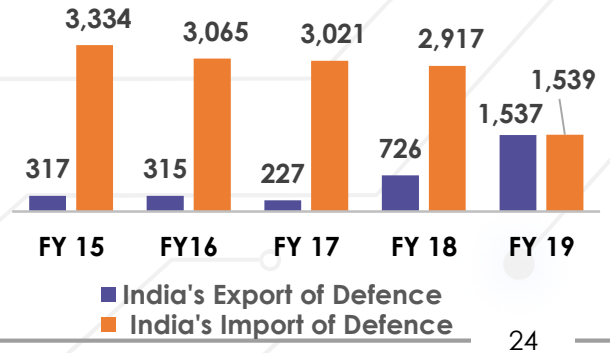
Defence Production



Global Share of Military Expenditure



India's Exports & Imports of Defence (USD Mn)

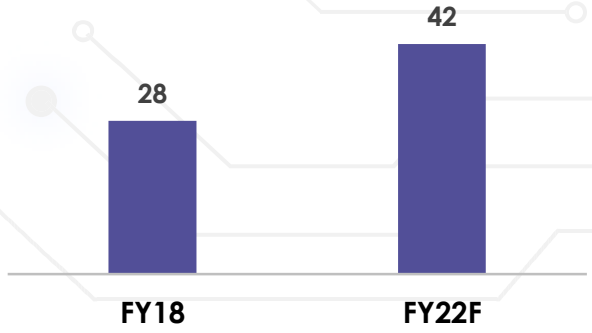


Source:

Engineering R&D Service Industry

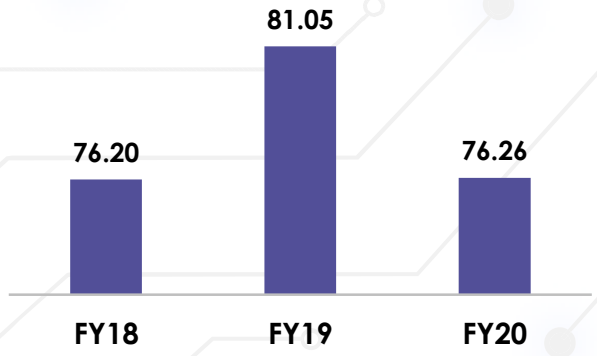
- Global engineering R&D services outsourcing market is anticipated to reach more than USD 650 billion by 2025 according to a new report published by The marker research report. The major factors which are driving this market is the access to low cost highly skilled resources which can work towards complex tasks of not only designing and testing but also on validation, simulation and execution.
- Global Engineering R&D (ER&D) space and estimated that the Global ER&D spend by organizations worldwide stands at USD 1.4 Trillion in 2019, and is expected to grow at a CAGR of 7% to cross USD 2.2 Trillion by 2025.
- India will account for 41% of the global digital engineering services market by 2025, according to report by consulting firm Zinnov. As of now, India accounts for $10.6 billion of the digital engineering market share which is expected to increase four-fold in five years.
- The Indian ER&D sector already employs about 7,00,000 people in the country, which could rise to one million by 2025, if the conditions for growth become more favourable
- India's engineering R&D market will increase from US$ 28 billion in FY18 to US$ 42 billion by FY22F. India needs Rs 235 trillion (US$ 3.36 trillion) of investment in infrastructure in the next decade. The export of engineering goods is expected to reach US$ 200 billion by 2030.

Engineering R&D* (USD Bn)



**including product engineering services*
F- Forecast

India's Engineering Export (USD Bn)



Source: PR News Wire, Livemint, Economic Times, Cue Report, IBEF

FINANCIAL OVERVIEW

Standalone Income Statement

Particulars (INR Mn)	FY18	FY19	FY20	Q1-FY21
Operational Income	**3,587**	**4,987**	**4,824**	**1,053**
Total Expenses	3,585	4,290	4,111	895
EBITDA	**2**	**697**	**713**	**158**
EBITDA Margins (%)	***0.06%***	***13.98%***	***14.78%***	***15.00%***
Other Income	76	38	43	8
Depreciation	120	121	132	38
Finance Cost	150	268	277	55
Exceptional Items	-	329	-	-
PBT	**(192)**	**675**	**347**	**73**
Tax	26	95	97	19
PAT	**(218)**	**580**	**250**	**54**
PAT Margins (%)	***NA***	***11.63%***	***5.18%***	***5.13%***
Diluted EPS (INR)	(17.02)	45.00	19.42	4.21

Standalone Balance Sheet

Particulars (INR Mn)	FY19	FY20
ASSETS		
Non-Current Assets	**2,039**	**2098**
(a) Property, Plant & Equipment	972	1,116
(b) Capital Work in progress	71	14
(c) Goodwill on Consolidation	36	36
(d) Other Intangible Assets	17	54
(e) Right of use asset	-	21
(f) Intangible assets under development	30	-
(g) Financial Assets		
(i) Investments	489	489
(ii) Long-term Loans and Advances	20	21
(iii) Other financial assets	261	259
(h) Deferred tax assets (net)	51	28
(i) Non-current tax assets (net)	34	34
(j) Other non-current assets	59	26
Current Assets	**4,556**	**4,264**
(a) Inventories	2,251	2,204
(b) Financial Assets		
(i) Investments	-	
(ii) Trade Receivables	1,863	1,700
(iii) Cash and Cash Equivalents	45	55
(iv) Bank balances other than above	118	97
(v) Others current financial assets	125	77
(c) Other Current Assets	154	131
(d) Assets classified as held for sale		
TOTAL ASSETS	**6,595**	**6,362**

Particulars (INR Mn)	FY19	FY20
EQUITY AND LIABILITIES		
Equity	**2,172**	**2,363**
Share Capital	129	129
Other Equity	2,043	2,234
Non Current Liabilities	**294**	**284**
(a) Financial Liabilities		
(i) Borrowings	238	197
(ii) Other Financial Liabilities	-	2
(iii) Lease Liabilities	-	24
Government Grants	20	16
Net non-current employee defined benefit liabilities	37	45
Current Liabilities	**4,128**	**3,714**
(a) Financial Liabilities		
(i) Borrowings	1,626	1,494
(ii) Trade Payables	1,063	1,139
(iii) Other Financial Liabilities	313	271
(iv) Lease Liabilities	-	6
(b) Government Grants	5	4
(c) Other current Liabilities	959	683
(d) Net current employee defined benefit liabilities	6	6
Provisions	16	35
Liabilities for current tax (net)	142	77
TOTAL EQUITY AND LIABILITIES	**6,595**	**6,362**

Consolidated Income Statement

Particulars (INR Mn)	FY18	FY19	FY20	Q1-FY21
Operational Revenue	**7,811**	**9,304**	**8,833**	**1,897**
Total Expenses	7,412	8,267	7,852	1,716
EBITDA	**399**	**1,037**	**981**	**181**
EBITDA Margin (%)	***5.11%***	***11.15%***	***11.11%***	***9.54%***
Other Income	130	71	153	27
Depreciation	282	278	414	108
Finance Cost	218	349	368	79
Share of profit / (losses) of associates and JV from continuing operation	(10)	(13)	(5)	-
Exceptional Item	-	-	(105)	**-**
PBT	**19**	**468**	**242**	**21**
Tax	9.81	(3)	74	30
PAT from continuing operations	**9**	**471**	**168**	**(9)**
PAT Margin (%)	***0.12%***	***5.06%***	***1.90%***	***NA***
Diluted EPS from continuing operations (INR)	(7.32)	30.51	15.74	1.51

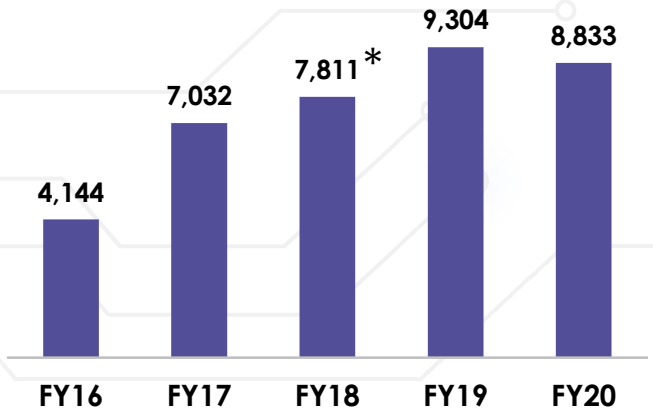
Consolidated Balance Sheet

Particulars (INR Mn)	FY19	FY20
ASSETS		
(1) Non-current assets	**2,981**	**3,759**
(a) Property, Plant and Equipment	1,130	1,253
(b) Capital work-in-progress	81	14
(c) Goodwill on consolidation	376	376
(d) Other Intangible assets	541	479
(e) Right of use asset	-	457
(f) Intangible assets under development	57	101
(g) Financial assets		
(i) Investment in joint ventures and associates	100	387
(ii) Other Investments	21	14
(iii) Loans	50	61
(iv) Other non current financial assets	479	527
(g) Deferred tax assets (net)	51	30
(h) Non-current tax assets (net)	34	34
(i) Other non-current assets	60	27
(2) Current assets	**7,981**	**7,013**
Inventories	2,369	2,358
(b) Financial assets		
(i) Trade receivables	2,743	2,489
(ii) Cash and cash equivalents	173	136
(iii) Bank balances other than cash and cash equivalents	119	97
(iv) Loans	-	-
(v) Other current financial assets	979	1,609
(c) Other current assets	335	323
(3) Assets classified as held for disposal	1,262	-
Total assets (1+2+3)	**10,961**	**10,772**

Particulars (INR Mn)	FY19	FY20
EQUITY AND LIABILITIES		
(1) Equity	**2,437**	**2,300**
(a) Equity share capital	129	129
(b) Other equity	2,061	1,923
Equity attributable to equity holders of the parent	2,190	2,051
Non-controlling interests	247	248
(2) Non-current liabilities	**1,137**	**1,281**
(a) Financial liabilities		
(i) Borrowings	862	696
(ii) Other non-current financial liabilities	-	2
(iii) Lease Liabilities	-	374
(b) Deferred tax liabilities (net)	114	92
(c) Net non-current employee defined benefit liabilities	37	46
(d) Provisions	104	54
(e) Government Grants	20	16
(3) Current liabilities	**7,387**	**7,191**
(a) Financial liabilities		
(i) Borrowings	2,285	2,025
(ii) Trade payables	1,447	1,783
(iii) Other current financial liabilities	1,153	1,666
(iv) Lease Liabilities	-	103
(b) Other current liabilities	1,676	1,468
(c) Government Grants	4	4
(c) Net employee defined benefit liabilities	6	6
(d) Provisions	17	58
(e) Liabilities for current tax (net)	142	77
(4) Liabilities directly associated with assets classified as held for disposal	658	-
Total equity and liabilities (1+2+3+4)	**10,961**	**10,772**

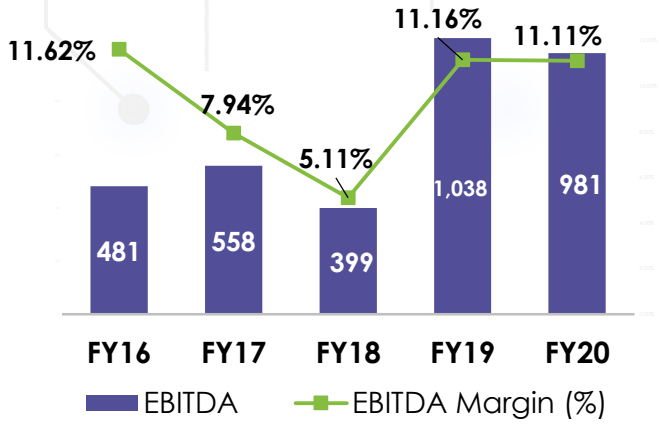
Consolidated Financial Highlights

Operational Revenue

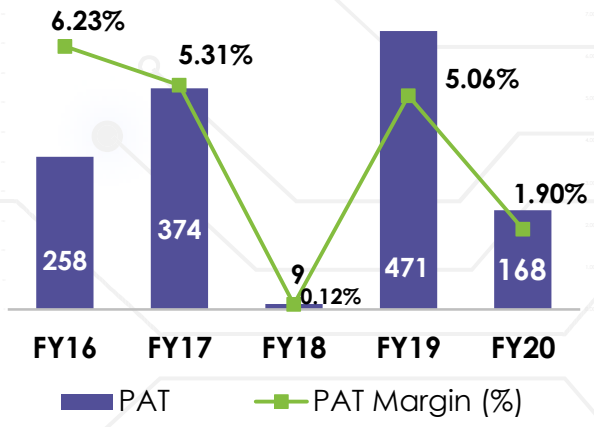


* YOY absolute growth not applicable due to sale of subsidiary

EBITDA & EBITDA Margin (%)

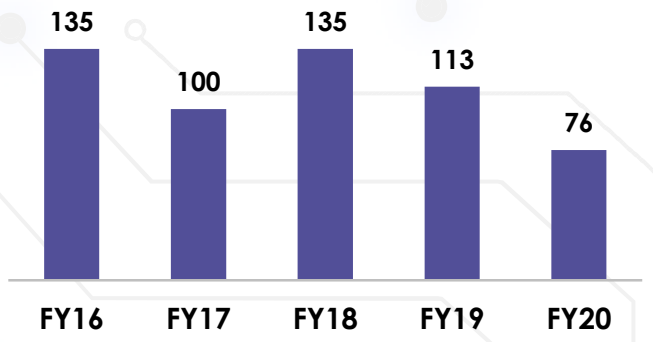


PAT & PAT Margin (%)*

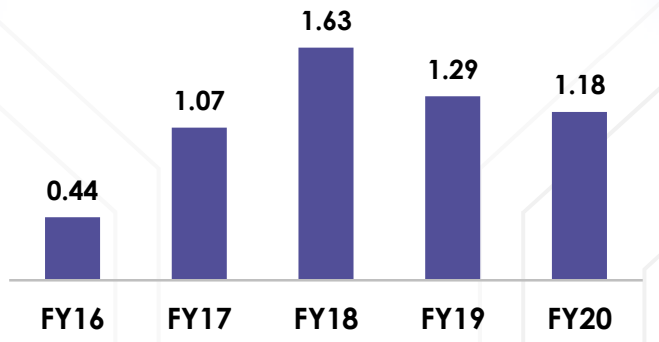


*PAT from continuing operations

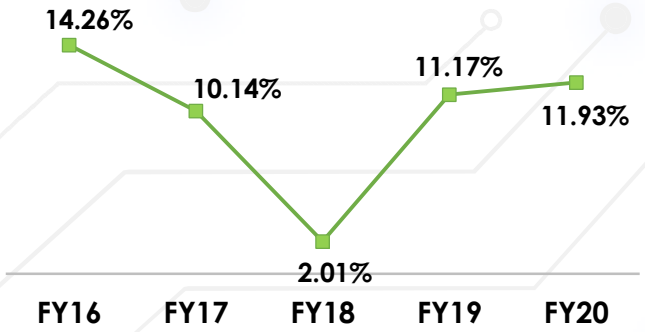
Net Working Capital Days



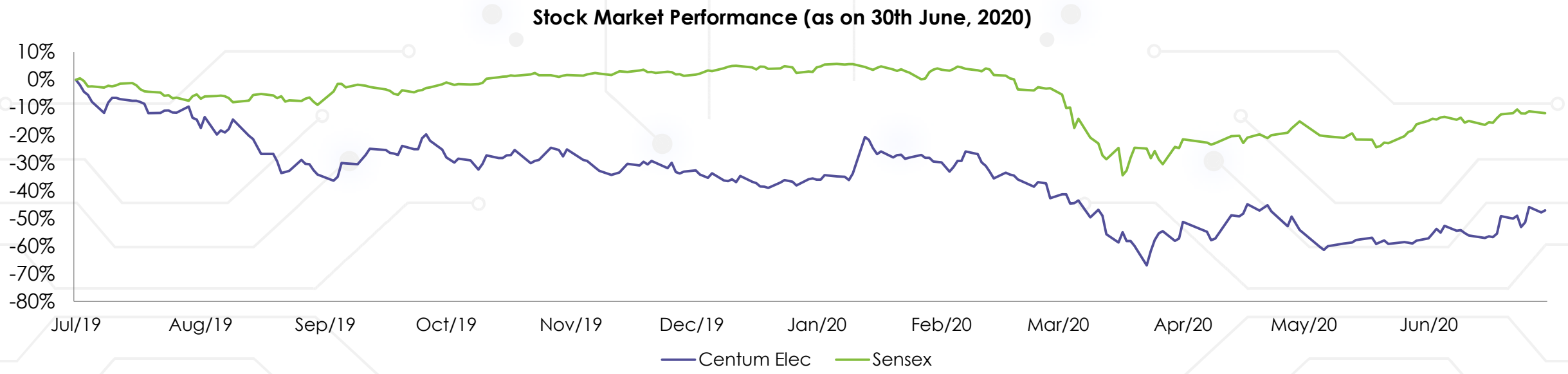
Debt to Equity



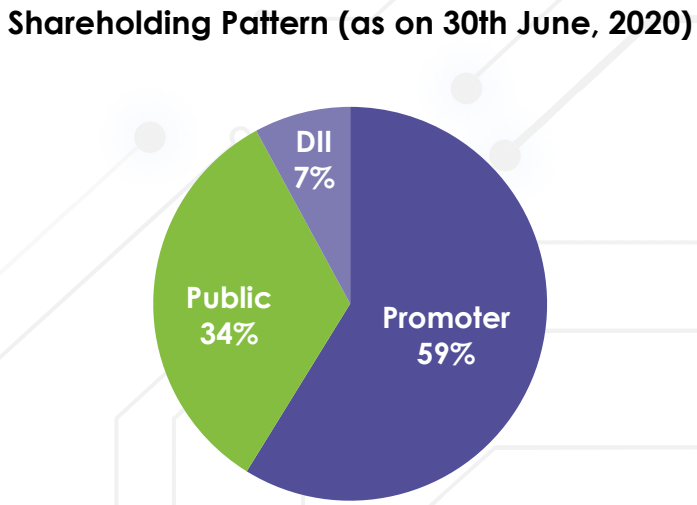
ROCE



Capital Market Data



Price Data (As on 30th June 2020)	
CMP	297.25
52 Week H/L	575.00/180.00
Avg Vol ('000)	975.56
Avg turnover (Mn)	2.18
Market Capital (INR Mn)	3,830.00
Total outstanding shares (Mn)	12.88



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